

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

**ORGANISATION** Suffolk County Council

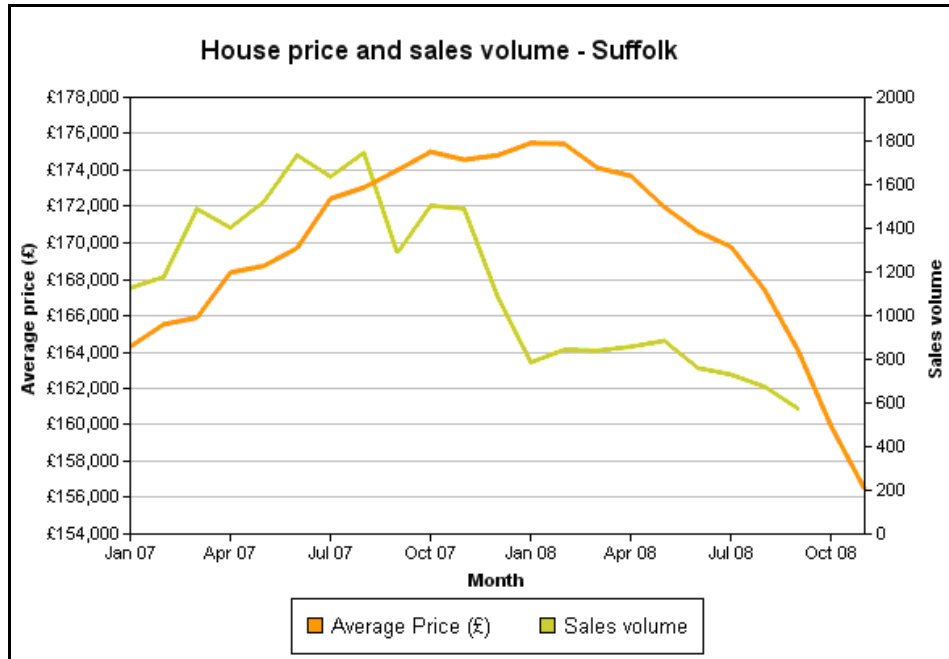
**DATE** 9th January 2009

### STATE OF THE REGION

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

#### Housing

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



- November house prices in Suffolk reached their lowest level since June 2006, down 2.2% in the month and 10.4% in the year. Sales volume in September was at the lowest level since pre January 1995. Land Registry 12/08
- The economic downturn has forced developers Wharfside Regeneration to change their plan for 53 affordable houses and an 81-bedroom hotel in Ipswich. Instead they will build more than 350 student rooms, to be ready for the 2009/10 academic year. Advertiser 18/12/08

### RESPONSE

#### Current activity

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

- *E.g skills, training, redundancies, R2R, closures, recruitment freezes, short-time working etc.*
- Childrenswear chain Adams has cut 850 jobs nationwide after administrators announced the closure of 111 stores. Both Suffolk stores (in Ipswich and Newmarket), will close. The remaining 160 stores will remain open while efforts are made to secure a sale. EADT 6/1/09
- The collapse of tea and coffee chain Whittard and the Officer's Club has threatened more jobs in the county. Stores remained open beyond the turn of the year but the sale of the company to Epic Private Equity, which already owns the novelty retailer Past Times. It is anticipated that some consolidation will take place in towns with both Whittard and Past Times stores, this includes Ipswich. The Times 24/12/08
- The remaining Woolworths stores in the county all closed on 6<sup>th</sup> January. The collapse of the company has left 27,000 people out of work nationwide. EADT 6/1/09
- Long Melford based Fleetwood Caravans has fallen into administration, with 50 out of the 63 employees made redundant. EADT 8/1/09
- The Sudbury area has been hit relatively hard by redundancies this week, with the Fleetwood losses being in addition to 43 at the town's branch of Woolworths and a likely 29 at the Marks and Spencer Simply Food store. EADT 8/1/09
- Job Centre Plus has been notified of 1 instance of potential job losses in Suffolk:  
**Hunters Land Rover** of Ipswich, 34 jobs to be lost. JCP 19/12/08.

