Appendix I

Exeter City Council

Scrutiny Committee-

ECONOMY UPDATE

Date: July 2009

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INTRODUCTION

This Baseline Report is produced by The Economic and Tourism Unit as the main document following a series of Labour Market profile 'Recession Watch' briefings. While the Exeter Labour Market profile briefings track and report on monthly data and change, this report is more detailed, commenting on the impacts that the recession has had on the economy in Exeter since the start of the recession.

SUMMARY

Employment – Although the number of people in employment in Exeter and EHOD remains high, unemployment has been rising since mid 2008 and the rate of the rise shows no sign of slowing down just yet. The proportion of the population in employment is expected to fall.

Claimant Count – Claimant Count numbers continued to rise in Exeter throughout the first part of 2009, although the rate of the rise slowed down and even dropped in the neighbouring districts for the first time in May/June 2009. This slowdown might be seasonal as late spring usually sees increases in employment in the catering and tourism industry ahead of the summer season. The number of people who have been claiming for six months or longer has been rising fairly rapidly in EHOD since Q3 2008.

Vacancies – There were 11,940 vacancies notified in EHOD between January and May 2009, a decline of around 2,000 on the 13,900 available during the same period in 2008. In June 2009 there were approximately 3.1 claimants per live unfilled vacancy in the sub region, up from around 0.9 claimant per vacancy in the same period last year. For Exeter, this has risen from 0.6 to 2.8, which is still one of the lowest claimant per vacancy ratio in the whole of the region, currently standing well below national (7.0), regional (5.1) and local averages (4.8).

Impact on different groups – The data suggests that the recession may be having a greater negative impact on male employment in Exeter than female employment. There is little difference in claimant count growth by age group; although data for Exeter and EHOD suggests that redundancy rates are increasing among younger people (18-24). In Exeter, claimant count growth among people who are described as 'ethnic minority' has been slightly higher than that among white people.

Impact on Areas – As the main urban centre, Exeter has experienced the largest growth in the claimant count in the sub region. The evidence also suggests that the Teignbridge labour market has also been one of the most affected by the recession with the greatest percentage rise of claimants since September 2007.

Impact on Sectors and Occupations – For Exeter, between November 2008 and February 2009, the largest drop in volume of redundancies notified to Jobcentre Plus have been in Banking, Finance and Insurance. Meanwhile, vacancies for lower skilled occupations notified to Jobcentre Plus appear to have held up since February 2009.

Debt, welfare benefits & insolvencies of businesses– Exeter CAB data suggests that the volume of enquiries have increased significantly between the last quarter of 2008 and the first quarter of 2009. Month to month reading shows that May data on overdrafts, credit card and loans is marginally worse. Meanwhile, companies winding up and creditors' bankruptcy in Q1 2009 saw no change on last year's figures whilst only debtors' bankruptcy petitions saw a small increase.

House prices & Repossessions– This is the third consecutive fall on the overall average house price since Q2 2008. Exeter's average house prices still remain high and have yet to fall further to impact on the earnings ratio, currently standing at 8.5 times residential median full time earnings.

Mortgage possession claims* are down on the same period last year but mortgage possession orders* made by the courts in Exeter are slightly higher than the national average.

1. EMPLOYMENT / UNEMPLOYMENT

According to the Annual Population Survey (APS) the proportion of the economically active population in Exeter who report themselves as being unemployed[1] has been rising since 2007. From a low of 4.1% in Oct 2006 - Sep 2007, the figure has risen to 4.6% in Jan 2008- Dec 2008.

Prior to the recession the Exeter economy had been successful in creating large numbers of jobs, (from around 62,590 employee jobs in 1998 to above 84,000 in 2007[2]), enabling the region to achieve significant growth in the % employment rate among a growing working age population. Since the onset of the recession, the rise in overall employment has levelled off, though the number of people in Exeter who are employed continues to remain quite high.

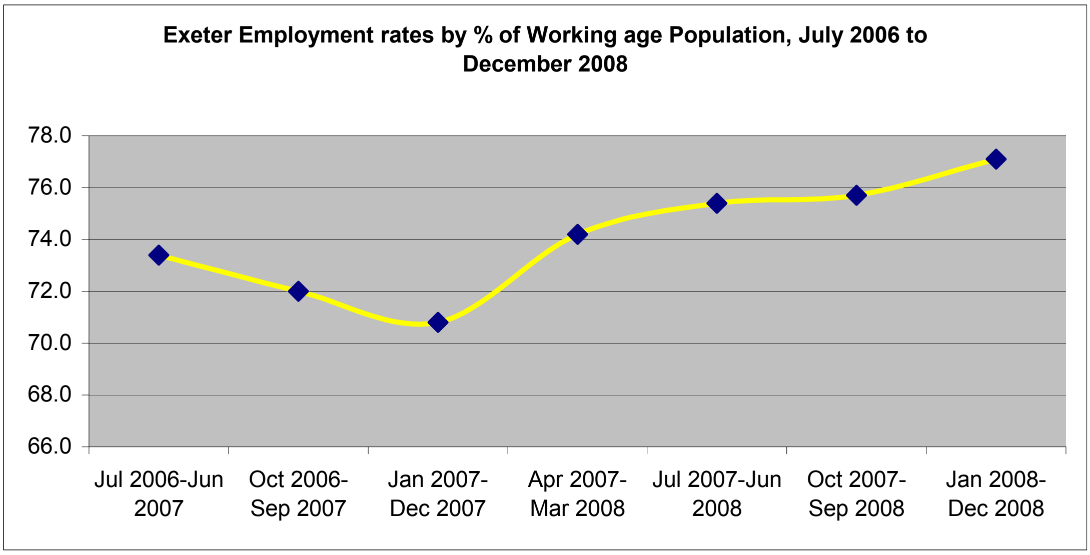
Figure 1: Exeter Employment volumes, July 2006 to December 2008

However, whilst the number of people in employment in Exeter may still be high, the Annual Population Survey data lags behind and only shows data up to December 2008, before the economic downturn fully affected the local job market. Thus the

Sources: [1]APS, ONS (Data prior to the period Jan - Dec 05 has not been reweighted in line with the latest ONS estimates).
[2]ABI data- 2007 figures for Exeter (84,215 employee jobs) do not account for a loss of around 4,000 jobs between 2006 and 2007. ONS was consulted on this matter and suggested that the decrease is due to one large company in the area which reported all its employees at one particular site for 2006 whereas for 2007 onwards, it is now reporting the distribution of their employees throughout all their workplaces. Their files for 2007 are now closed and it is not possible to make any amendment to the dataset. Consequently Exeter figures are to be used with caution.

proportion of the people of working age in employment could be expected to decline in future data sets.

