

Information for monthly Regional Intelligence Snapshot

Produced by Research and Intelligence Team | Suffolk County Council

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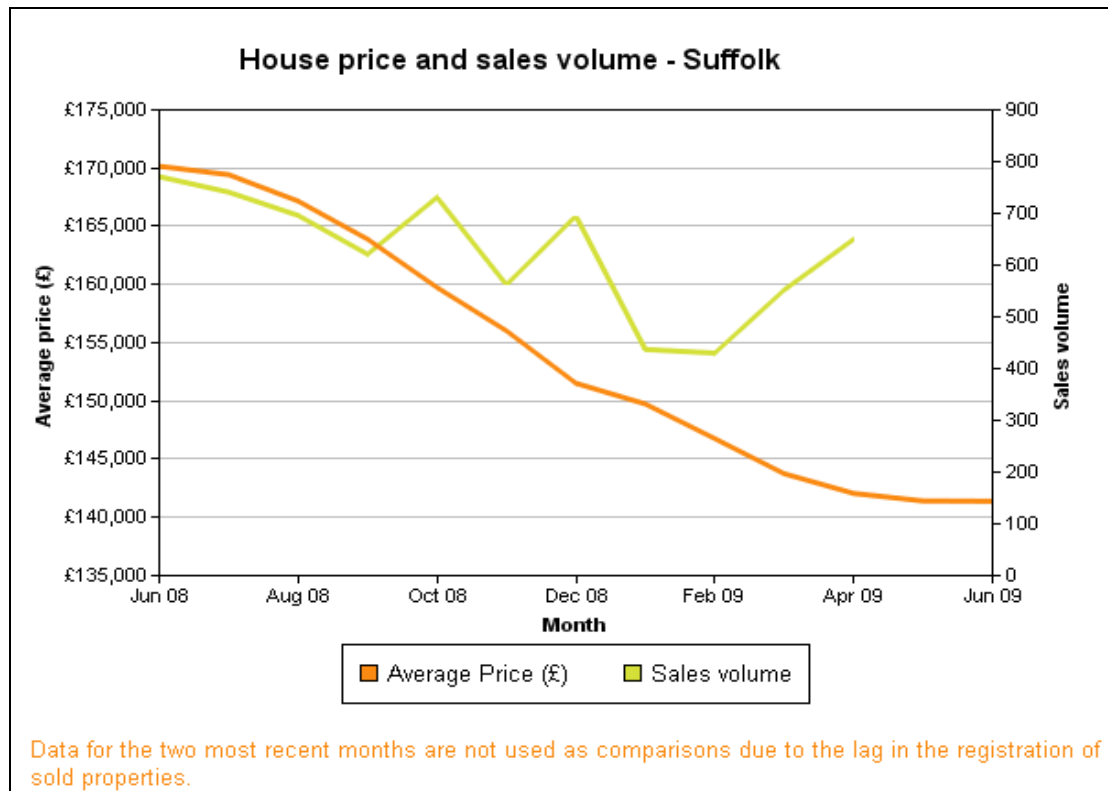
SUMMARY OF ECONOMIC CONDITIONS (E.G. BUSINESS CONFIDENCE, BUSINESS CONDITIONS – OUTPUT, ORDERS, EXPORTS, ETC, LABOUR MARKET, HOUSING MARKET, ANY INDUSTRY SPECIFIC TRENDS)

SUMMARY

- Again, few redundancies have been reported during the last month, although fears remain that there will be a second wave of administrations and job losses in quarters three and four. The administration and eventual takeover of Haymills was the biggest story this month.
- The Job Seekers Allowance claimant count in Suffolk has decreased for the fourth month in succession. This may be due in part to seasonal employment (for example related to tourism), but it is interesting to note that the two districts which recorded a slight rise in claimants this month were Suffolk Coastal and Forest Heath, which traditionally have strong tourism sectors.
- There have been reports of increasing confidence among businesses, though the strength and pace of any recovery still lacks any certainty.
- House prices in the county have continued the trend for increasingly small drops.

HOUSING/PROPERTY MARKET

- According to data from the Land Registry (below), average prices continued to drop in Suffolk, albeit by a very small amount. The drop for the month of June was only £25, less than the £648 in May. Average price now sits at £141,387, the last time it was this low was May 2004. Interestingly, prices at a national level are reported to have risen slightly this month; however Suffolk has still reported a small decline.