## 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*
- Companies in the East of England are performing above the UK average in terms of sale increases. The figures show the East has seen the largest rise of any region, with an increase of 5.7% on the same period last year, compared with the a UK increase of 2.5%. This is due to businesses taking advantage of the favourable exchange rate conditions to look overseas for business. More than 5,600 businesses in the region have been actively exploiting the favourable rates. EADT 24/12/08
- Bosch in Stowmarket is a prime example of this, as they have recruited extra staff to handle the burgeoning demand for exports. BBC Look East 5/1/09
- Ipswich restaurant The Galley has changed prices to 1994 levels to help make eating out more affordable. This will mean a typical sirloin steak meal dropping from £19.95 to around £12.95 and a chicken course from £12.95 to £9.95. Should the incentive prove successful, the pricing structure may remain through February and March. Advertiser 18/12/08
- The £50 million development of shopping space on the site of the former Civic Centre in Ipswich has been approved by councillors. 15,000 square metres of shopping space with a detached café/restaurant, a three-storey building fronting Westgate Street and 11 new homes are to be built. A report to the development control committee by planning officers said the proposal was to be “a benefit to the town. It is important to support investment in the town centre in order to promote regeneration and the vitality and viability of Ipswich as a shopping destination.” EADT 18/12/08
- A farm shop which won the backing from hundreds of villagers during a planning battle has closed due to lack of support. The couple previously running the shop are hoping to reopen in the New Year under different ownership, but a firm agreement has not been reached. It was the only shop in Benhall and compared favourably to travelling to Saxmundham or Aldeburgh where parking is a big problem, but ultimately struggled to compete with the much larger farm shop with tea rooms at Friday Street. EADT 29/12/08
- Pub chain JD Wetherspoon has cut prices on some drinks and food, including offering a pint of Greene King IPA for 99p, the same price it was sold for in 1989. This has caused some controversy, with alcohol concern groups being against the move on health grounds. EADT 6/1/09

## **Additional requirements**

- *E.g. policies, flexibilities*
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## Other

- *E.g. other economic shocks, at risk/reprioritisation projects, social impacts*
- A Government bid to create or protect up to 100,000 jobs by bringing forward public projects. The move was welcomed by unions due to the safeguarding of jobs, but derided by the Conservatives as another unsuccessful solution and an addition to the already severe debt crisis. Among the projects brought forward is the upgrading of the A11 in Suffolk/Norfolk. EADT 5/1/09
- The divorce rate is set to rise as the twin strains of Christmas and the economic downturn impact upon relationships. One-in-four people say their relationship is under strain because of money problems, according to a new survey. With 17% of divorced men blaming financial problems for the end of their marriage, the credit crunch is putting extra pressure on relationships in trouble. EADT 6/1/09
- There are fears that crime rates will rise as the economic downturn will prevent an increase in the number of police on the streets, combined with the anticipated crime increase brought about by a recession. EADT 29/12/08
- Ipswich can approach 2009 with an air of optimism as more than £275 million of investment is coming to the town. Richard Atkins, responsible for economic development at the council, said “there really is a lot happening in Ipswich and it is becoming a more attractive place. The addition of the university has added to the level of excitement about the town.”

### Projects include:

- Suffolk University Campus phase II in Duke Street under construction (£50 million)
- Suffolk New College under construction (£75m)
- SWISS 6<sup>th</sup> form centre under construction (£50m +)
- Westgate Centre received planning consent (£50m)
- Tarmac operation relocation from Island site to Cliff Quay – under construction
- Salthouse Harbour Hotel – under construction
- Mediterranean Shipping Company opened new high-class facility
- Glasswells, Ranelagh Road, furniture store - open.
- New pedestrian bridge for Fairview development, Ranelagh Road.
- New floodgates being installed at Ipswich Waterfront. Also funding in place for flood defence system. (£50m)
- Arlingtons restaurant opened in Museum Street.
- Tesco Express to open in St Matthew's Street
- Asda developing new store on Stoke Park. EADT 30/12/08