

ECONOMIC STATE OF THE REGION AND RESPONSE: EAST OF ENGLAND

ORGANISATION: Suffolk County Council

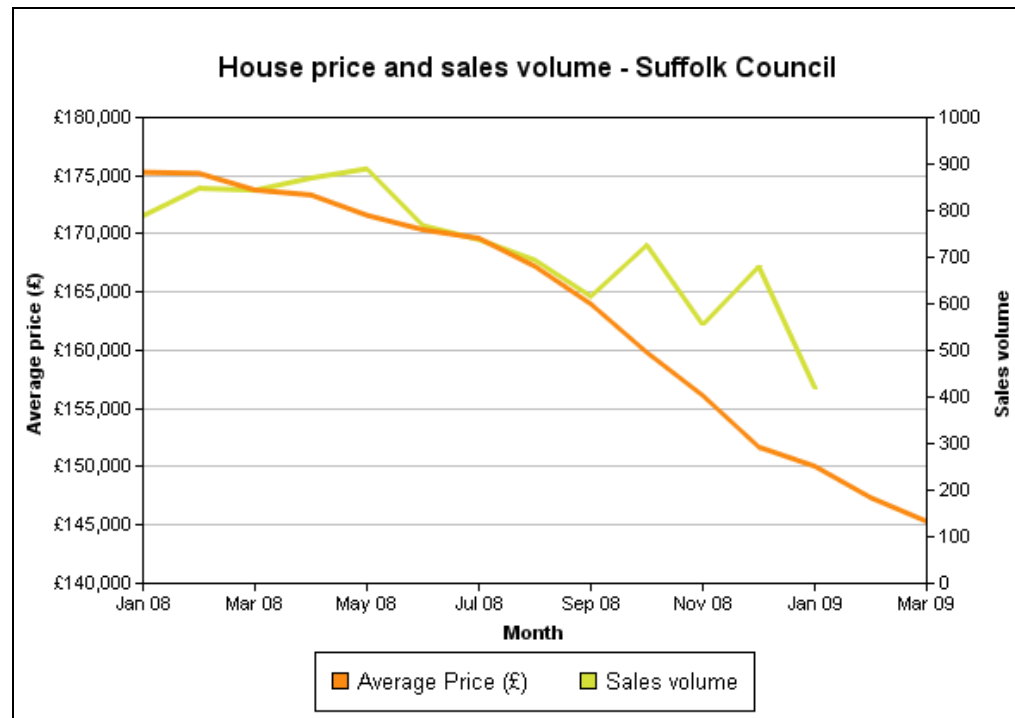
DATE: 21st May 2009

STATE OF THE REGION

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

Housing

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



- The latest data from the Land Registry (March 2009) shows house prices in Suffolk continuing to fall steadily. The latest sales volume figures (January 2009) also showed a drop on the previous month.

RESPONSE

Current activity

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

**House Price Index report - Suffolk Council
(January 2008 - March 2009)**

Month	Index	Average Price (£)	Monthly Change (%)	Annual Change (%)	Sales Volume
January 2008	311.4	175,305	0.4	6.8	789
February 2008	311.2	175,204	-0.1	5.9	848
March 2008	308.7	173,776	-0.8	4.8	844
April 2008	307.9	173,350	-0.2	3.0	870
May 2008	304.8	171,607	-1.0	1.8	890
June 2008	302.6	170,366	-0.7	0.5	768
July 2008	301.3	169,630	-0.4	-1.6	738
August 2008	297.1	167,223	-1.4	-3.2	694
September 2008	291.3	163,988	-1.9	-5.6	616
October 2008	283.9	159,828	-2.5	-8.6	726
November 2008	277.3	156,124	-2.3	-10.5	555
December 2008	269.5	151,704	-2.8	-13.1	680
January 2009	266.6	150,055	-1.1	-14.4	420
February 2009	261.8	147,356	-1.8	-15.9	-
March 2009	258.1	145,316	-1.4	-16.4	-

