

ECONOMIC STATE OF THE REGION AND RESPONSE: EAST OF ENGLAND

ORGANISATION: Suffolk County Council

DATE: 17th April 2009

STATE OF THE REGION

(n.b. qualitative and quantitative, include feedback on impact of new initiatives etc.)

Housing

- *E.g. commercial, funding, repossessions*

RESPONSE

Current activity

- *E.g. programmes, announcements, case studies*

Employment

- *E.g skills, training, redundancies, R2R, closures, recruitment freezes, short-time working etc.*
- Bury St Edmunds-based kitchen, bathroom and tile company Smith & Wareham has gone into administration as a result of dramatically reduced sales, with the loss of all 22 jobs. (Business in East Anglia eNews, EADT, 3/4/09)
- University Campus Suffolk has made 34 redundancies, nearly 10% of their employees. Course cuts and job losses will come into effect in the new academic year, beginning in late summer. EADT 4/4/09
- Port workers at Felixstowe are being asked to accept substantial pay cuts to keep Britain's biggest container terminal running – and keep their jobs. The 2,500 management and quayside workers at the Port of Felixstowe were last week told of an urgent need to achieve savings, with the downturn suffered by the company equivalent to the loss of one of its major customers. The pay cut will be between 6%-11% depending on an employee's package, and will result from changes to terms and conditions of their contracts for this year. Around 200 jobs have already been shed at the port this year but the recession is biting harder than bosses had expected. EADT 8/4/09.
- There have been a number of redundancies reported by Job Centre Plus since the last briefing. Combined with local intelligence and information from the local press, the running total of Suffolk redundancies since October 2008 now stands at **3,136**.
- Former colleagues at the Hunters Land Rover dealership in Ipswich have launched their own business. 11 staff have launched the business offering a service centre specialising in Land Rover for Ipswich and the surrounding areas. EADT 3/4/09

Reprioritisation

- *E.g. stopping, reshaping, new initiatives, including preparations for economic recovery*
- The East of England Development Agency (EEDA) has announced a further £1.32million in funding to help regional manufacturing firms to survive the economic downturn. The money, secured by EEDA from European Regional Development Funding (ERDF), will go to the East of England's Manufacturing Advisory Service (MAS), which last year supported over 300 businesses with advice, hands-on support and training. Benefits to businesses who receive MAS support is thought to be more than £100,000, and it is hoped that the new funds, which bring the total business support package to over £4.4m, will enable the programme to deliver its support to more companies across the region. In Suffolk, job losses in the manufacturing sector have accounted for more than a third of total redundancies since October (according to JCP, local press etc). EADT 7/4/09 and SCC redundancy total as at 17/4/09

Business (n.b. SMEs, larger businesses)

- E.g. support, funding, business-specific intelligence, exports, start-ups, growing/vulnerable sectors, investment plans/cancelled plans
- A £4.7million scheme to create a 68-bedroom green farm tourism centre near Ipswich has been approved by councillors. The Suffolk entrepreneur behind the scheme, Dominic Richards, said he was “truly delighted” that the final part of the controversial spa and business conference facility for Brick Kiln Farm at Hemingstone, near Coddendam, was given the green light. The development is expected to create 11 full and part-time jobs and host seminars and events for up to 150 people. EADT 4/4/09
- The availability of credit to individuals and businesses is expected to improve in the coming three months in a sign that the recession may be easing, according to a Bank of England report released on 2nd April. Around 15% more banks and building societies said in a survey that they expected there to be a small increase in lending to households in the second quarter – the first time they have predicted a rise since September 2007. EADT 3/4/09
- Suffolk-based energy provider Haven Power has been sold by former parent company Welsh Power to the Drax Group in a deal understood to be valued at around £10.75million. It currently employs nearly 150 people at the Ipswich site, and its acquisition by Drax is expected to underpin its future growth. 10/4/09
- Proposals have been unveiled for a £5.35million “innovation hub” at BT’s Martlesham Heath complex which could create 200 new jobs. Suffolk County Council is proposing to invest £500,000 in the scheme which would strengthen the Adastral Park site as a regional centre of excellence for information and communications technology. A new three or four-storey building would provide 28,000 square feet of space for let to kick-start up to 40 new small businesses. The aim is to open in December 2010. EADT 6/4/09
- A five-year retrospective tax on Britain’s ports is set to cost businesses in Ipswich more than £1million, according to Conservative local government spokesman Bob Neill. As a result of decisions made when Gordon Brown was Chancellor, said Mr Neill, the Government had changed the way that business rates are calculated for ports – taxing individual firms instead of port operators. Rather than introducing the new system at the 2010 rates revaluation, local ports firms are to be hit with unexpected bills backdated to 2005. It is feared that many shipping companies may similarly switch their business to Zeebrugge of Rotterdam, finishing journeys by road or rail, and bypass British ports as a result of the new taxes. Mr Neill said: “Local firms are already struggling to make ends meet thanks to the recession. These unfair, retrospective taxes could be the last straw”. EADT 11/4/09