Figure 2: Exeter Employment rates, July 2006 to December 2008



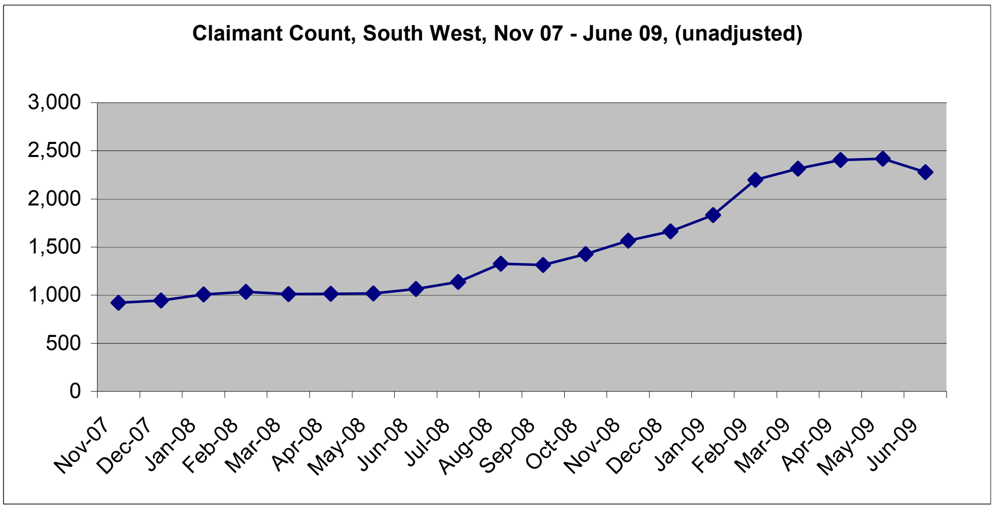
Source: APS

2. CLAIMANTS

2.1 EXETER

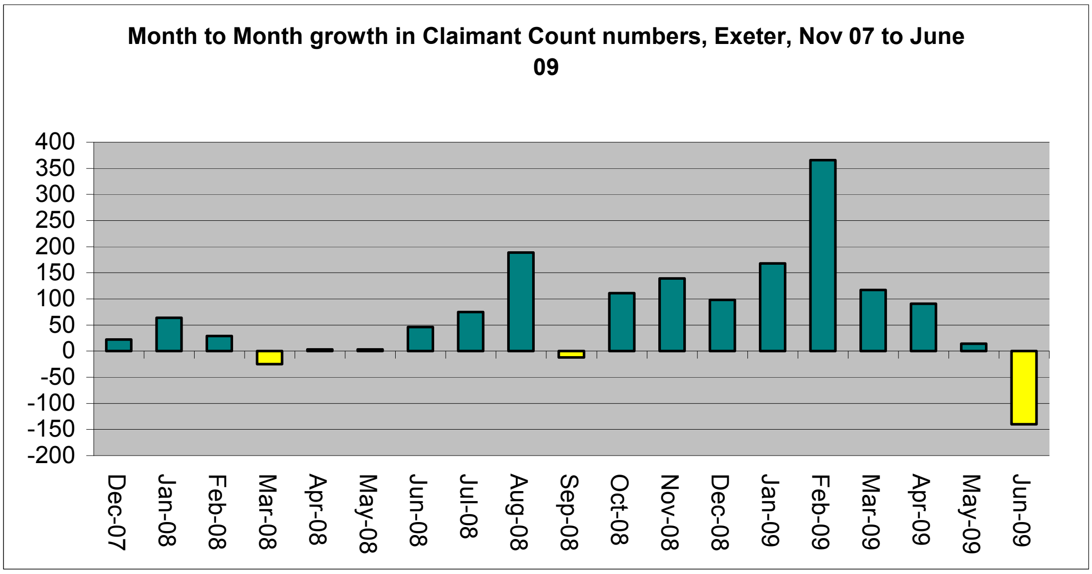
The number of people claiming Jobseekers Allowance (JSA), the 'Claimant Count', has been rising in Exeter since the historically low level achieved back in November 2007 (921). Seasonally unadjusted data shows the rate of growth in local claimant count slowing between August and September 2008 then rising significantly until growing much less again between April and May 2009. The latest data for June shows a slight drop.

Figure 3: Exeter Claimant Count Unadjusted, November 2007 to June 2009



Source: NOMIS

Figure 4: Exeter Claimant Count, month to month growth in volume, November 2007 to June 2009



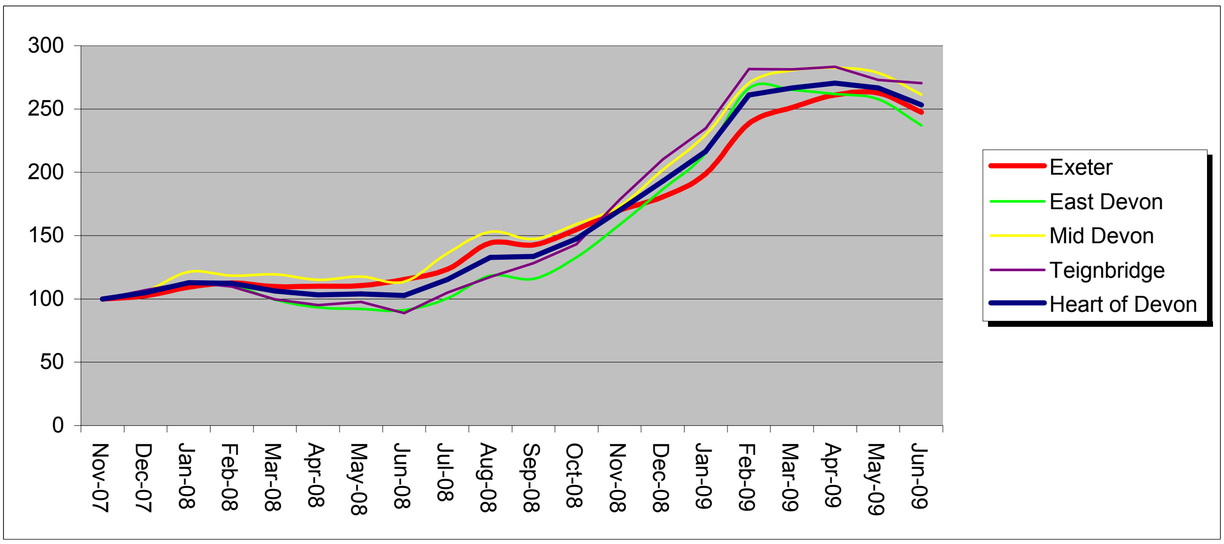
Source: NOMIS

Figure 4 above on month to month growth volume shows that the largest increase in people claiming Job seekers allowance occurred in February 2009 where an extra 366 new claimants on the previous month made a claim. Since this peak, claimants have been rising albeit at a much slower pace and their numbers fell for the first time in 9 months in June 2009 (-140 on May claimant numbers).

2.2 EHOD WIDE COMPARISON

The number of people claiming Jobseekers Allowance in EHOD grew by 153% between November 2007 and June 2009.

Figure 5: Exeter and Neighbouring districts Claimant Count growth (indexed, November 2007 = 100)

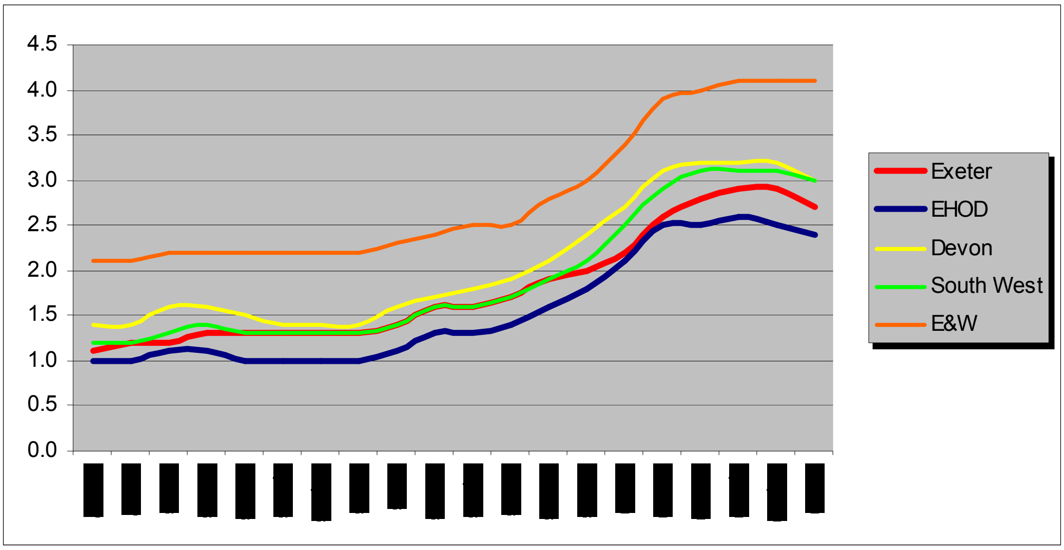


Source: NOMIS

However, the EHOD sub region started from a baseline of historically lower unemployment in November 2007 which produces a higher proportional effect for each additional person added to the count. Over that period, job seekers claimants have risen from a low rate of 1.0 (2,578 claimants) to a rate of 2.4 in June 2009 (6,525 claimants or +3,947).

If one looks at the change in the claimant count within Exeter and EHOD, expressed as a proportion of working age population, the local area follows a similar trend to that of the region and the national picture.