**House Price Index report - Suffolk
(June 2008 - June 2009)**

Month	Index	Average Price (£)	Monthly Change (%)	Annual Change (%)	Sales Volume
June 2008	302.1	170,161	-0.7	0.4	771
July 2008	300.9	169,434	-0.4	-1.6	741
August 2008	296.8	167,165	-1.3	-3.2	696
September 2008	291	163,897	-2.0	-5.6	621
October 2008	283.7	159,748	-2.5	-8.5	731
November 2008	277	156,023	-2.3	-10.5	562
December 2008	269	151,523	-2.9	-13.2	695
January 2009	265.9	149,740	-1.2	-14.5	437
February 2009	260.6	146,767	-2.0	-16.1	430
March 2009	255.2	143,751	-2.1	-17.2	552
April 2009	252.2	142,060	-1.2	-17.9	650
May 2009	251.1	141,412	-0.5	-17.5	-
June 2009	251.1	141,387	0.0	-16.9	-

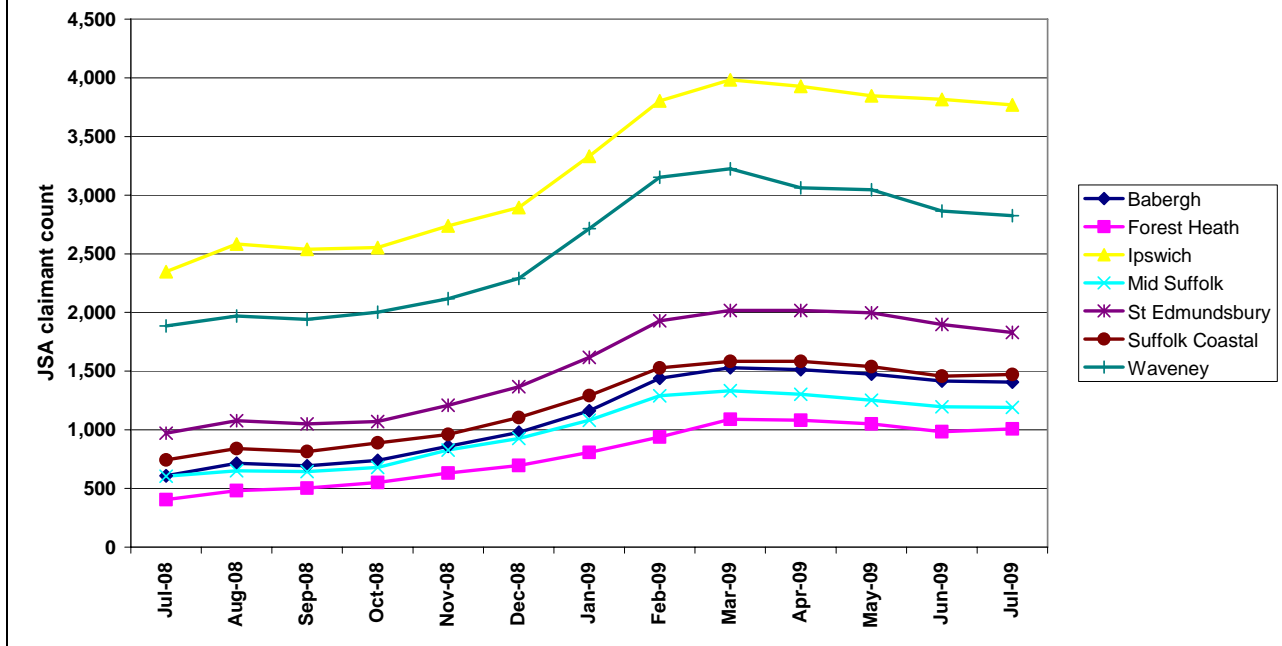
- There has been a large increase in the number of homes facing repossession in Suffolk in the past five years, according to new figures from the Ministry of Justice. In Ipswich and Bury St Edmunds, the number of mortgage possession orders issued by county courts has almost doubled. The information was requested in Parliament by West Suffolk MP Richard Spring, who said the increases were, "because there is rising unemployment and people are very stretched and have over-borrowed and they are not always very sympathetically treated by lending institutions." EADT 21/7/09

Repossession Order Figures					
	2004	2005	2006	2007	2008
Bury St Edmunds	124	191	220	235	263
Chelmsford	226	355	381	382	484
Colchester	385	542	695	778	1,009
Ipswich	224	287	358	328	421
Lowestoft	197	297	284	286	388
East of England	4,647	7,058	8,421	8,212	10,334