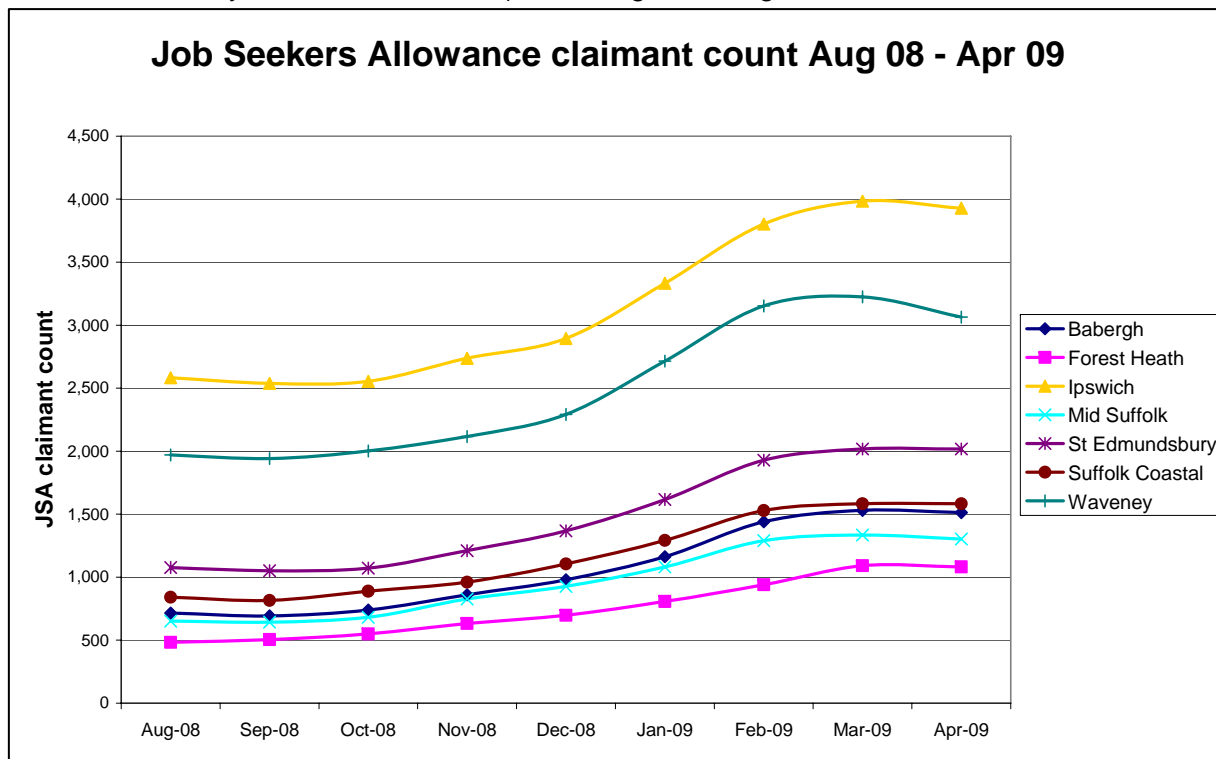
- House prices fell by 1.4% from February to March 2009, bringing the annual change to -16.4%. The Suffolk house price index/house prices are now at their lowest level since July 2004, with sales volumes hitting their lowest point since Land Registry figures began in 1995. (<http://www.landregistry.gov.uk/> - accessed 21/5/09)
- Repossessions in the UK rose by 50% during the first quarter of the year, but are no longer expected to reach the near-record levels previously forecasted for 2009. Nationwide, about 12,800 people lost their homes during the 3 months to March 2009, up from 8,500 a year earlier and 10,400 during the previous quarter, the Council of Mortgage Lenders (CML) said. EADT 16/5/09 Local data is not currently available.

