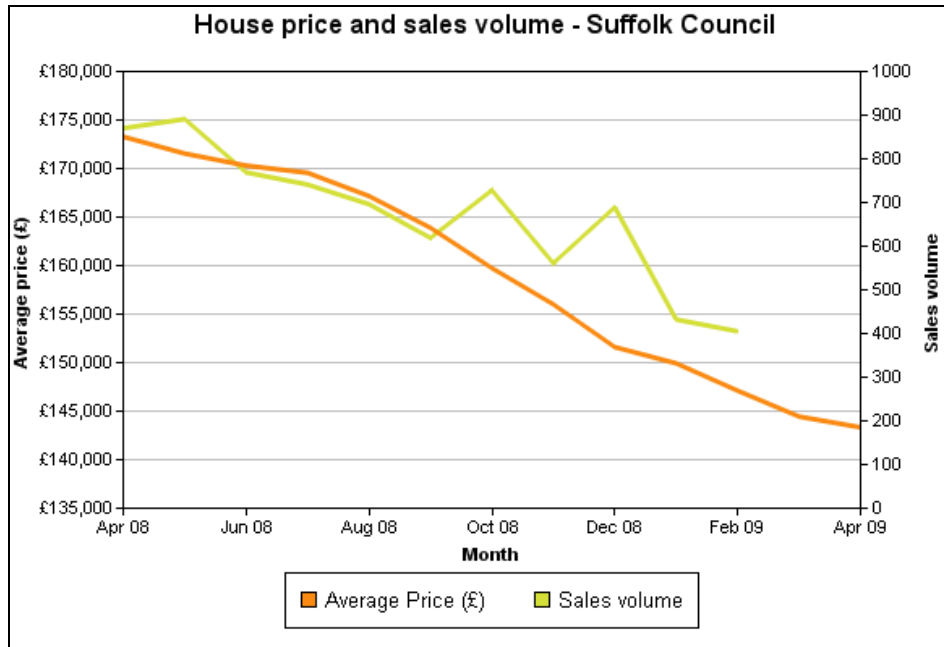


Information for monthly Regional Intelligence Snapshot - Suffolk

18 June 2009

SUMMARY OF ECONOMIC CONDITIONS (E.G. BUSINESS CONFIDENCE, BUSINESS CONDITIONS – OUTPUT, ORDERS, EXPORTS, ETC, LABOUR MARKET, HOUSING MARKET, ANY INDUSTRY SPECIFIC TRENDS)