- Mortgage lending rose to its highest level since December last month with a 17% jump in advances, according to figures from the Council of Mortgage Lenders (CML). A total of £12.3billion was lent during June thanks to a seasonal pick-up in house-buying activity. However, this figure was less than half the £24.8bn seen last June. EADT 21/7/09
- Ipswich Building Society says the number of mortgage applications it is receiving has risen by 80% in July this year compared to the same period last year. It says the increase, against a backdrop of falling applications amongst building societies overall, is even more significant given that 80% of its customers live in East Anglia. EADT 11/8/09
- Tenant demand in the second quarter of 2009 remained relatively stable across the East of England, but there was a mixed picture across retail, industrial and office sectors, according to the latest survey by the Royal Institution of Chartered Surveyors (RICS). The net balances for new enquiries and confidence were the least negative since the start of the downturn in the third quarter of 2007, says RICS. Demand for office space across the region bucked the national trend by improving slightly and the industrial sector remained unchanged but demand for retail property saw a decrease, with 33% more chartered surveyors reporting a fall rather than a rise. Confidence in the retail sector was less negative, with the balance of chartered surveyors reporting a fall rather than a rise down from 56% to 22%. Confidence in industrial property saw a marked improvement, with a balance of 2% reporting a rise rather than a fall. New enquiries to occupy business space were relatively flat. EADT 4/8/09

LABOUR MARKET

Job Seekers Allowance claimant count by district - July 2008 to July 2009



- Suffolk as a whole follows the pattern of the 5 districts with a small drop in claimants. There have now been drops in the claimant count in the county every month since April 2009.
- 5 of the 7 districts in Suffolk recorded another drop in JSA claimants. March was the last month in which there was a rise.
- There has been a slight rise in claimants in Forest Heath and Suffolk Coastal - the first rise since March. However, their overall JSA claimant rate (as a percentage of working age population) remains low at 2.5% and 2.1% respectively.
- Nationally there has been another slight increase in claimants.
- The East of England recorded another slight drop in claimants - like Suffolk the regional trend has been for falling counts since April.
- Suffolk's claimant rate is now slightly below the East of England (3.2% vs 3.4%), and almost a percentage point below the rate in England.
- Source: Office for National Statistics, retrieved from NOMIS.
- Some of the drop off in JSA claimants may be due to seasonal work.

OTHER

- After 15 consecutive months of falling employment in manufacturing, there were positive signs for the sector at the beginning of the month as a survey reported the first rise in activity since March last year. The Chartered Institute of Purchasing and Supply's (CIPS) headline measure of the sector posted 50.8 in July, above the neutral 50 mark and well ahead of City expectations. The figure improved for the second successive month and by the biggest margin since December 2007, helped by a recovery in new orders, the survey added. EADT 4/8/09
- Competition between retailers and sharp falls in commodity costs eased food-price inflation to its lowest level for more than a year-and-a-half last month, according to the British Retail Consortium (BRC)-Nielsen Shop Price Index. Food prices rose by 3.8% in July, slowing sharply from a 5.6% increase in June, and marking the fourth month of falling inflation in a row. Overall shop price inflation stood at 0.5% in July, its lowest since December last year. EADT 5/8/09
- Tourism in the county is booming this summer according to travel firms. A combination of poor exchange rates, the recession and predictions of a scorching summer have contributed to the trend. EADT 14/7/09

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

- Business confidence is on the rise in the East of England, according to Lloyds TSB's six monthly Business in Britain survey. It found that firms are hopeful about sales and orders, but profits are still under pressure, while investment in the region is constrained but ahead of the UK average. The study also showed that although the strength and shape of the recovery remains uncertain, businesses in the region are showing signs of rekindled confidence in their prospects for the rest of the year. Its business confidence index, which tracks firms' expectations for sales, orders and profits over the coming six months, has risen to a balance of -1%, from a record low of -24% six months ago. Almost a third (29%) of firms in the region area now expecting an upturn in sales, with the same proportion braced for a fall. The overall balance of the region's firms expecting an increase in the next six months has risen to +10%, ahead of a UK average of +6%. Although the balance of firms in the east expecting rising profits has improved, it is still firmly in the negative territory and -13%. EADT 14/7/09
- There has been an increase of 40% in the number of prescriptions of anti-depressants in Suffolk in the past 5 years. NHS Suffolk said the figures did not mean that doctors, nurses and pharmacists were issuing a larger quantity of anti-depressants. Suffolk Mind Partnership said the rise may be because more people were becoming depressed due to financial difficulties experienced during the recession. EADT 20/7/09