Reprioritisation

- *E.g. stopping, reshaping, new initiatives, including preparations for economic recovery*
- Suffolk Chamber of Commerce is pleased to support the latest business support initiative to come from University Campus Suffolk (UCS). Working in partnership with Suffolk Chamber, UCS will undertake initiatives targeted at recent graduates, the unemployed, and small to medium size businesses. EADT 28/4/09

Employment

- *E.g skills, training, redundancies, R2R, closures, recruitment freezes, short-time working etc.*
- April Job Seekers Allowance claimant figures released on 13th May show a fall in Suffolk claimants for the first time since September 2008 and following strong increases since October 2008. Five of Suffolk's seven districts/boroughs (Babergh, Forest Heath, Ipswich, Mid Suffolk and Waveney) recorded a decline in JSA claimants, with the remaining two (St Edmundsbury and Suffolk Coastal) recording no change.



- The Suffolk figures contrast with the majority of the rest of the East of England, with only Norfolk also recording a drop in claimants, though increases in claimants have slowed across the region. Nationally, the claimant count is at its highest level since 1996 after a jump of almost 250,000 claimants brought the count to 2.215million in April. See more JSA claimant count data on NOMIS [Suffolk/East of England JSA claimant count 2008-09](#) or [the Gavurin recession map](#)

Additional requirements

- *E.g. policies, flexibilities*

- Data for April 2009 shows a small drop in vacancies in Suffolk. Most sectors have seen a drop in vacancy numbers, though those in public services have increased. Vacancies in banking, finance and insurance account for around half of all vacancies in the county, while large Suffolk sectors manufacturing and construction have fewer than 60 vacancies each [See more Suffolk vacancy data \(district/county level 2008-09 by broad industrial sector\) on NOMIS](#)
- About 140 jobs are set to be salvaged in Brandon after buyers were found for park homes manufacturer Omar Home which went into administration in March 2008. Former Omar Homes owner Paul Pleszko, helped by family friend and entrepreneur Tony Roach, sealed a management-led buyout deal for the purchase of its intellectual rights, trade name and subsidiaries on Friday following talks with administrators Tenon Recovery. About 160 employees at the plant lost their jobs in March when the company filed for administration after it was hit by a combination of problems related to the property downturn and the currency exchange rate. It had been trading since 1965 and generated an annual turnover of about £45million before its troubles. A skeleton staff of about 30 remains. Tenon lead partner Ben Barrett said they were still assessing the losses at the original firm, but “it will certainly be seven figures”. He added that if former staff were available, the buyers were committed to going back to the old workforce. EADT 14/5/09
- Staff at recession-hit automotive engineering plant Delphi are set to vote on a set of proposals aimed at helping to secure the company’s future. It is understood the 800-strong workforce at the plant in Sudbury face the possibility of a four-day working week, a 10% pay cut and a compulsory three-week break in the summer as the company tries to combat the effect of falling orders while retaining its staff. The company continues to try to avoid redundancies, HR manager Steve Coppock explained. “If skills go out of the industry, they won’t come back. We are trying to keep the skills in the business”. EADT 15/5/09
- Workers at Willis, one of Ipswich’s biggest employers, are being offered unpaid leave as part of a radical cost-cutting exercise. The scheme was sanctioned in response to the current economic difficulties, and allows staff to take extra time off on top of their contracted holiday entitlement, but the leave is either unpaid or partly paid. It is believed that one option involves staff taking a month’s sabbatical in return for 30% of their salary. EADT 14/5/09