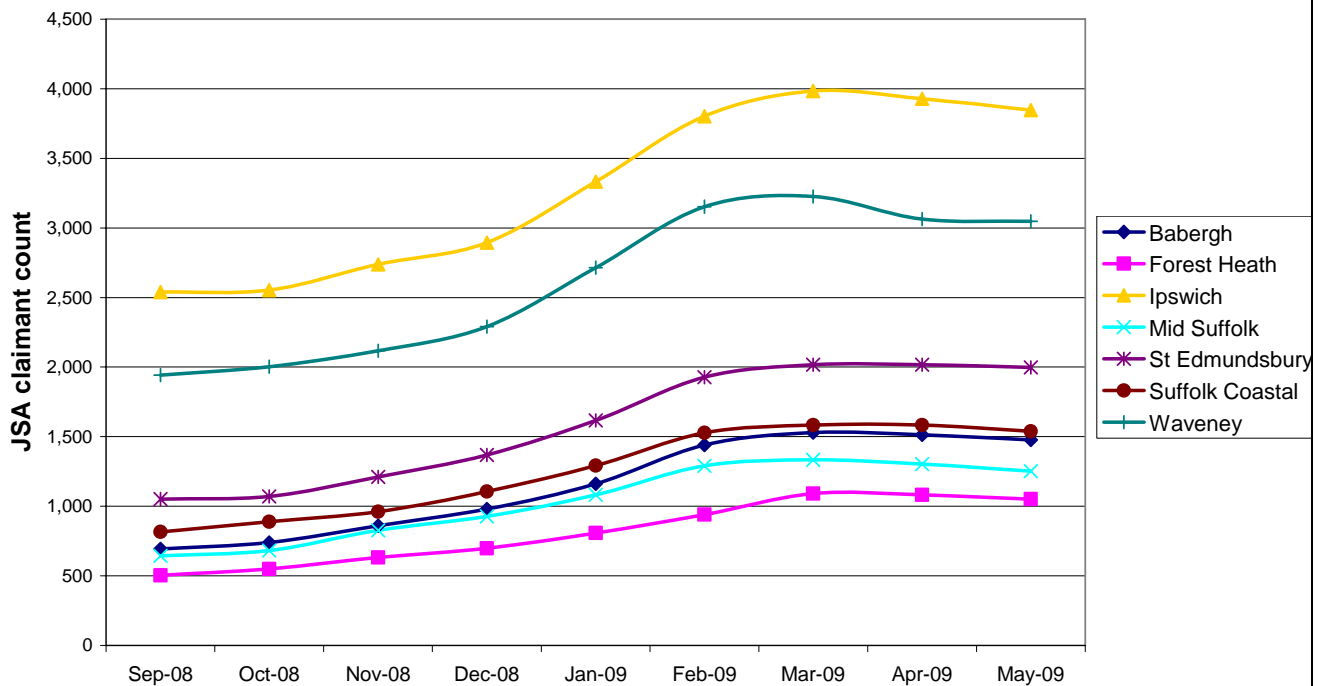


- The latest data from the Land Registry (April 2009) shows house prices in Suffolk continuing to fall steadily. The latest sales volume figures (February 2009) also showed a drop on the previous month, though in both cases the fall has been less significant than that during the previous month.

House Price Index report - Suffolk Council (April 2008 - April 2009)

Month	Index	Average Price (£)	Monthly Change (%)	Annual Change (%)	Sales Volume
April 2008	307.6	173,282	-0.2	2.9	870
May 2008	304.5	171,545	-1.0	1.7	891
June 2008	302.3	170,302	-0.7	0.4	769
July 2008	301	169,562	-0.4	-1.6	741
August 2008	296.7	167,163	-1.4	-3.2	696
September 2008	290.9	163,895	-2.0	-5.7	619
October 2008	283.5	159,742	-2.5	-8.6	728
November 2008	276.9	156,011	-2.3	-10.5	561
December 2008	269.1	151,603	-2.8	-13.1	689
January 2009	266.1	149,924	-1.1	-14.4	432
February 2009	261.1	147,107	-1.9	-16.0	405
March 2009	256.4	144,443	-1.8	-16.8	-
April 2009	254.4	143,329	-0.8	-17.3	-

Job Seekers Allowance claimant count Sept 08 - May 09



- Job Seekers Allowance claimant counts have fallen in all districts in Suffolk for the second successive month.
- In the rest of the East of England; Cambridgeshire, Central Bedfordshire, Essex, Norfolk and Thurrock also recorded a decline in JSA claimants, whereas Hertfordshire and Luton both saw another strong increase in claimants.
- Workloads in the construction industry continued to weaken across the board in the first three months of the year. The latest RICS construction market survey shows that 43% more surveyors in the East of England reported a fall rather than a rise in overall workloads during the first quarter of the year. However, nationally both private and public housing saw a slight improvement in the number of surveyors reporting falling workloads. 27/5/09

KEY CHALLENGES AND HOTSPOTS (E.G. BUSINESS FEEDBACK ON GOVERNMENT POLICY, INVESTMENTS UNDER THREAT, SKILLS SHORTAGES, IMPACT OF BUSINESS CLOSURES, AREA-BASED CHALLENGES...)

- LandSkills East, funded by the Rural Development Programme for England (RDPE) and managed by EEDA is providing £4.5 million investment in silks and training in agri-business in the East of England. EADT 2/6/09
- Choose Suffolk are set to invest £1.2million in a range of services including expert advice and financial support for start-up and established companies with a new Enterprise and Engagement Programme (EEP). 2/6/09