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

REDUNDANCIES

- No new redundancies were reported by JobCentre Plus this month.
- The Suffolk running total of redundancies since October 2008 is now at **3,742**
- Up to 44 posts are expected to go at Bernard Matthews, affecting both the firm's Great Witchingham headquarters in Norfolk and its facility near Holton, near Halesworth. The employees facing redundancy were described as "salaried staff and hourly paid engineers", suggesting that managers and "line leaders" rather than production line workers were at risk of losing their jobs. EADT 7/8/09
- Insurance company Axa has warned that a further 350 jobs will be cut nationwide in a cost-cutting drive. However, the company's Suffolk offices are likely to be unaffected. EADT 6/8/09
- More than 850 jobs have been lost nationwide at Allied Carpets, as administrators were forced to close 142 of the chain of 217 stores. In Suffolk, the Ipswich store was one of those to be saved, but the Bury St Edmunds store has closed. EADT 18/7/09 and Independent online 14/8/09

NEW JOBS/EXPANSION

- Ipswich Building Society has opened a new branch in Sudbury. EADT 25/7/09
- "Pioneering insurance company" Countrywide Accident Assurance (CAA) is to move to brand new offices in Felaw Maltings, Ipswich, almost tripling its floor space, to meet fast-growing demand for its services. The firm was established less than 5 years ago but is now a market leader in outsourced claims handling, with its list of clients including household names such as Pizza Hut, KFC, BASF, Travis Perkins and Honda. The firm now employs more than 60 staff. EADT 30/7/09
- EIC, the UK's largest independent energy consultancy, has chosen the new Linden Square development in Bury St Edmunds as the site for its new state-of-the-art offices. The building was completed in late July, as EIC prepares to move its team from its current location in Newmarket in January 2010. EIC, which was established in 1975, has a portfolio of more than 1,200 major energy users including Cadbury UK, HSBC and Reuters. EADT 4/8/09
- A prominent building in Princes Street Ipswich with over 1,400 sq ft of offices over four floors has been let to @work recruitment by Elsom Spettigue Associates and Penn Commercial. The move by @work represents expansion from their previous offices in St Margaret's Green. EADT 11/8/09
- Elsom Spettigue Associates (along with Francis Darrah Surveyors from Norwich) has also let a former Curry's shop in Woodbridge to the British Heart Foundation, which will be open and trading within a month once fitting out works have been completed. EADT 11/8/09
- A high quality office unit at the Peninsula Business Centre at Wherstead, near Ipswich, has been sold through Penn Commercial. Unit 6 has been acquired by Purple Line, a national supplier of caravan accessories, which is relocating from Hadleigh to the attractive barn conversion. The unit extends across 350 square metres (3,500 sq ft) and has adjacent car parking.
- Increased demand from home and overseas, including the opening up of new export markets, has led BOCM Pauls to invest more than £1million in upgrading and expanding the manufacturing facilities at its Bury St Edmunds animal feed mill. The Bury plant, with a production capacity in excess of 40,000 tonnes, is the largest speciality feed production unit of its kind in Europe and is the leading supplier of piglet creep, early grower and link feeds in the UK and Europe. The Bury mill is one of 20 production units operated by Ipswich-based BOCM Pauls across the UK, together producing more than two million tonnes of feed annually for all classes of farm livestock. EADT 18/7/09

JOBS SAVED/NEW OWNERSHIP

- A takeover of Suffolk construction firm Haymills has been completed, saving around 430 jobs. Administrators had been called in as the company suffered severe financial troubles, with its overdraft suspended by the Royal Bank of Scotland early in August. Payments going out of the account were frozen and staff had not received their wages since. Sub-contractors, who are owed thousands of pounds, have also gone unpaid. The buy out includes Haymills Property Solutions, which is responsible for the upkeep of 14,500 social homes in Norfolk and Suffolk for the Flagship Housing Group. A statement said the majority of the Haymills group, based in Stowmarket, had been sold to Vinci Construction UK Ltd. EADT 13/8/09
- Suffolk-based pest control company Igrox has been acquired for an undisclosed sum by integrated services provider Connaught plc. Igrox, which is based at Great Blakenham, near Ipswich, and operates nationally, with four other sites around the country, will become part of Connaught's compliance division, together with Norwich-based fire safety company UK Fire which has also been acquired by the group. EADT 24/7/09
- The headteacher of Lowestoft's largest high school has dismissed speculation that dozens of staff are being made redundant this summer in order to cut costs. Although about 18 staff could leave at the end of the

academic year, there have not been any forced redundancies. Three people have already volunteered for redundancy. EADT 15/7/09

OTHER

- The Basepoint Business Centre on Ransomes Europark in Ipswich is launching 12 months free office rental for charities and six months free rental for start-up businesses. EADT 21/7/09