

ECONOMIC STATE OF THE REGION AND RESPONSE: EAST OF ENGLAND

ORGANISATION: SUFFOLK COUNTY COUNCIL

DATE: 6<sup>th</sup> March 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, casestudies*

## Employment

- *E.g skills, training, redundancies, R2R, closures, recruitment freezes, short-time working etc.*
- **Redundancy information from Job Centre Plus:**
- **Holiday Inn, Ipswich**, has made 4 redundancies. (JCP 27/2/09)
- 160 jobs have been lost at Omar Homes, whose headquarters are at Brandon, after the company filed for administration. The company is one of Britain's leading manufacturers of holiday homes, but now employs just 40 people at the Brandon HQ. The job losses at Omar Homes are the latest blow for Brandon, which saw the closure of Milbank Floors' operation in the town last year and redundancies at concrete manufacturer Lignacite. It recently also closed its Northampton operation. Omar has been trading since 1965 and generated an annual turnover of about £45million. EADT 4/3/09
- **These redundancies bring the Suffolk running total since October 2008 to 2,689**
- On 5 March 2009, **arc**, Bury St Edmunds opened. A £100 million retail and residential development by Centros with world standard architecture and showcasing the leading national and international retail brands, arc is one of the few new shopping centres to open in England this year. Against the backdrop of a challenging economic climate, arc is encouraging future economic growth in Bury St Edmunds by helping to extend the town centre's retail provision and attract greater numbers of visitors and shoppers to prevent future leakage of spend to competing destinations. This is likely to have a positive 'knock on' effect for all the businesses in Bury St Edmunds, who can make the most of the increase in visitors and shoppers that arc will initiate. Centros' investment in Bury St Edmunds also resulted in the employment of approximately 500 people in the construction and development process, and the arrival of 35 shops and a large Debenhams department store, whose new building lends its name to the scheme, has brought some 300 additional long term jobs to Bury St Edmunds. Contact Paul Haynes, Centre Manager: paul@arc-burystedmunds.com
- However, only 15 of the 35 retail units were ready to trade at the opening, although others will open in the following weeks. EADT 28/2/09
- The worst of the job losses which has caused unemployment to approach 2 million, could be over by Easter, according to a new analysis of redundancies. The report by the Chartered Institute of Personnel and Development (CIPD) is based on the impacts of the downturn in the United States, which recession related cuts of a similar magnitude but with the downturn having apparently started 3 months earlier in the US. CIPD's expectation is that the UK economy will shed at least 600,000 jobs in 2009. EADT 3/3/09
- Latest information on the ratio of active jobseekers (both JSA claimants and non-claimants) to vacancies:
  - Overall, there were 18.7 jobseekers for every vacancy in the county.
  - The town faring best was Leiston, with 5 jobseekers per vacancy.
  - Lowestoft had the highest ratio, with 38 jobseekers to each job vacancy.
  - In terms of jobseekers by occupation, the highest number was in elementary trades/plant/storage, with 3,449 jobseekers in this occupation in the county.
  - The lowest numbers of jobseekers (7) were those looking for occupation in the health profession.
  - The highest ratio of jobseekers to vacancies was in the skilled agricultural trades, with 230 jobseekers per vacancy.

## Reprioritisation

- *E.g. stopping, reshaping, new initiatives, including preparations for economic recovery*

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

- *E.g. support, funding, business-specific intelligence, exports, start-ups, growing/vulnerable sectors, investment plans/cancelled plans*
- A new brewery has restored beer production to a landmark in Ipswich. The Cliff Quay brewery site, formerly occupied by Tolly Cobbold, has been shut since 2002, but a new micro brewery has opened and is selling beer to the adjacent Brewery Tap pub. Despite the bleak economic climate, visitors have predicted a healthy outlook for the pub and the brewery. EADT 3/3/09
- Workloads in the East of England construction sector declined for the third consecutive quarter in the final three months of the year, according to a Royal Institute of Chartered Surveyors survey. The net balance fell to the lowest level in the survey's 15-year history with 49% more chartered surveyors in the region reporting a fall rather than a rise in the construction workloads, compared with 40% who reported a fall in quarter 3. RICS East operations director David Potter said: "The pressure on the construction sector shows no signs of abating at the moment. Indeed, if anything it appears to be intensifying as the weakness in the housing sector spreads to both commercial and industrial workloads." EADT 26/2/09
- Manufacturers in the East of England are also "extremely pessimistic" about the next quarter, with nearly half reporting lower outputs. A business trends survey carried out by manufacturer's organisation EEF shows the sector is being heavily impacted upon by the UK recession and the global economic slowdown. Trading conditions have slumped significantly in the last quarter, with 46% reporting lower output volumes and 60% saying new orders are down. 43% have cut jobs and 49% are reducing their capital expenditure. EADT 3/3/09
- A 26.6 acre portside site at Felixstowe has been sold to a logistics group with plans for a £45million development. Uniserve Group, a privately owned group of companies operating in global logistics, has bought the site on the Trinity Estate from Trinity College, Cambridge. The site at Felixstowe is added to Uniserve's portfolio of facilities for sea and air freight at Tilbury, Heathrow, Manchester, Glasgow and Dublin. Ian Liddell, managing director of Uniserve Holdings, said: "We look forward to a very successful future at Felixstowe which will be an important new facility for the group's supply chain services." EADT 27/2/09
- Preliminary work is due to start this month on the £300million SnOasis winter sports complex outside Ipswich. It is expected to provide the equivalent of 1,800 full-time jobs, probably employing around 2,500 people in total. EADT 3/3/09
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**Additional requirements**

- *E.g. policies, flexibilities*

## Other

- *E.g. other economic shocks, at risk/reprioritisation projects, social impacts*
- The number of Suffolk youngsters who are now in some form of post-16 learning is the highest it has been for 10 years. Education bosses welcomed the news but also warned that the current economic downturn has still caused a rise in the amount of young people who are unemployed. According to the figures, of the 21,400 16-18 year-olds in the county, three-quarters (approximately 16,050) were still in some form of learning at the end of last year. However, they also showed that 7.9% (just over 1,600) are classed as Not in Education, Employment or Training (NEET) – a 0.5% rise on 2007. EADT 2/3/09
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