

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

<b>ORGANISATION: Suffolk County Council</b>	<b>DATE 28 November 2008</b>
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STATE OF THE REGION <i>(n.b. qualitative and quantitative, include feedback on impact of new initiatives etc.)</i>	RESPONSE
<p><b>Housing</b></p> <ul style="list-style-type: none"> <li>• <i>E.g. commercial, funding, repossessions</i></li> <li>• Repossessions in the county in April to September 2008 have risen by c.30% compared to the same period in 2007. Figures released by the government show 784 repossession claims were lodged with Suffolk's county courts by lenders in the period, compared to 588 in 2007. The problem has been most apparent in Lowestoft, where repossessions rose by 38% in the period, to 271 in 2008. According to West Suffolk MP Richard Spring, the situation is expected to get considerably worse, despite urging banks to avoid repossessing people's homes wherever possible. EADT 22/11/08</li> <li>• Figures from the Nationwide building society show that the fall in national house prices was much reduced in November, being 0.4% compared to 1.3% in October. However, consultancy Capital Economics says that the moderate fall is not an indication that housing prices are bottoming. Figures for house price changes in Suffolk are not yet available. BBC online 27/11/08</li> </ul>	<p><b>Current activity</b></p> <ul style="list-style-type: none"> <li>• <i>E.g. programmes, announcements, case studies</i></li> </ul>

## Employment

- *E.g. skills, training, redundancies, R2R, closures, recruitment freezes, short-time working etc.*
- Job Centre Plus has alerted us to the following redundancies that have come to their attention this week:  
**CML Innovative Technologies**, electric lamp producer in Bury St Edmunds, 30 job losses.  
**Climax Molybdenum**, world's leading supplier of the Molybdenum metal, based in Stowmarket, Mid Suffolk, are set to make 15 redundant.  
**Havebury Housing Association**, Bury St Edmunds, 25 job losses.  
**Daneway**, Suffolk Coastal, 20 jobs.
- Nearly 100 jobs could be lost at East Anglian builders' merchant group Ridgeons as a result of the downturn in the construction industry. Two of the company's 21 branches are in Suffolk, but the exact extent of the losses in the county are not yet known. EADT 26/11/08
- Woolworths employees in the county are at risk after the company went into administration. Tens of thousands of jobs are said to be under threat nationwide, but the impact on Suffolk branches is unknown at the current time. EADT 27/11/08
- Furniture chain MFI has also called in administrators, but local impacts are unknown. EADT 27/11/08
- Mediterranean Shipping Company (MSC) opened its new building MSC House this week. The landmark building on the Ransomes industrial estate has been built to accommodate the growing workforce, which now numbers more than 530. Chairman of MSC David Petchey added: "This is a substantial UK headquarters investment that proves our continued investment in, and dedication to Ipswich, the Port of Felixstowe and the county of Suffolk." EADT 27/11/08

## Reprioritisation

- *E.g. stopping, reshaping, new initiatives, including preparations for economic recovery*
- A pot of money is to be set aside by Suffolk County Council to help businesses and residents through the recession. The cash will be used from the projected under-use of the council's £3.5 million contingency fund, which was set up as a hedge against unexpected emergencies, insurance claims and shortfalls in income. Director of resource management Graham Dixon said, "any underspending on the contingency is usually added to the County Fund at year end but in the light of the deteriorating economic situation, it is recommended that the underspending be transferred to a specific earmarked reserve to address the impacts of the recession on the demand for council services, on individuals and businesses." EADT 26/11/08

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

- *E.g. support, funding, business-specific intelligence, exports, start-ups, growing/vulnerable sectors, investment plans/cancelled plans*  
Bury St Edmunds Town Centre Management (TCM) Board hopes to create the region's second Business Improvement District (Ipswich Central has already taken such a measure). In the scheme, businesses are asked to pay a levy on top of their business rates to help pay for town wardens, Christmas lights etc. EADT 26/11/08
- ISG Jackson has started work on work on a £4 million design and build project to extend the four-star Salthouse Harbour Hotel on the Ipswich Waterfront. The extension will provide an additional 27 bedrooms, a new reception and enlarged restaurant and dining area. EADT 27/11/08
- The woman's clothes retail chain Jane Norman has booked space at the new £100 million Arc development in Bury St Edmunds. Developer Centros says that 85% of the available shop space has now been let or in the hands of solicitors drawing up contracts (19 of 35 have been let). David Lewis, associate director for Centros: "Jane Norman is a top fashion name that will really complement the high street fashion line-up of Arc." More new names are expected to be announced in the coming weeks. EADT 24/11/08.
- Suffolk is in a "strong position" to withstand the challenges of the credit crunch, financial experts are predicting, following the annual survey of its top companies by financial advisers Grant Thornton. The annual Suffolk Ltd report on the county's top 100 firms revealed that their average pre-tax profits rose by 23% to £169 million this year. However, the report does not reflect the major events of recent weeks. James Brown, partner at Grant Thornton's Ipswich office, said: "the fact remains that Suffolk is in a strong position to face the challenges brought on by the credit crunch. We are lucky in the fact that we have a broad range of sectors in Suffolk which are constantly shifting in terms of relative turnover levels. As we are not reliant on any one sector, there is less risk to the economy in the current commercial turbulence." EADT 25/11/08

**Additional requirements**

*E.g. policies, flexibilities*

- Research carried out by the East of England Development Agency (EEDA) has revealed that around half of region's entrepreneurs still see the current economic climate as "an opportunity". The survey also revealed that while only 34% feel the credit crunch has affected them so far, most expect to have to adapt to keep ahead: 78% expect to have to innovate; 59% intend to diversify; and 53% aim to seek efficiencies such as reducing energy consumption. EADT 26/11/08
- Consumer spending in the UK saw its sharpest decline for 13 years between July and September. Household spending fell 0.2%, also the first decline in successive quarters since 1992. EADT 27/11/08

## Other

- *E.g. other economic shocks, at risk/reprioritisation projects, social impacts*
- The A12 improvement is one of several transport projects bought forward by the Government in a bid to boost the economy. The road is a key freight route which links the capital to Felixstowe and Harwich ports. It is expected that work will start in 2011-2012. Transport Secretary Geoff Hoon said: "The A12 is a crucial strategic link, taking traffic between the east ports of Felixstowe and Harwich and the wider motorway network, and supporting the economy of the region and our trade links with Europe and beyond. EADT 26/11/08
- Ipswich's three park-and-ride services have suffered a 9% reduction in travellers between April and the end of October. However, Guy McGregor, the portfolio holder for transport has said "we think the main reason is not down to the economic difficulties but because there is a perception that car parking in Ipswich is so cheap that motorists would rather drive into town than park on the perimeter and use the bus for the rest of their journey." EADT 26/11/08

## Other actions

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