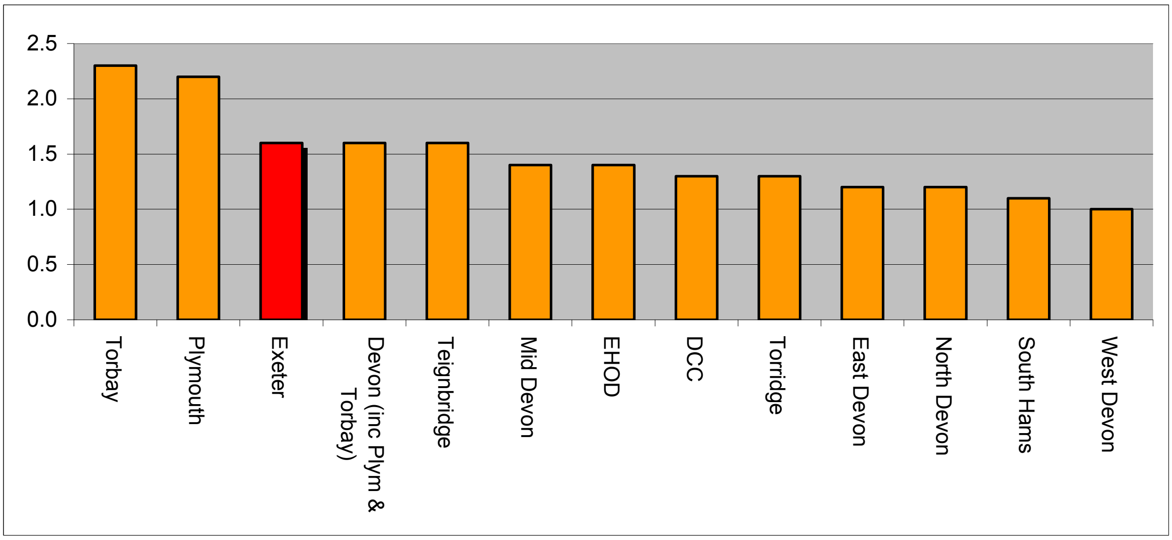
Figure 6: Exeter vs Local, Regional and National Claimant Count, % working age population, November 07 – June 09



Source: NOMIS

If one looks solely at the percentage of the working age population added to the Claimant Count in each area in Devon since November 2007 (regardless of the starting point), Exeter appears to be less hard hit than the 2 other main urban areas of Torbay and Plymouth, with East Devon within EHOD, fairing the best.

Figure 7: Local growth in Claimant Count growth, % working age population, November 2007 to June 2009



Source: NOMIS

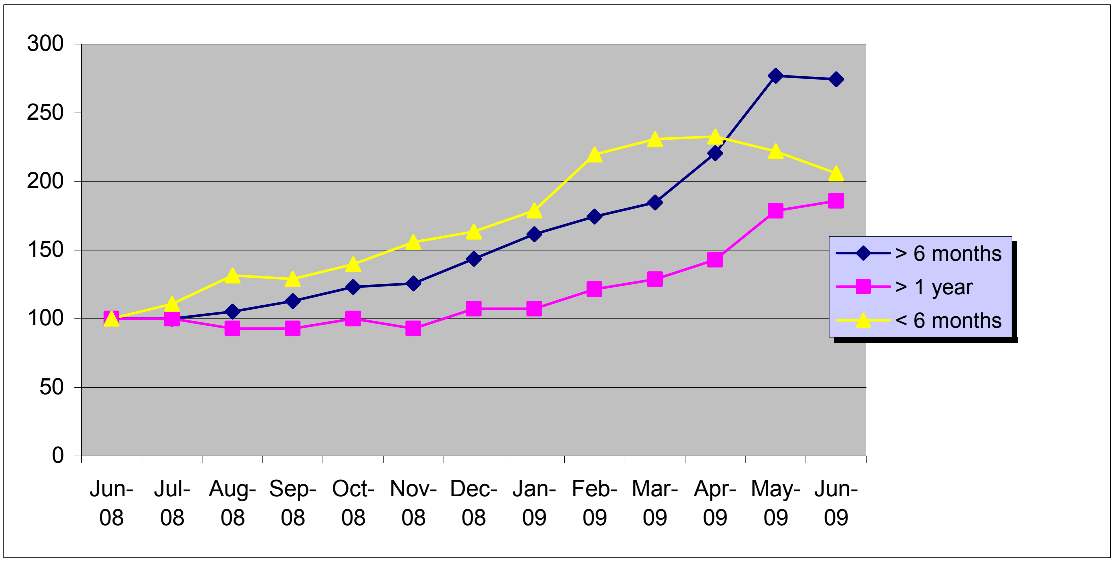
2.3 CLAIM DURATION

Figure 8, shows changes in the duration over which Exeter JSA claimants have been in receipt of benefits. Two features stand out in this graph.

Firstly, from October 2008 to January 2009, there was a gradual rise in the number of new claimants (those claiming for 6 months or less) which then turned into a sharp rise in February. The rise in the number of people claiming for more than six or twelve months has been increasing recently (especially noticeable for claimants over 12 months).

Secondly, that the recent slowdown in local Claimant Count growth (seen in Figure 4 above) is the result of a levelling off in the number short-term JSA claimants, while the number of long-term claimants has continued to rise, following the regional trend.

Figure 8: Exeter Claimant Count by duration of claim, indexed, June 08=100



Source: JC+ / NOMIS

Between February and June 2009 the number of very short term claimants, those claiming JSA for less than six weeks, fell by around 320, while the number of people who had been claiming for between six weeks and six months rose by around 205.

Table 1: Exeter Claimant Count by duration of claim, number of claimants

Duration of Claim	Feb-09	June-09	Change Feb 09-June 09
Up to 6 weeks	875	555	-320
> 6 weeks and up to 26 weeks	980	1,185	+205
Claiming over 26 weeks	340	535	+195
Claiming over 12 months	85	130	+45

Source: JC+ / NOMIS

Figure 9 (and 10) show that the reduction in the number of very short term claimants is primarily due to a significant decline in the number of new claimants, or claimant count 'on-flows', seen in the city and in the region in March and April. The fact that the gains in 'off-flow' rates that were made between January and February have been maintained have also helped. On-flows/off-flows=A monthly count of claimants who either a) were claiming job seekers allowance (stocks) on the count date, b) ended a claim (off-flows) during the previous accounting month or c) started a new claim (on-flows) during the previous accounting month.

Figure 9: Exeter and South West Claimant On-flows and Off-flows, June 2008 to June 2009

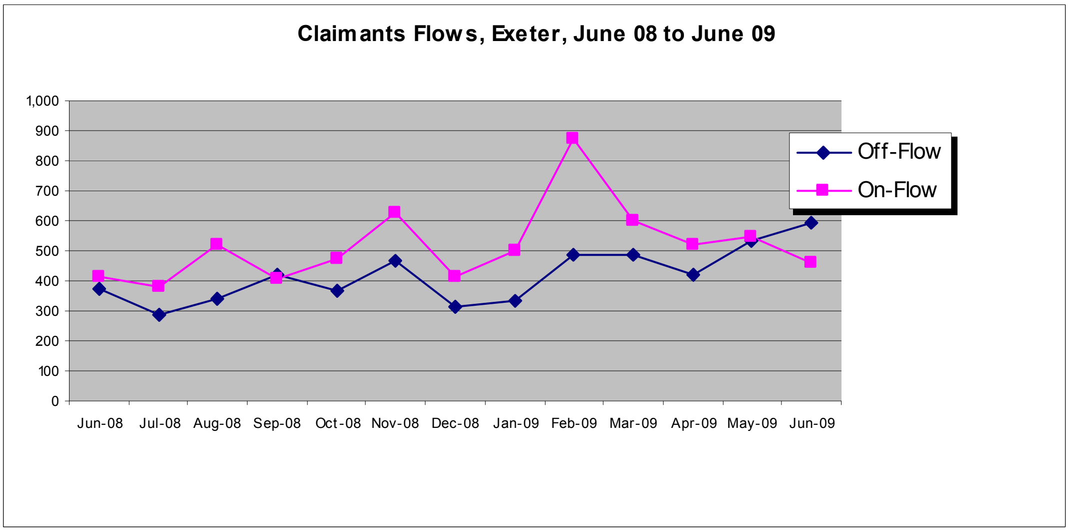
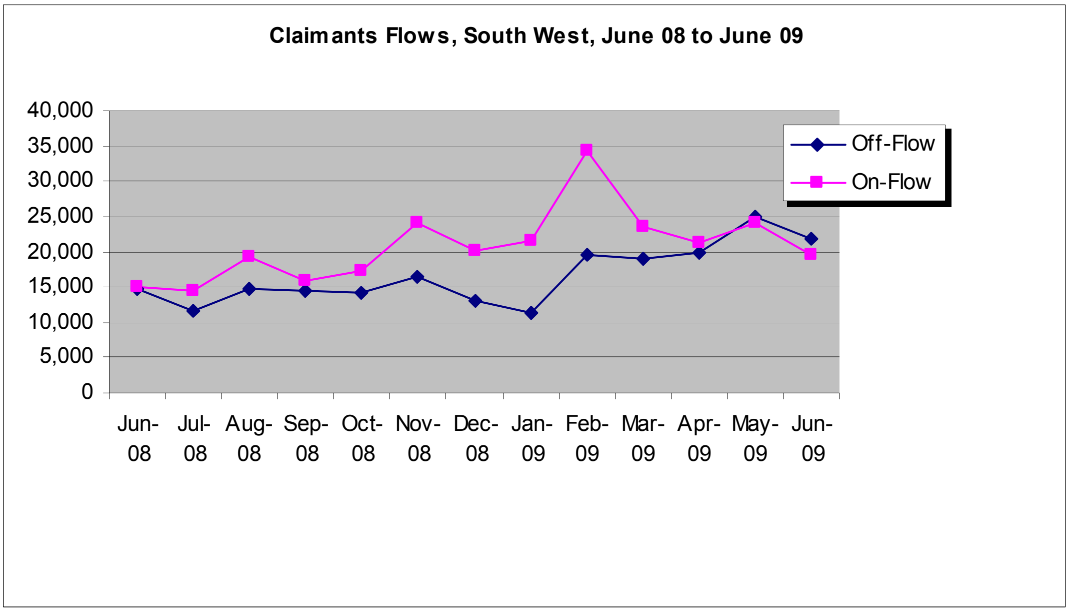