BUSINESS SPECIFIC INTELLIGENCE (E.G. REDUNDANCIES, NEW JOBS OR BUSINESSES AT RISK) / INFORMATION ON KEY QUESTIONS*

- Insurance company AXA is cutting over 120 jobs across three offices in Suffolk. The currently 1,600 strong workforce at the Ipswich office will be cut by 120, with more expected in the two offices in Haverhill. It is reported that more jobs have been lost elsewhere in the country with Ipswich largely unaffected due to the confidence in the facility. EADT 12/6/09
- There have been no new redundancies reported to us by Job Centre Plus during the past 4 weeks.
- The closure of the entire Cheltenham & Gloucester network by Lloyds will result in the loss of two branches in Suffolk; in Ipswich and Bury St Edmunds. Up to 1,660 full-time jobs will be lost nationwide. EADT 10/6/09
- National fashion chain Peacocks will be opening stores in two former Suffolk Woolworths stores; Felixstowe and Stowmarket. EADT 9/6/09 (See Q2)
- The new Ramada Encore hotel on Ranelagh Road in Ipswich opened on 1st June. EADT 2/6/09
- Around 2,100 jobs are at risk nationwide following the appointment of administrators at the Birthdays greetings card business. Clinton Cards, which owns the 332-store chain, said it had taken the "difficult decision" that it could "no longer continue to provide funding to its loss-making subsidiary". There are three Birthdays stores in Suffolk; in Ipswich, Stowmarket and Sudbury, though the latter two are each combined with a Thorntons store. EADT 22/5/09
- Greene King has purchased 11 pubs put up for sale by Punch Taverns, in a deal valued at £30.4 million. Seven of the pubs are in London while the other four are in Scotland, both key geographies for the company according to chief executive Rooney Anand. EADT 10/6/09 (Q2)
- Bury St Edmunds-based flavour and fragrance company Treatt yesterday reported increased revenues and profits "in line with expectations" despite the economic downturn. Turnover during the 6 months to March 31, up 31% on the previous year's first half. Operating profit was 27% ahead, before allowing for the impact of adverse exchange rates, and at the bottom line pre-tax profits were 6% up at £1.393m. EADT 27/5/09
- Creeting St Mary-based construction firm Beheny has warned staff it may have to lay off up to nine of its plant operators if orders do not pick up quickly. The £60-70million turnover business, which employs 385 staff and undertakes projects ranging from infrastructure, groundworks and highways to remediation, marine works and coastal defence, said it estimated its turnover had dropped by 10 to 20% as a result of fewer orders. EADT 27/5/09
- Seven new businesses have opened in Woodbridge over the last five months. The town centre co-ordinator commented that other stores have benefited from the closure of Woolworths, particularly the toy shop. The town has been running a Keep Calm and Carry on campaign encouraging shoppers to continue to use local retailers during the recession. The new businesses are: in Gobbitts yard, De Moller Designs and Pickwicks of Woodbridge; Granvilles Old Fashioned Sweet Shop in the Thoroughfare; Reign Shoes, Market Hill; Silver Rocks Jewellery, Cumberland Street; Woodbridge Health Foods, Church Street; and Elmhurst Antiques, Elmhurst Walk. EADT 12/6/09
- Bernard Matthews has submitted a planning application for 5 wind turbines as part of the company's multi-million pound scheme to power its East Anglian production plants with green energy. The 100m high turbines would be on a former airfield at Holton near Halesworth. The company's factory would be 600m away with electricity being pumped in the national grid. The firm has plans to erect 9 turbines at 3 sites, generating about one quarter of the electricity consumed by the Matthews operation each year. Plans for 2 turbines at Weston Longville and 2 at North Pickenham in Norfolk are under development. The construction and installation will be met by a joint venture between Matthews and Climate Change Capital, a firm registered in London specialising in wind farm finance and construction. EADT 12/6/09 (Relevant to Q1 & Q2 below)
- The East of England Co-operative Society is in talks over the sale of its entire department stores business. Discussions with Vergo over the acquisition of 4 Co-op stores in the region have now been extended and include the Ipswich department store and Felixstowe and Stowmarket home stores. No staff are expected to lose their jobs as they should be safe under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE). The Co-op Chief Executive said the sale of the department and home stores would enable it to concentrate on its profitable food stores across the region. EADT 17/7/09 (See Q2)
- Omar Park Homes has completed the first home at its Brandon factory after buying the remnants of Omar Homes Group, which went into administration in early March 2009. Omar Homes Group found itself in trouble because of cashflow problems, leaving it unable to pay its bills. The failure of the business put 160 jobs at risk. But administrators Tenon Recovery, received "substantial" interest from

potential buyers, and have now sold the intellectual rights, trade name and subsidiaries to a consortium of former Omar Homes Group managers.

The new company is headed by former Omar Homes Group owner Paul Pleszko and entrepreneur Tony Roach. The business - which makes park homes, lodges and holiday caravans - currently has 17 head office staff and 82 production employees, but it said yesterday that it expected to have up to 150 employees by September.

Omar will initially be producing its homes at a rate of 12 a week, with that figure expected to rise to 25 a week by September. EADT 29/5/09

*Information requested from BERR for our April snapshot includes:

1. Evidence of medium-term structural impacts on regional economies (skills gaps, market concentration, loss of technological expertise, any emerging structural opportunities)
 - See Bernard Matthews above - structural opportunity to renewable energy industry
2. What are firms doing to prepare for the upturn
 - See Bernard Matthews above – investment in renewable energy
 - Co-op restructuring
 - Greene King expanding number of pubs owned
 - Peacocks expanding
3. Extent of the manufacturing supply chain (geographical coverage, how many jobs at risk from a typical large company failure, how much £ lost to the economy and the UK, etc.)