

# Information for monthly Regional Intelligence Snapshot

Produced by Research and Intelligence Team | Suffolk County Council

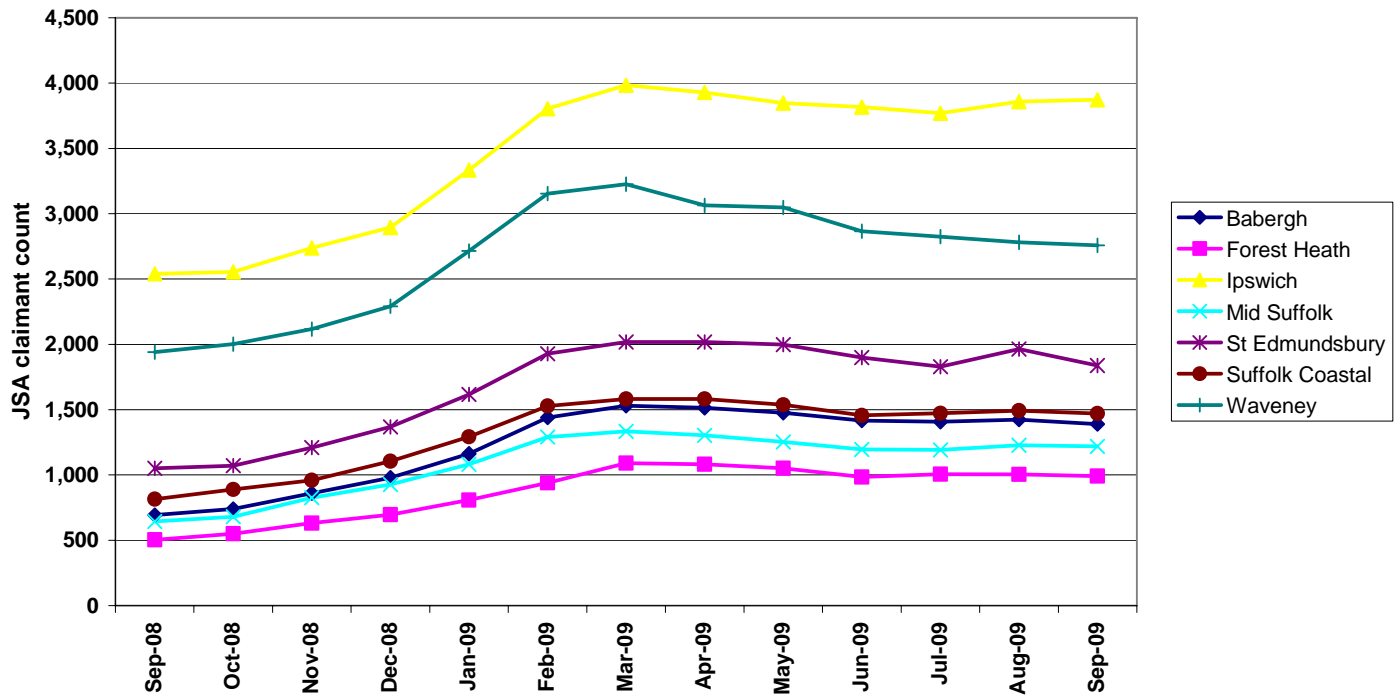
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**SUMMARY OF ECONOMIC CONDITIONS (E.G. BUSINESS CONFIDENCE, BUSINESS CONDITIONS – OUTPUT, ORDERS, EXPORTS, ETC, LABOUR MARKET, HOUSING MARKET, ANY INDUSTRY SPECIFIC TRENDS)**

## **SUMMARY**

- Housing prices in Suffolk increased for the third month in succession in September, whilst there was also a small drop in Jobseekers Allowance Claimants in the county. However, there were nearly 300 redundancies recorded during the month, with a further 221 reported in October to date.
- Total known redundancies since October 2008 to date stands at 4,138 and job growth in excess of 1,777.
- According to the latest Chartered Institute for Purchasing and Supply's (CIPS) report there are hopes that the UK economy pulled out of the recession in the third quarter after a survey suggested the pivotal services industry expanded at its fastest rate for two years in September. The services sector – the biggest contributor to the economy – recorded a reading of 55.3 on the business activity index in the month. This represents an increase from the 54.1 seen in August and brings the average over the third quarter to 54.2. Both monthly and quarterly figures are the best performance in two years. Economists welcomed the better than expected results, but warned that uncertainties remained over the pace of the recovery. Firms continued to cut staff numbers in September – the seventeenth successive month of workforce reductions – as they looked to cut costs. Caution is also advised as official data tends to show less reason for optimism than the survey results. Among different parts of the services sector, hospitality firms were starting to show a turnaround, but transport and storage were still in decline. Firms were also continuing to cut costs for an eleventh successive month. EADT 6/10/09
- Businesses in East Anglia are confident about their prospects in the next six months despite three times as many of them suffering a fall in profits compared with those who recorded an increase in the first half of the year, according to new research. The Santander Corporate Banking Business Confidence Index reveals that three in four business owners (73%) in East Anglia are confident in the prospects of their own business during the remainder of 2009. Their optimistic business outlook comes despite a fall in first half profits for 54% of regional firms surveyed, against only 18% which saw an improvement. EADT 24/9/09

