

## ECONOMIC STATE OF THE REGION AND RESPONSE: EAST OF ENGLAND

ORGANISATION: SUFFOLK COUNTY COUNCIL

DATE: 20<sup>th</sup> March 2009 (Final)

### STATE OF THE REGION

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

#### Housing

- *E.g. commercial, funding, repossessions*
- (National) The number of mortgages advanced to people buying a home slumped to a new low in January, figures showed this week. Just 23,400 loans were taken out by people purchasing a property during the month – 28% fewer than in December and 52% down on January 2008, according to the Council of Mortgage Lenders. There was a slight increase in the number of people remortgaging, with 44,000 loans advanced to people switching to a better deal. That was 8% more than in December, but still half the level for January last year. EADT 13/3/09

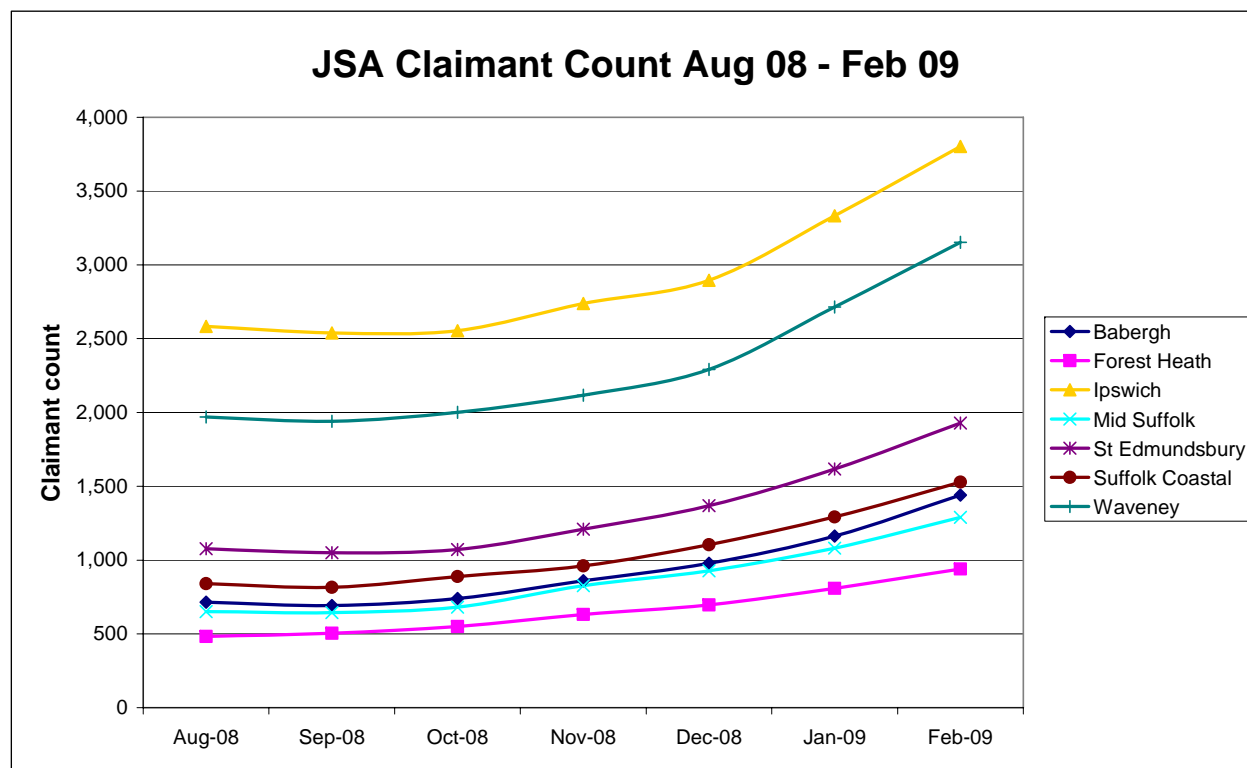
### RESPONSE

#### Current activity

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

## Employment

- *E.g. skills, training, redundancies, R2R, closures, recruitment freezes, short-time working etc*



- Latest Job Seekers Allowance claimant counts were released this week (counts as at 12<sup>th</sup> February 2009). There have been significant increases in all districts since the previous (January) data release. (Babergh – 23.9%, Forest Heath – 16.3%, Ipswich – 14.1%, Mid Suffolk – 19.3%, St Eds – 19.2%, Suffolk Coastal – 18.3%, Waveney – 16.1%).