Figure 10: South West Claimant On-flows and Off-flows, June 2008 to June 2009



Source: JC+ / NOMIS

Claimant 'on-flows' (starting a new claim) during June 2009 were 11.8% higher than for the same period in 2008. Regionally the increase was 31.6% and nationally the increase was 19.5%. 'Off flows' (people ending a claim) rose by 57.7% in June 2009 when compared with the same period last year. Regionally the increase was 48.2% and the nationally the increase was 26.8%.

3. JOBS AND VACANCIES

Snapshot data shows there were 948 vacancies notified in Exeter during June 2009. This compares with 1,624 for June last year, a decrease of 41.6%. Of the vacancies notified in Exeter during June 2009, 720 (75.9%) were for full-time positions while 228 (24.1%) were part-time posts. This compares with 1,091 FT (67.2%) positions and 533 PT (32.8%) for the same period last year.

Tables 2 and 3 indicate that more vacancies are notified for sales and customer service operatives whilst positions for elementary occupations have notably declined. Interestingly, the banking, finance and insurance industry made up nearly half of all notified vacancies. (though representing 322 less vacancies compared with June 2008).

Table 2: Vacancies notified by occupation, June 08 and June 09.

Occupation	June 2008		June 2009	
	Numbers	%	Numbers	%
1 : Managers and Senior Officials	72	4.4%	43	4.5%
2 : Professional Occupations	57	3.5%	56	5.9%
3 : Associate Professional and Technical Occupations	158	9.7%	233	24.6%
4 : Administrative and Secretarial Occupations	231	14.2%	104	11.0%
5 : Skilled Trades Occupations	98	6.0%	56	5.9%
6 : Personal Service Occupations	167	10.3%	54	5.7%
7 : Sales and Customer Service occupations	359	22.1%	222	23.4%
8 : Process, Plant and Machine Operatives	127	7.8%	45	4.7%
9 : Elementary Occupations	355	21.9%	135	14.2%
Total	**1,624**	**100%**	**948**	**100%**

Source: ONS Crown Copyright

Table 3: Vacancies notified by Industry, June 08 and June 09.

Industry	June 2008		June 2009	
	Numbers	%	Numbers	%
1 : Agriculture and fishing (SIC A,B)	7	0.4%	14	1.5%
2 : Energy and water (SIC C,E)	0	0.0%	0	0.0%
3 : Manufacturing (SIC D)	20	1.2%	36	3.8%
4 : Construction (SIC F)	25	1.5%	128	13.5%
5 : Distribution, hotels and restaurants (SIC G,H)	287	17.7%	106	11.2%
6 : Transport and communications (SIC I)	148	9.1%	11	1.2%
7 : Banking, finance and insurance, etc (SIC J,K)	764	47.0%	442	46.6%
8 : Public administration, education & health (SIC L,M,N)	284	17.5%	191	20.1%
9 : Other services (SIC O,P,Q)	89	5.5%	20	2.1%
Total	**1,624**	**100%**	**948**	**100%**

Source: ONS Crown Copyright. (**2003 Standard Industrial Classification, Broad Industrial Groups)**

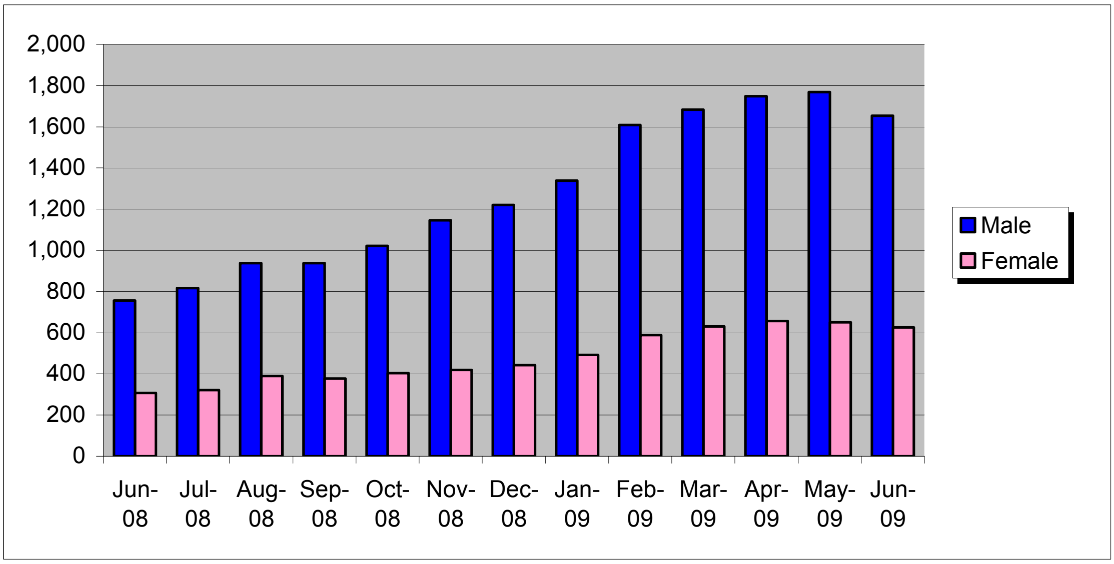
4. IMPACT ON DIFFERENT GROUPS

4.1 Gender

Claimant data below suggests that the recession is having a greater impact on male employment than it is on female employment. This is perhaps due to differences in the industries in which men / women tend to work, and the differences in the jobs they tend to hold within those industries (e.g. the impact of the recession on construction related employment).

The claimant count shows that from June 2008 to June 2009 the number of male JSA Claimants in the City rose by around 900, to just under 1,650, compared to a 320 rise among females.

