

Executive Appendix 3

Committee

2nd June 2010

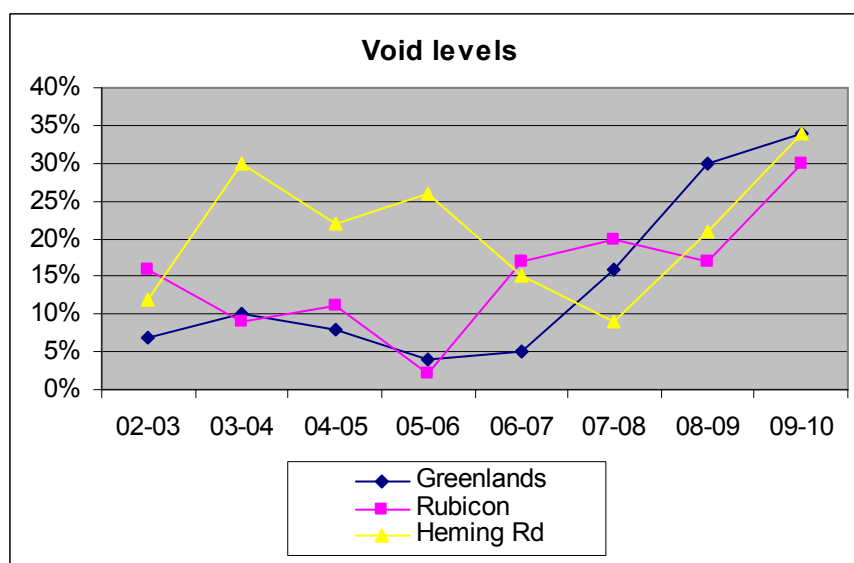
PERFORMANCE (OCCUPANCY AND CUSTOMER SATISFACTION) AND CHARACTERISTICS OF LICENSEES IN REDDITCH BOROUGH COUNCIL'S BUSINESS CENTRES

Patterns of occupancy levels and characteristics of licensees are detailed below and results from annual customer satisfaction surveys are also summarised.

Void levels

The table below shows the void levels for 2001/02 onwards.

	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10
Greenlands	7%	7%	10%	8%	4%	5%	16%	30%	34%
Rubicon	7.5%	16%	9%	11%	2%	17%	20%	17%	33%
Heming Rd	23%	12%	30%	22%	26%	15%	9%	21%	39%



The demand for office and warehouse / light industrial accommodation has varied considerably in the last decade. There is a clear pattern at Greenlands Business Centre and the Rubicon Centre whereby void levels were low in the early part of the decade and have steadily increased since the economic downturn took hold. The fluctuating pattern at Heming Road is more difficult to explain, although voids in all three centres are trending to similar levels.

The number of enquiries about units has fallen in recent years – from 58 per annum in 2007/08 to 30 in 2009/10.

Executive Appendix 3

Committee

2nd June 2010

Characteristics of Licensees

Approximately 60% of new licensees are starting a business or have started a business from home and are moving to their first premises; the remainder are young and established businesses moving from other commercial premises.

Average length of occupancy

Current licensees include start-ups through to businesses which have been trading for 10 years or more. The majority of licensees stay in the business centres for less than two years, although a significant number stay for more than six years.

Table: average length of stay of licensees between 1999 and 2009

	Up to 2yrs	2 - 6 yrs	6 - 9 yrs	10yrs+
Greenlands	146 (66%)	49 (22%)	21 (9%)	6 (3%)
Rubicon	154 (65%)	54 (23%)	17 (7%)	13 (5%)
Heming Road	46 (52%)	24 (27%)	5 (6%)	13 (15%)

Currently at Greenlands, 8 licensees have been at the centre for up to a year, while 6 companies have been at the centre for 10 years or more. At Rubicon, most current licensees have been at the centre for 2-4 years, although 5 companies have been at the centre for 10 years or more. At Heming Road, approximately half have been licensees for 2-4 years and half for 10 years or more.

Reasons for leaving

Between January 2009 and January 2010, thirteen businesses left the centres. Of these, five closed down or went into liquidation, three moved to larger premises and one downsized by moving their office to home. Others moved to cheaper accommodation in the region or moved to different regions of the country (including Devon and Manchester). Eleven of the companies had been at the centres for between three months and four years, the rest were longer term licensees.

Customer Satisfaction

The latest annual survey showed a high level of satisfaction towards the business centres. The majority of licensees rate the accommodation as 'very good value for money'. Licensees remark that they are pleased with reception services and that secretarial services are 'good value for money'. The provision of free parking spaces is also rated highly.

Complaints were raised about the time taken to resolve maintenance issues, and general security. A General Suitability and Sufficiency Assessment judged the three buildings to be 'adequate' in terms of quality and suitability. The report did note the Greenlands Business Centre needs new windows and all three centres require better

Executive Appendix 3

Committee

2nd June 2010

security and CCTV. It may be necessary to submit capital bids via the energy saving budget or asset maintenance budgets in due course to resolve these issues.