## Reprioritisation

- *E.g. stopping, reshaping, new initiatives, including preparations for economic recovery*
- Jeremy Pembroke, leader of Suffolk County Council responded to the news about the rising unemployment in Suffolk by highlighting examples of the extra help the authority is giving to local families and businesses struggling in the economic downturn. This includes extra support to Jobcentre Plus, the creation of a “Suffolk Apprentices” scheme and making money available through bursaries to those who have lost their job and want to become self employed. This was reported in the press (EADT 19/3/09). In addition the County is working on a scheme called “Enterprise for All” which will offer support for business start ups. (Suffolk County Council 20/3/09)

Area	February 2008		February 2009		Feb 08 - Feb 09	% change Feb 08- Feb 09
	Claimants	Rate	Claimants	Rate	Claimants	% Change
Great Britain	824,298	2.2	1,416,213	3.8	591,915	71.8%
East	59,586	1.7	112,668	3.3	53,082	89.1%
East Midlands	56,078	2.1	104,703	3.8	48,625	86.7%
London	132,539	2.6	189,930	3.8	57,391	43.3%
North East	51,364	3.2	82,790	5.2	31,426	61.2%
North West	112,475	2.7	183,695	4.3	71,220	63.3%
Northern Ireland	24,641	2.3	43,627	4.0	18,986	77.1%
Scotland	76,111	2.4	121,930	3.8	45,819	60.2%
South East	69,827	1.4	142,340	2.8	72,513	103.8%
South West	42,393	1.4	91,539	2.9	49,146	115.9%
Wales	43,002	2.4	76,837	4.3	33,835	78.7%
West Midlands	99,629	3.0	166,448	5.1	66,819	67.1%
Yorkshire and The Humber	81,294	2.5	143,333	4.4	62,039	76.3%
Bedfordshire	3,807	1.5	8,026	3.1	4,219	110.8%
Cambridgeshire	4,651	1.2	9,320	2.5	4,669	100.4%
Essex	13,335	1.6	27,165	3.3	13,830	103.7%
Hertfordshire	8,311	1.3	17,054	2.6	8,743	105.2%
Luton	3,326	2.8	5,391	4.5	2,065	62.1%
Norfolk	10,967	2.2	18,162	3.7	7,195	65.6%
Peterborough	2,994	2.9	5,070	5.0	2,076	69.3%
Southend-on-sea	2,575	2.7	4,462	4.6	1,887	73.3%
<b>Suffolk</b>	<b>7,529</b>	<b>1.8</b>	<b>14,082</b>	<b>3.4</b>	<b>6,553</b>	<b>87.0%</b>
Thurrock	2,091	2.2	3,936	4.2	1,845	88.2%

- JSA claimant numbers have increased by 87% in Suffolk over the past year. This is below the regional average and below the increases recorded in neighbouring counties such as Cambridgeshire and Essex (where JSA claimant numbers more than doubled during the period), but considerably more than the national average and increase recorded in Norfolk.
- No new redundancy information has been received this week, so the Suffolk running total since October 2008 (based on information from local press, Job Centre Plus and local intelligence) remains at 2,689.

## **Business** (n.b. SMEs, larger businesses)

*E.g. support, funding, business-specific intelligence, exports, start-ups, growing/vulnerable sectors, investment plans/cancelled plans*