Figure 11: Claimant Count by Gender, Exeter, June 2008 to June 2009



Source: JC+ / NOMIS

4.2 Age

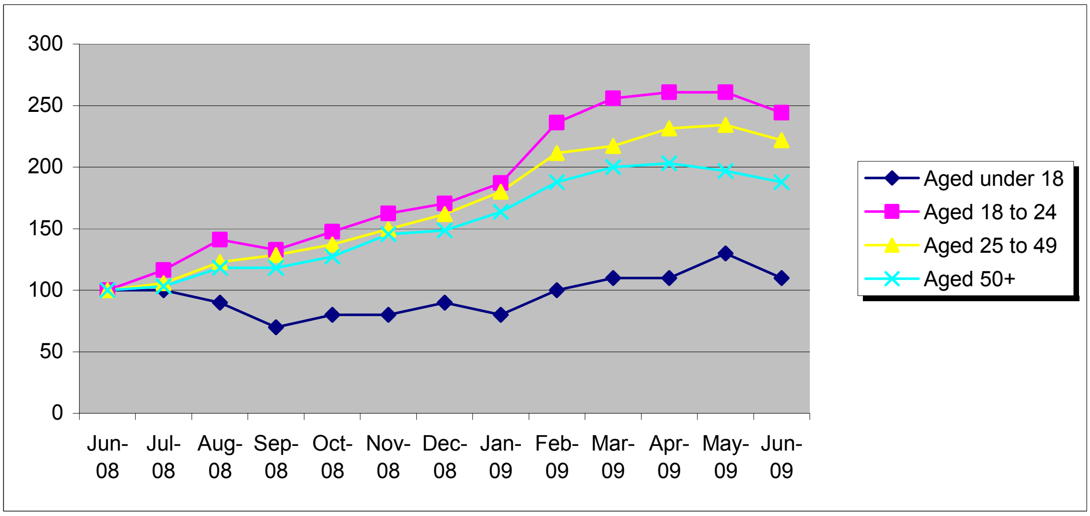
Unfortunately at the time of writing this paper, the Labour Force Survey and Annual Population Survey data on economic activity by age was only available to September 2008, before the recession began.

However national LFS data shows that young people are finding it the hardest to secure employment:

'Young people have experienced the largest decrease in employment rates, compared with other age groups. In the three months to March 2009, employment rates for 16-17 and 18-24 year-olds were down 3.9 percentage points on the previous year, at 30.6 per cent and 60.6 per cent respectively[2].'

However, this may be partly due to growth in the number of young people who are staying on in education.

Figure 12: Claimant Count by Age Group, Exeter, June 2008 to June 2009
(Indexed May 2008=100)



Source: JC+ / NOMIS

4.3 Ethnicity

It appears that within Exeter and EHOD, ethnic minorities are experiencing higher rates of unemployment than the regional trend.

City-wide, the claimant count for people who identified themselves as 'White' rose 139%, from 905 in May 2008 to 2,165 in May 2009. During the same period the rise among those who identified themselves as being from an 'Ethnic minority' rose 166% from 30 to 80. (in EHOD, the rise was even greater, showing a 188% increase for 'Ethnic minority' versus 157% for 'White').

This is somewhat different than the trend seen in the South West, where the rise in claimants among the 'White' population was 143% compared to a rise of 87% among the region's Ethnic Minority populations.

[2] *The Labour Market Impacts of the Recession, ONS, May 2009*

The higher rates of unemployment in Exeter (and EHOD) for ethnic minorities is not readily explained. Numbers rising from low volumes may partially explain the relative scale of this sudden increase. Similarly, urban centres like Exeter often tend to have greater concentration of ethnic minorities whilst differences in sector, occupation and type of skills (e.g. newly arrived migrants) can also affect the take up of benefits. Family links or better public support systems or cultural attitudes towards claiming cannot be discounted. Table 4 below is provided as an indicative comparison of percentage changes in ‘ethnic minority’ claimants in a few cities (as well as giving Regional and national figures) over 2 snapshots taken last May as well as during the same period a year ago.

Table 4: Change in numbers of ‘Ethnic minority’ claimants May 2008 and May 2009

Area	Claimants from "Ethnic minority" group, May 08	Claimants from "Ethnic minority" group, May 09	% Change
Poole	20	55	175.0%
Exeter	30	80	166.7%
Carlisle	10	25	150.0%
Swindon	215	535	148.8%
Reading	345	825	139.1%
Bournemouth	85	180	111.8%
SE	5870	11815	101.3%
Gloucester	225	435	93.3%
SW	2320	4345	87.3%
Bristol	1180	1900	61.0%
Dover	25	40	60.0%
Ipswich	280	430	53.6%
Norwich	105	160	52.4%
EW	128035	194740	52.1%
Plymouth	100	150	50.0%
Torbay	30	35	16.7%

Source: NOMIS

5. IMPACT ON AREAS

Table 5 shows the claimant count growth by comparing June 2008 and June 2009 highlighting the pressure being faced by Job Centre Plus across the region. Exeter volumes tend to be comparatively lower than most other urban centres. Within EHOD, claimant growth since last year has tended to be highest in Teignbridge and East Devon; they both experienced more than 150% growth in claimant numbers.

Table 5: Rise in Claimant Count by Local Authority in SW, June 2008 and June 2009

local authority: district / unitary	% Growth between June08-June09 snapshots	Rise in numbers
Bristol, City of	111.7%	5952
Wiltshire	150.6%	4352
Swindon	176.7%	4199
Cornwall	92.8%	3927
Plymouth	93.9%	3176
South Gloucestershire	200.8%	2594
Bournemouth	135.4%	2228
North Somerset	154.6%	1878
Gloucester	106.3%	1727
Torbay	101.8%	1679
Cheltenham	109.2%	1508
Poole	167.7%	1489
Stroud	201.0%	1377
Bath and North East Somerset	133.7%	1361
South Somerset	176.8%	1305
Sedgemoor	148.2%	1249
Exeter	**114.4%**	**1216**
Teignbridge	**204.6%**	**1211**
Forest of Dean	129.0%	1002
Taunton Deane	129.1%	946
Mendip	113.6%	901
Tewkesbury	150.3%	897
East Devon	**159.9%**	**860**
Cotswold	191.4%	687
North Devon	95.5%	636
East Dorset	206.4%	617
Mid Devon	**130.2%**	**591**
Torridge	102.3%	585
Weymouth and Portland	108.4%	580
South Hams	140.2%	572
West Dorset	160.3%	497
North Dorset	197.6%	409
Christchurch	160.7%	352
Purbeck	204.1%	345
West Devon	115.4%	299
West Somerset	80.3%	179
Isles of Scilly	0.0%	0

Source: JC+ / NOMIS

Table 6 compares the number of live unfilled vacancies taken by Job Centre Plus in June 2008 and June 2009. It shows that Exeter has one of the greatest proportionate decline in vacancies with around 50% less vacancies available.

Table 6: Decline in Vacancies by Local Authority, South West, June 2008 and June 2009

local authority: district / unitary	June 2008	June 2009	Decline/Growth in Numbers	% Decline (or growth) between June 08-09 snapshots
Bristol, City of	4224	1558	-2666	-63.1%
Wiltshire	2264	1247	-1017	-44.9%
Exeter	**1636**	**805**	**-831**	**-50.8%**
South Gloucestershire	1910	1115	-795	-41.6%
North Somerset	1185	550	-635	-53.6%
Stroud	1098	469	-629	-57.3%
Cornwall	2862	2249	-613	-21.4%
Swindon	1096	523	-573	-52.3%
Cheltenham	986	428	-558	-56.6%
Bath & North East Somerset	1043	509	-534	-51.2%
Bournemouth	1210	684	-526	-43.5%
Plymouth	1197	744	-453	-37.8%
Gloucester	980	544	-436	-44.5%
South Somerset	797	401	-396	-49.7%
Poole	949	612	-337	-35.5%
Tewkesbury	601	298	-303	-50.4%
West Dorset	632	348	-284	-44.9%
Cotswold	639	363	-276	-43.2%
Teignbridge	775	519	-256	-33.0%
Christchurch	336	90	-246	-73.2%
East Dorset	461	215	-246	-53.4%
North Devon	444	221	-223	-50.2%
South Hams	544	328	-216	-39.7%
Sedgemoor	670	455	-215	-32.1%
Torbay	861	659	-202	-23.5%
Torridge	263	92	-171	-65.0%
Taunton Deane	647	500	-147	-22.7%
Mendip	561	418	-143	-25.5%
West Devon	236	128	-108	-45.8%
Purbeck	234	163	-71	-30.3%
North Dorset	197	134	-63	-32.0%
Weymouth and Portland	218	163	-55	-25.2%
West Somerset	161	133	-28	-17.4%
Isles of Scilly	6	1	-5	-83.3%
East Devon	429	437	8	1.9%
Forest of Dean	177	207	30	16.9%
Mid Devon	266	324	58	21.8%

Source: JC+ / NOMIS

When these two factors are brought together in a calculation of claimants per vacancy, Swindon heads the list by some considerable distance. From a base of 2.2 claimants per vacancy in June 2008 within Swindon, the figure has risen rapidly, particularly over recent months, to 12.6 claimants per vacancy, well in excess of the regional average of 5.1 claimants per vacancy. Exeter's situation is less serious, with one of the lowest claimant per vacancy ratios in the whole of the region, currently at 2.8, standing well below national, regional and local averages.