Additional requirements

- E.g. policies, flexibilities

Suffolk’s hospitality sector will benefit from a new initiative being developed by Choose Suffolk and the Learning and Skills Council. The **Suffolk Hospitality Skills Initiative** aims to encourage more hospitality businesses in the county to access and use the many training and skills development schemes that have been developed. The initiative provides the opportunity for Choose Suffolk Tourism Partnership to focus resources aimed at improving sector performance and competitiveness through people development. ‘Delivering world-class customer service is an essential part of the hospitality experience, however, as people gain experience they take on or seek new responsibilities and this is why we need to encourage the development of employee skills throughout a business and not just those that are customer facing’, said Jim Brown, Choose Suffolk.

As a result of the credit crunch, research indicates that more UK residents are considering holidaying at home and this provides an opportunity for UK tourism to sell itself to the domestic markets.

The hospitality sector skills initiative will link up with existing training providers and initiatives to promote them through onsite visits, networking events and a range of marketing promotion activity.

‘Through our many networks, relationships and daily activity, this Learning and Skills Council supported initiative enables Choose Suffolk Tourism Partnership to actively promote services aimed at developing employee skills in Suffolk’s hospitality sector’ said Celia Hodson, Chief Executive of Choose Suffolk.

The Suffolk Hospitality Skills Initiative is launched at the Year of Skills Hospitality Seminar at IP-City Centre, Ipswich on Wednesday 8 April 2009.

Tourism in Suffolk is valued at £1.6 billion and directly employs some 26,000 people.

Other

- *E.g. other economic shocks, at risk/reprioritisation projects, social impacts*
- University Campus Suffolk has taken over from the Learning and Skills Council as lead partner on the Learning and Enterprise Access Points (LEAP) project. The project involves the creation of a network of centres for learning, and careers and skills advice. UCS will hold the contract with Suffolk County Council, which manages the funding on behalf of EEDA. Four new LEAP centres will be opening around the county later this month at Beccles, Murrayside in Ipswich, Newmarket and Sudbury. EADT 3/4/09
- Older people in Suffolk are skipping meals and putting their health at risk in a bit to survive the economic downturn according to research from Age Concern and Help the Aged. The research has shown a quarter of people aged 60 or over are skipping a meal to save money, thereby putting their health at risk, causing nutritional deficiencies. Two-fifths are struggling to afford essential items. Just under half of older people are cutting back on socialising, 38% are reducing their use of electricity and 34% are cutting back on the amount of gas they use. Age Concern is launching a campaign to help pensioners cope with the downturn, More Money in Your Pocket. Proposals to help low-income OAPs are as follows:
 - A commitment to move quickly to roll-out automatic payment of income-related benefits, including Pension Credit, Council Tax benefit and Housing benefit. Older people currently miss out on up to £5billion in benefits each year.
 - A package of measures to assist low-income savers who have seen the income they rely on from modest savings eroded by cuts in interest rates.
 - Maintaining the winter fuel payment and cold weather payment at current levels. When it was first introduced, the winter fuel payment covered over a third of the average fuel bill – now it covers less than a fifth.
 - A new comprehensive programme to improve the energy efficiency of housing stock and other urgent measures to tackle fuel poverty. Around 2.75 million older households live in fuel poverty.
 - Emergency funding of at least £1bn to enable local authorities to increase access to care services and allocate personal budgets that are sufficient to meet people's needs. EADT 15/4/09

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