- Staff at leading Suffolk haulage company Leggett's are taking a 10% pay cut in a bid to stave off the threat of redundancy. More than 120 managers, staff and drivers have all accepted the drop in pay. The Freight Transport Association (FTA) says the number of HGV drivers out of work is up by 236%, transport managers up by 114% and van drivers up by 60%. The family-run company is based in Woolpit, Bury St Edmunds. EADT 8/5/09
- Twenty-seven of the 50 staff at marine survey company Utech Survey, based on the banks of Lake Lothing in Lowestoft, were made redundant in mid-May. The company, which carries out surveys of the seabed and lays cables for the oil and gas industry, is registered in Aberdeen and employed a total of 110 people – 60 working on vessels at sea and the other 50 based at Lowestoft. A total of around 70 staff have been made redundant across the bases. Administrators were called in to Utech Survey following recent problems for the company on a significant contract, which led to delays and over-running costs. Andrew Turner, an insolvency partner at Lovewell Blake in Lowestoft, said: "Not only will the loss of jobs have an impact on the town, but there are a number of local creditors that will be affected by the company going into administration. " EADT 15/5/09. Job Centre Plus have also reported on the Utech Survey case, stating 90 redundancies. JCP 15/5/09
- BT workers at Adastral Park will be "hit badly" by job cuts after the company announced 15,000 redundancies on 14th May. BT aims to cut 10% of its workforce through natural wastage, but also by targeting agency staff and contractors, many of whom work at Adastral Park. The firm also revealed it had cut 15,000 posts in the last 12 months – 5,000 more than expected. Suffolk has around 5,000 BT employees, with 3,500 stationed in Martlesham. The performance of BT's global services arm is being blamed for the majority of the problems, with over-optimistic assumptions on several of the division's contracts meaning up to £2billion in write-offs. EADT 15/5/09
- A total of 12 jobs have been created by discount clothes shop Madhouse in Westgate Street, Ipswich. The store has had a successful first weekend of trading. The Advertiser 7/5/09
- The SCC running total of redundancies recorded from local intelligence, local press and Job Centre Plus since October 2008 has reached **3,259** at 18th May 2009.

Business (n.b. SMEs, larger businesses)

- *E.g. support, funding, business-specific intelligence, exports, start-ups, growing/vulnerable sectors, investment plans/cancelled plans*
- Waitrose has opened a new 14,000 sq ft store in Saxmundham, Suffolk Coastal – part of a national expansion following its acquisition of 13 former Somerfield branches from the Co-operative Group earlier this year. EADT 8/5/09
- A surge in demand for holiday accommodation in Suffolk could provide a predicted £5million benefit to the county's economy this year. The combined effects of the recession and the unfavourable £/Euro exchange rate are expected increase demand for domestic holidays this year. Tourism is worth £1.6billion to the Suffolk economy and one holiday lettings company, Suffolk Secrets, predicts an extra £5m will be generated as a result of the boom this year. EADT 6/5/09
- Music, films and games retailer HMV officially opens a store in the new Arc shopping centre in Bury St Edmunds on May 28th. EADT 19/5/09
- A one acre site with offices on the Claydon Business Park, Great Blakenham, has been let to Exel Europe for a home delivery service for Argos. The 30 acre business park has been bucking recent property trends with occupancy rates currently at 90%. EADT 28/4/09
- Britain's biggest nightclub operator, Luminar, has reported a 36% drop in annual profits (£31.5million to £20.3m in the year to February 26th), but said there were signs of a pick up in demand from cash strapped clubbers. Luminar owns 89 venues nationally, of which 17 are in the East of England, and 1 in Suffolk (Liquid and Envy in Ipswich). EADT 15/5/09
- A multi-million pound renewable energy plant – thought to be one of the first of its kind in the country – could be up and running on a former air base by this time next year. AgriGen Ltd, a company set up by a consortium of five east Suffolk farmers stretching from Bawdsey to Sizewell, wants to build the biogas facility at Bentwaters Park, near Rendlesham. The plant, which is likely to cost in the region of £5million, will generate enough power to provide electricity for up to 1,500 homes. EADT 14/5/09
- The owner of regional train operator National Express East Anglia has reported that stalling revenues at another of its franchises had increased pressure on its rail business. National Express Group's key East Coast Main Line route between London and Edinburgh saw underlying revenue growth of just 0.3% in the first three months of 2009, compared with 9% growth last year. The National Express East Coast franchise was awarded in 2007, before recession struck, and requires the group to pay the Government £1.4 billion over the lifetime of the deal which runs until 2015. The group's other rail franchises, National Express East Anglia and London-Southend operator c2c, also saw revenue growth slow during the first quarter, to 3.8% and 4.6% respectively. EADT 7/5/09

Other

- *E.g. other economic shocks, at risk/reprioritisation projects, social impacts*
- There has been an 80% rise in the number of animals abandoned in the East of England since last year, as owners cannot afford to look after them. EADT 28/4/09

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