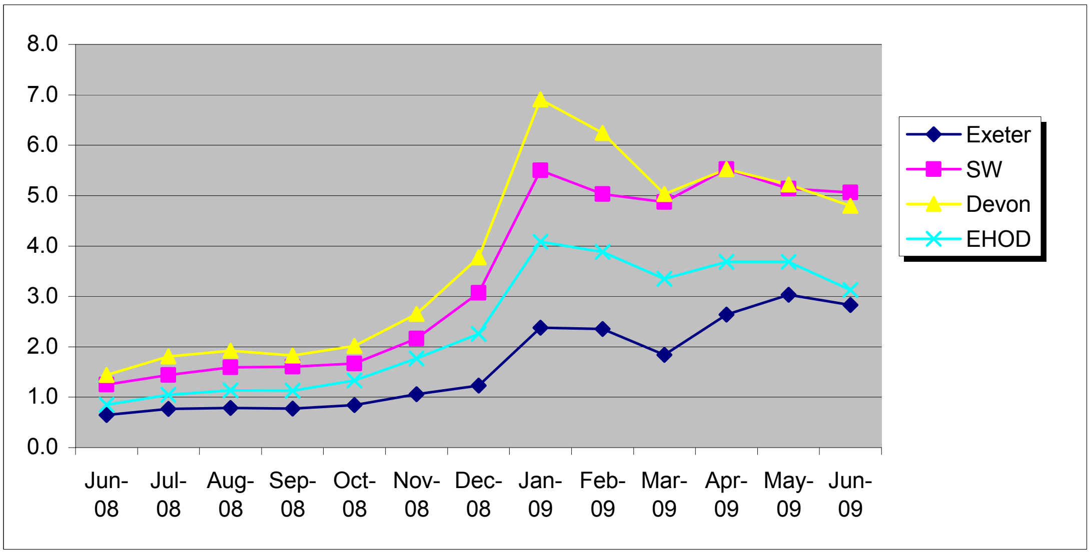
Table 7: Claimants per vacancy, Local Authority, South West, June 2008 to June 2009

Area	Jun-08	Feb-09	Jun-09
Torridge	2.2	7.7	12.6
Swindon	2.2	9.6	12.6
Plymouth	2.8	9.1	8.8
Forest of Dean	4.4	23.4	8.6
Bristol, City of	1.3	5.2	7.2
England and Wales	**2.1**	**5.8**	**7.0**
Weymouth & Portland	2.5	4.9	6.8
Cheltenham	1.4	6.1	6.8
Christchurch	0.7	3.1	6.3
Gloucester	1.7	4.0	6.2
North Devon	1.5	10.4	5.9
Wiltshire	1.3	4.5	5.8
Bournemouth	1.4	2.9	5.7
North Somerset	1.0	3.8	5.6
South Somerset	0.9	3.7	5.1
South West	**1.2**	**5.0**	**5.1**
Torbay	1.9	10.1	5.1
Tewkesbury	1.0	6.1	5.0
Old Devon*	1.4	6.2	4.8
Bath & North East Somerset	1.0	3.6	4.7
Sedgemoor	1.3	4.7	4.6
North Dorset	1.1	3.0	4.6
Stroud	0.6	4.2	4.4
West Devon	1.1	4.5	4.4
East Dorset	0.6	5.3	4.3
Mendip	1.4	5.7	4.1
Poole	0.9	3.3	3.9
Cornwall	1.5	8.1	3.6
South Gloucestershire	0.7	3.6	3.5
Teignbridge	0.8	5.0	3.5
Taunton Deane	1.1	3.6	3.4
Mid Devon	1.7	6.6	3.2
East Devon	1.3	6.0	3.2
Purbeck	0.7	4.6	3.2
EHOD*	**0.9**	**3.9**	**3.1**
West Somerset	1.4	2.8	3.0
South Hams	0.8	6.3	3.0
Cotswold	0.6	4.0	2.9
Exeter	**0.6**	**2.4**	**2.8**
West Dorset	0.5	2.1	2.3

*Old Devon includes Plymouth and Torbay; EHOD=Exeter, East and Mid Devon and Teignbridge District Councils.
Source: JC+ / NOMIS

The continuing steep upward trend in claimants per vacancy in Exeter over the last month, during which the regional and local rise trend levelled off, is to be monitored closely. Latest update for June shows that Exeter's figures are easing up slightly.

Figure 13: Claimants per Vacancy in South West, Devon*, EHOD* and Exeter, June 2008 to June 2009



Source: JC+ / NOMIS (Vacancy= **Live unfilled vacancies**; those for which a jobseeker can actively apply. This is the default option, and for most purposes, is the measure that should be used).

6. IMPACT ON SECTORS & OCCUPATIONS

6.1 Sectors

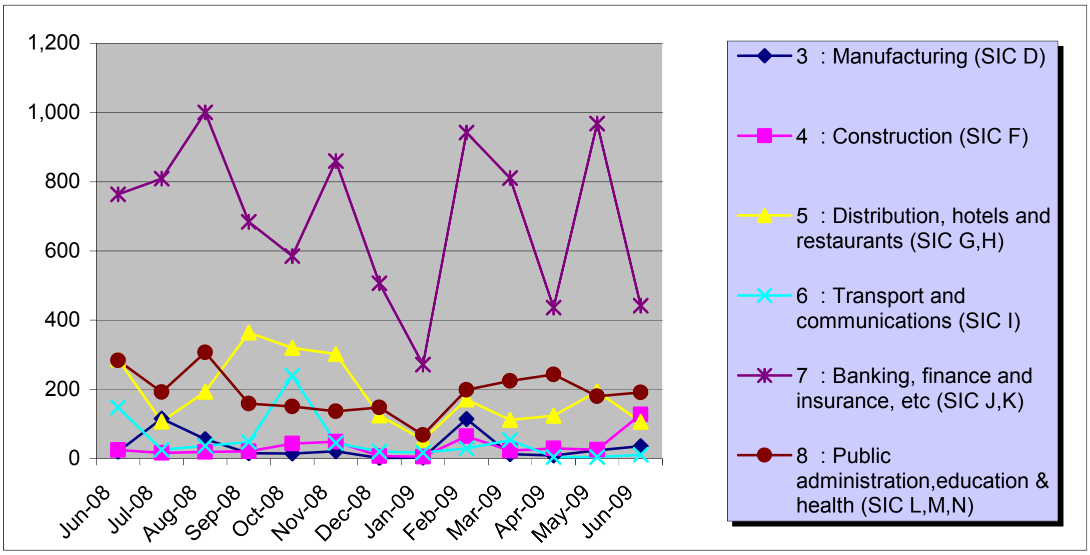
Looking at local vacancies by industry (Table 7 below) a number of features emerge in the trends over the last 6 months.

The greatest volume reduction in vacancies has been within banking, finance and insurance. It seems to have recovered since but caution is again required, in that markets are still volatile and the commercial strength of some businesses remains uncertain, perhaps explaining the differences seen almost month on month.

Vacancies in distribution, hotels and restaurants show the next greatest decline. However, this could be mainly due to seasonal variation and ought to be monitored next year to see if such levels are replicated.

Construction vacancies remain at a low level.