- The East of England Co-operative society has relocated its head office to the former E-on site at Wherstead Park; on the outskirts of Ipswich, to create a more efficient operation with easy links to the A12 and A14. The region's largest independent retailer has also vowed to expand through the recession. A £1million refurbishment of its store in Framlingham is nearing completion and the company has reported a 4.8% increase in its food sales so far this year compared to the same period in 2008. Wherstead Park is also being developed as a business centre, with other firms also taking up space within the complex. P&O Ferrymasters has already leased part of the office complex, with 100 employees locating there. EADT 17/3/09
- A national self-storage company has chosen Artisan (UK) Development's new Quantum Business Park development on the Whitehouse Industrial Estate in Ipswich as the location for a new storage centre. Construction of the 20,000sq ft (1,858sq m) depot commenced in April 2008 and was completed in January. Safestore Ipswich is due to open to the public in September 2009. EADT 17/3/09
- British Chambers of Commerce (BCC) has launched a strategic framework outlining the policies required to foster business growth in the short-term and lay the foundations for economic stability in the long-term. The business blueprint was presented to representatives from the Bank of England, Treasury and BERR. It will also be submitted to the Chancellor ahead of his 2009 budget. More details on the recommendations from the BCC's National Business Recovery Plan can be seen [here](#). Mark Hollocks from the Suffolk Chamber, said: "The Government's attempts to aid business recovery so far lacked a clear and overarching strategy. While many measures introduced have been welcomed, a flood of announcements have often confused and lacked direction. It will be business that leads the UK out of recession. For this reason it is vital that Government does all it can to help companies by allowing them the freedom to create jobs and wealth. This means cutting taxes, calling time on harmful regulation and a more joined up approach from Whitehall. Collectively, we need to be looking at what sort of economy we want to see in the future and importantly what action will need to be taken to get us there. This recovery plan should act to foster growth in the short-term and lay the foundations for economic stability in the long-term." EADT 17/3/09
- Engineering firm Delphi in Sudbury has received a welcome boost after an order was placed by a Chinese firm. The company had previously called upon the Government for help after a huge drop in orders forced it to make 100 redundancies. The Chinese company has put in a substantial order for nozzles for a fuel injection system for use on HGVs. EADT 20/3/09

## Other

- *E.g. other economic shocks, at risk/reprioritisation projects, social impacts*
- The Citizens Advice Bureau has warned that advertisements offering to wipe out all your debts may make matters worse. It is concerned by claims from some companies suggesting they have a quick solution to many people's financial problems. Firms typically charge around £500 up front to check one credit agreement, with no guarantee they will be successful. CAB manager Ian Burnett said: "We would urge people in debt to think very carefully indeed before spending money they are unlikely to get back on a 'solution' that in many cases will just make their debt problems worse. Usually if something looks too good to be true that's because it is." 19/3/09
- The Education and Business partnership, which works with schools, businesses and the community to promote education business links through events like school enterprise days and providing young people with work related learning opportunities, are finding companies are turning them down. Restructuring by companies and staff redundancies have resulted in increasing reluctance to take on any outside commitments. (Personal communication 20/03/09)
- St Edmundsbury Borough Council allocated part of a site it owns at Suffolk Business Park, Moreton Hall, Bury St Edmunds for the development of managed workspace and incubation space. The Council entered into a Development Agreement with Basepoint, a private company, to build the centre. The ACT Foundation (which funds Basepoint) now says that, because of the changing economic circumstances, there is a £1m shortfall in the development appraisal and has asked for a contribution of £750,000 to enable the project to go ahead.

Fostering new enterprises to boost the local economy by creating jobs is a cornerstone of the council's Economic Development Strategy. Home-grown businesses employ 76 per cent of the workers in the borough and demand for suitable units is strong. It is envisaged that if it goes ahead, the new centre could be letting space in about a year to eighteen months, at the time that it is predicted the economy will be recovering.

Work on the funding shortfall is two pronged. The first approach is to examine the detail closely to see if the amount can be reduced. The second approach is to identify and explore finance sources, including a bid for EEDA funding. The council is contributing the land it owns and as work continues, it will consider what else it can put in to help deliver the units. (St Edmundsbury Borough Council 20/3/09)

## Additional requirements

*E.g. policies, flexibilities*

**Produced by: Suffolk County Council  
Research and Intelligence Group**

**Contact:** Dr Belinda Godbold  
[belinda.godbold@et.suffolkcc.gov.uk](mailto:belinda.godbold@et.suffolkcc.gov.uk)  
Or Kit Day [kit.day@et.suffolkcc.gov.uk](mailto:kit.day@et.suffolkcc.gov.uk)