Figure 14: Vacancies notified by Industry in Exeter, June 2008 to June 2009



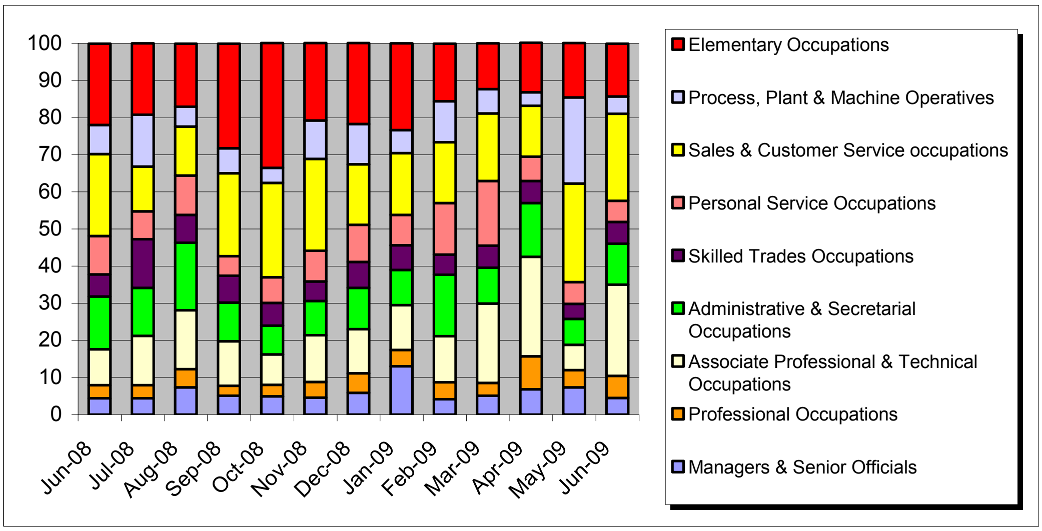
Source: JC+ / NOMIS

6.2 Occupations

Looking at occupations, vacancies for lower skilled occupations that are notified to Jobcentre Plus appear to have somewhat held up though a decline is noticeable since January 2009.

There could be two interpretations of this. Either this is a reflection of changes in the number of vacancies within each occupation in the labour market at large. Alternatively, that during the recession employers are more willing to use Jobcentre Plus as a means of filling lower skilled occupations, as this saves money and Jobcentre Plus may be a better route to 'job-ready' applicants during recession than it is in times of full employment. Unfortunately it's not possible to tell which.

Figure 15: Percentage split in notified vacancies the Job Centre Plus by occupation, June 2008 to June 2009, Exeter



Source: JC+ / NOMIS

7. IMPACT ON LOCAL RESIDENTS

7.1 POSSESSION ORDERS

This bulletin summarises the numbers of mortgage and landlord possession actions in the courts of Exeter for the first quarter of 2009. These reveal that mortgage possession claims are down whilst mortgage possession orders appear to have increased above the national average before somewhat reducing in the first quarter of the year. Landlord possession orders were also down, contrary to both regional and national trends.

The detailed data shows:

- In Q1 2009, 74 mortgage possession claims were issued (compared with 89 in Q4 2008), -24% on Q1 2008. A total of 384 mortgage possession claims have been issued since Q2 2008, about 3% less than claims levels for the same period Q2 2007-Q1 2008.
- 45 mortgage possession orders were made in Q1 2009 (82 in Q4 08), -44% on Q1 2008). There were a total of 327 mortgage possession orders made by the courts in Exeter between Q2 08 and Q1 09, an increase of 12% on the same period for 07-08, in line with the South West rate but slightly higher than the national average (9%).
- 129 landlord possession orders were made in Q1 2009, a decrease of -8% on 2008 levels, significantly higher than the regional and national decrease (both at -2%).

Notes:

**Claims Issued*. A claimant begins an action for an order for possession of property by issuing a claim in a county court.

**Orders Made*. The court, following a judicial hearing (or judicial involvement in accelerated procedure cases) may grant an order for possession immediately. This entitles the claimant to apply for a warrant to have the defendant evicted. However, even where a warrant for possession is issued, the parties can still negotiate a compromise to prevent eviction.

7.2 INSOLVENCY PROCEEDINGS

This bulletin presents data on insolvency proceedings issued in the county courts and High Court for both individuals (bankruptcy petitions) and businesses (company winding up petitions) in Exeter. Whilst the number of companies winding up and creditors petitioned bankruptcies seem to be about the same, the number of debtors bankruptcy petitions are on the increase, albeit at a much slower pace than both regional and national trends.

The detailed data shows:

- There were 5 companies winding up in Q1 2009 in Exeter, with no percentage change in total since Q1 2008. There were 13 creditors bankruptcy petitions (again no change on Q1 2008).There were 166 debtors bankruptcy petitions, a 4% increase in total since Q1 2008.
- Regionally, there were 144 companies winding up in Q1 2009, a decrease of 54% in total since Q1 2008. There were 270 creditors bankruptcy petitions (a decrease of 12% on Q1 2008). There were 2,618 debtors bankruptcy petitions, a 31% increase in total since Q1 2008.
- Nationally, there were 3,461 companies winding up in Q1 2009, an increase of 13% in total since Q1 2008. There were 4,535 creditors bankruptcy petitions (a decrease of 5% on Q1 2008). There were 16,775 debtors' bankruptcy petitions, a 29% increase in total since Q1 2008.

These figures represent court activity and not the actual numbers of individual or business insolvencies.

Additional Notes:
***Insolvency**: A company or individual with debts that they are unable to pay is said to be 'insolvent'.
***Company winding up**: When it becomes necessary to terminate a company's existence, whether owing to insolvency or for some other reason, the process is called 'winding up'.
There is a restriction on proceedings that may be commenced in county courts, which is based on the paid-up capital of the company. Well over half of winding up proceedings are commenced and handled in the Chancery Division of the High Court at the Royal Courts of Justice in London and at the eight provincial High Court centres. These centres are flagged [□] in Tables 2 and 3.
Company winding up proceedings will normally be commenced at the court centre local to the ***registered office*** of the company, which will not necessarily be situated in the same geographical area as the company's base or operational area. The relative regional levels of winding-up activity do not therefore necessarily reflect the geographical distribution of the companies involved.
*__Individual bankruptcy__: Being bankrupt means you are or have been subjected to a bankruptcy order. A court makes a bankruptcy order only after a petition has been presented.
Proceedings for bankruptcy can be commenced at county courts with the appropriate jurisdiction, or in the Chancery Division of the High Court, either by a ***creditor*** (the person to whom the debt is owed) or by a ***debtor*** (the person who owes the debt).

7.3 LOCAL CITIZENS ADVICE BUREAU (CAB) DATA

This bulletin aims to provide a statistical analysis of local CAB data to gauge the potential emerging impact of the economic downturn on local residents. Generally speaking, levels of clients enquiries relating to debt and employment are similar to a that of a year ago whilst enquires relating to overdrafts, credit cards and mortgage arrears are slightly lower than in the first quarter of 2009. Similarly, enquiries relating to welfare benefits have receded from the highs of the first quarter of 2009. The detailed data is provided below:

- There were 1,264 client enquiries relating to debt in Q2 2009 (1,260 in Q2 2008), and 389 enquiries in June alone, a decrease of 6.5% on the number of 416 enquiries made in June 2008.
- There were around 170 enquiries relating to employment made in Q2 2009 (173 in Q2 2008), June figures alone show a decrease of 56% on the 80 enquiries made in May 2009, but no major change on June 2008 figures (40 enquiries).
- During Q2 2009 around 41.5% of enquiries were related to overdrafts, credit card debt & unsecured loans and 4.5% for mortgage arrears (this compares with 47.4% and 2.6% during Q1 2009).
- There were 867 client enquiries relating to welfare benefits in Q2 2009, a decrease of 18.1% on the peak of 1,059 enquiries recorded in Q1 2009; enquiries for June 09 alone reached 295 (253 in May 09) Disability living allowance benefits made up around 37.3% of all welfare enquiries in June. (30.8% in May 09).

8. INVESTMENT INQUIRIES UPDATE

8.1 RELOCATION/EXPANSION

In the first 6 months of 2009, the Economic and Tourism Unit worked with 23 companies (21 of which in Exeter) which relocated and/or expanded within EHOD, creating/safeguarding over 330 jobs; this includes a new base for Thompson Reuters and the newly opened 170 bed Jurys Inn hotel in the city.

The second quarter of 2009 has seen increased activity in terms of companies searching for new premises; this may indicate a desire to find cheaper premises to lease and reduce their outgoings. Not surprisingly, there has also been a marked decrease in companies actually relocating into EHOD.

8.2 ENQUIRY NUMBERS

Overall, year on year enquiry numbers have stayed relatively stable, with 426 up until June 2009. However, 2009 is the first year since the investment advisory service was established in 1998 that enquiry numbers have not grown.

Other changes relate to the source of enquires in January to June 2009; around 80% of enquiries came in via the City Council's website, as opposed to 90% in 2008. This change in source is in part due to more foreign enquiries coming via an international business partnership network supported by the South West RDA. The detail on the source of enquiries is set out below, with the percentage for 2008 in brackets.

- 61% originate from within EHOD (59%), including 40% from Exeter (38%)
- 8% from the rest of Devon (9%)
- 20% nationally and 11% internationally (28% and 3% respectively in 2008)
- 66% existing employers (64%) of which 31% are seeking relocation (35%) and 35% are seeking to establish a new branch / regional base (28%)
- 34% wanted to start-up (36%)

8.3 BREAKDOWN

In terms of the type of enquiry, there has been a marked decrease in searches for commercial investment opportunities, whilst all other enquires have broadly remained constant.

- 45% light industrial units, warehouses and distribution sectors (43%)
- 31% office sector (31%
- 12% retail (14%)
- 12% hotels, leisure and restaurants (10%)

<½% commercial investments (2%)

9. CHAMBER OF COMMERCE UPDATE

Levels of business confidence amongst businesses in Exeter appear to be growing slowly, amidst difficult trading conditions.

The June 2009 results indicated that 72% of respondents reported sales as static or growing whilst 40% declared their margins were down. This is the most positive reading in the past 12 months. Only 17% stated that employment was down compared with last quarter (a marked improvement on the 34% of March) and less than a third considered that their cash flow was decreasing.

Forecasts for the next quarter also tend to be more positive with around 87% of businesses envisaging staff levels to remain the same or to grow, whilst only 13% respondents expected it to decrease, again a small improvement on March's reading.

The survey also suggests that business confidence, after the low observed at the end of 2008, has picked up again with now only 10% of respondents concerned about the outlook. (15% in March and 12% a year ago) and 90% reported medium to high confidence.

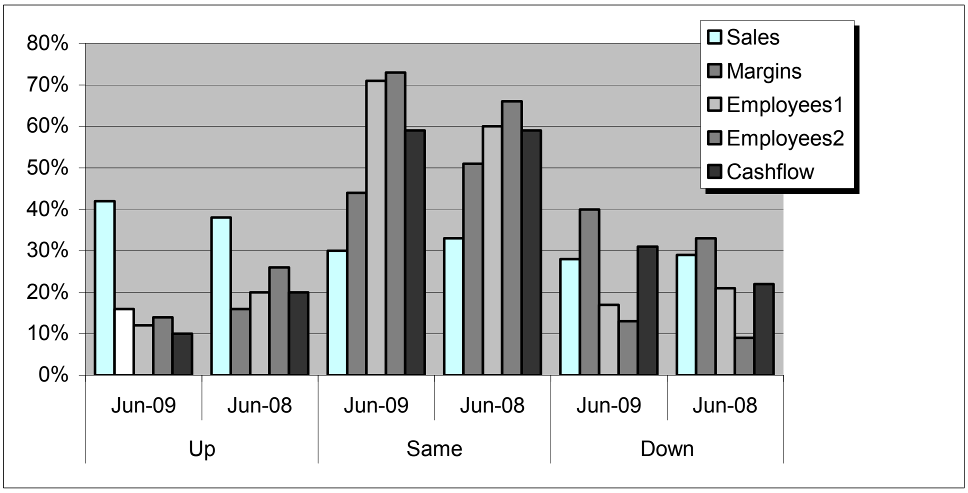
Table 8: Exeter Chamber of Commerce survey– sales, margins, employees and cashflows (June 2009).

Indicator	Up	Same	Down
Sales[1]	42%	30%	28%
Margins[1]	16%	44%	40%
Employees[1]	12%	71%	17%
Employees[2]	14%	73%	13%
Cashflow	10%	59%	31%

Source: Exeter Chamber of Commerce, 2009
1 – Change on last quarter, 2 – Forecast for next quarter

The chart below illustrates the changing pattern recorded over the 12 months period, giving a clearer picture of the overall business sentiment during the recession.

Figure 16: Survey figures-June 09 and June 08



Interestingly, investment has increased with nearly half of all respondents having invested in their businesses over the last quarter, whilst around 74% are in the process of doing so or expecting to do so in the future (up from 65% in June 2008).

However, some employers have taken painful but arguably necessary measures to retain staff and remain in trade with an extra 5% of respondents implementing a pay freeze on salaries since the last quarter. Some 50% of the businesses surveyed have either held wages, at the same level, or are indeed expected to do so over the summer.

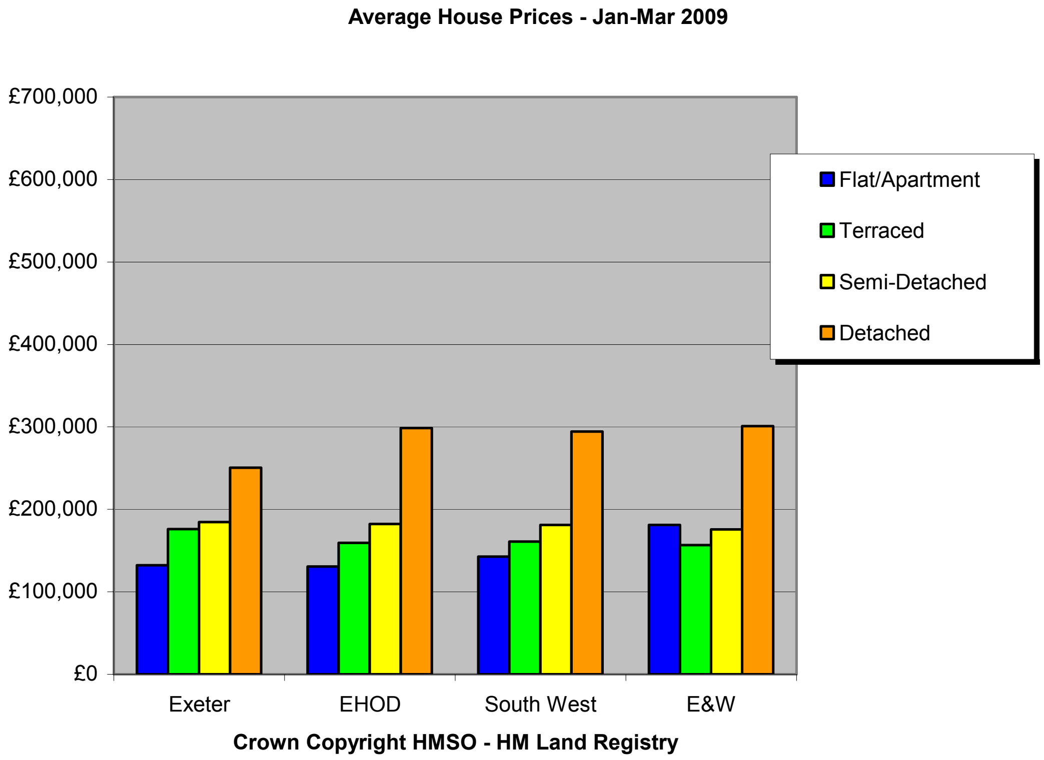
10. LAND REGISTRY HOUSE PRICES UPDATE

House prices in Exeter have declined slightly more than seen regionally and nationally.

- The overall average house price for Exeter for **Q1 2009** stands at £180,400, a decrease of around 15.7% on Q1 2008 (£214,000). This is a little more than the decreases witnessed locally (-13.3%), regionally (-10.9%) and nationally (-9%).
- The *adjusted* average for Q1 2009 is £186,800, a decrease of around 16.4% on Q1 2008 (£223,400).
- Only 174 homes were sold in Exeter during Q1 2009 compared to around 355 during Q1 2008, representing a 51% drop in transactions.

- Over a 12 months period running between Q1 2008 and Q1 2009, 1,496 properties were sold in the city. This compares with 2,818 transactions between Q1 2007/08, a drop of 46.9%.
- Consequently, an annual review analysis reveals that the total value of properties sold in Exeter in Q1 2009 has significantly dropped compared with Q1 2008, from nearly £76M to just £31M. (-59.2%).

Figure 17: Exeter versus local, regional and national average House prices, Q1 2009



This report was compiled by the Economic and Tourism Unit.
If you have any questions, comments or suggestions,
my contact details are provided below.

Matthieu Renaud, Economy & Tourism Unit, Exeter City Council, EX1 1JJ
Tel: 01392 265597
Fax: 01392 265625
E-mail: matthieu.renaud@exeter.gov.uk