### Job Seekers Allowance claimant count by district - September 2008 to September 2009



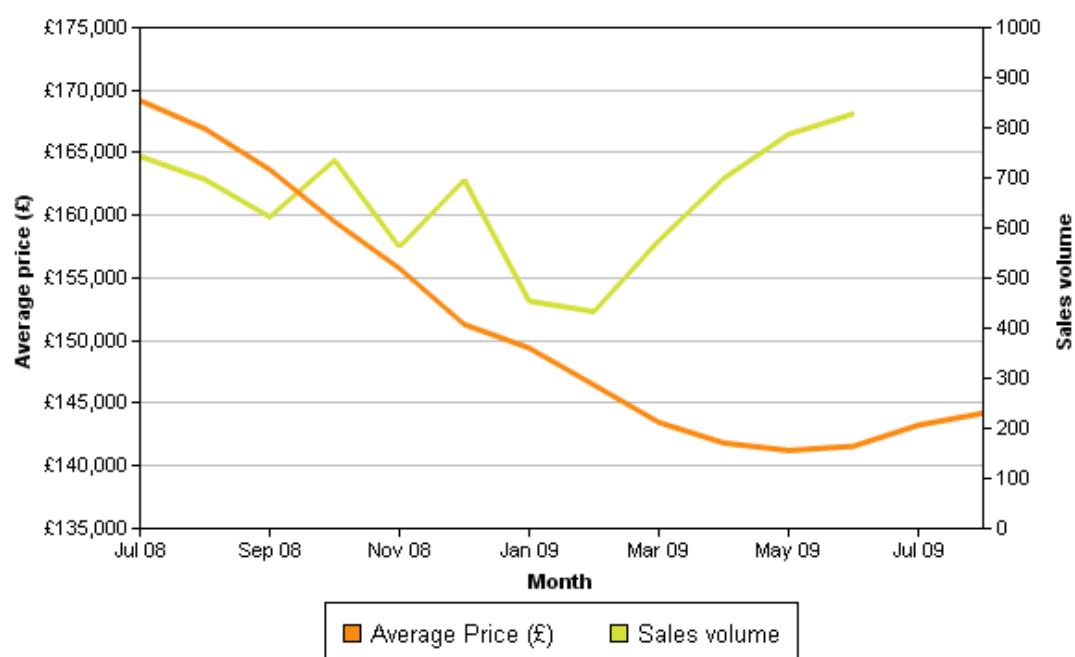
- The Suffolk JSA claimant count has remained below the average level seen in Quarter 1 reflecting East of England trends. Suffolk's figures dropped slightly from 13,750 in August to 13,536 in September. This is still considerably below the highest claimant count recorded during this recession, 14,764 in March 2009. The percentage of the working age population in Suffolk now claiming JSA is 3.2%, compared to a high point of 3.5% in March 2009.
- Suffolk continues to follow the overall trend of the East of England, which also recorded a small drop in JSA claimants from August to September. However, the percentage of the working age population claiming JSA in Suffolk is still lower than in the East of England as a whole (3.2% in Suffolk compared to 3.5% in the East of England). JSA claimants also decreased across the country as a whole, with the claimant rate standing at England and GB rate standing at 4.2%.
- Six of the seven districts in Suffolk recorded an decrease in claimants from August to September. St Edmundsbury recorded by far the largest percentage fall of 6.47% (in contrast to the largest increase in August), compared with below 2.5% for all other districts.
- Ipswich was the only district to record a rise in JSA claimants in September, although the increase was only 0.36% (14 people).
- Data from NOMIS Official Labour Market Statistics <https://www.nomisweb.co.uk/>

## HOUSING MARKET

### House Price Index report - Suffolk (July 2008 - August 2009)

Month	Index	Average Price (£)	Monthly Change (%)	Annual Change (%)	Sales Volume
July 2008	300.7	169,180	-0.4	-1.6	743
August 2008	296.7	166,925	-1.3	-3.2	697
September 2008	290.9	163,667	-2.0	-5.6	622
October 2008	283.5	159,502	-2.5	-8.5	735
November 2008	276.8	155,769	-2.3	-10.5	562
December 2008	268.9	151,297	-2.9	-13.1	696
January 2009	265.5	149,416	-1.2	-14.5	454
February 2009	260.3	146,459	-2.0	-16.2	433
March 2009	255	143,475	-2.0	-17.2	575
April 2009	252.1	141,826	-1.1	-17.9	699
May 2009	251	141,231	-0.4	-17.5	787
June 2009	251.6	141,569	0.2	-16.7	828
July 2009	254.6	143,252	1.2	-15.3	-
August 2009	256.3	144,212	0.7	-13.6	-

### House price and sales volume - Suffolk



- Average prices continued to rise in Suffolk in August 2009, resulting in three consecutive monthly price increases.
- Increasing prices from June to August means there has been 1.87% rise over the last 3 months, increasing the average house value by £2,643.
- Average price now sits at £144,212, back to levels experienced in February to March of this year.
- There is speculation as to whether or not this will be a sustained rise, and a slow market is possibly providing buoyancy for house prices.
- Sales volumes have increased in recent months, as is usual for the time of year, following a low in February.

Data from the Land Registry <http://www.landregistry.gov.uk/>

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

- A number of Suffolk pubs and restaurants have received revised business rate bills from the Valuation Office Agency (VOA), which claims the businesses have made improvement to their interiors and so should be more successful. In some cases struggling pub owners say the rates have quadrupled, and could force them to quit their businesses. Among those hit with rate hikes are The Compasses in Stansfield, The Swan in Woolpit and the Queen's Head in Hawkedon, which has seen rates rise from £1,250 to £4,350, from £2,500 to £10,600 and from £4,350 to £13,600 respectively. EADT 3/10/09

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

- Mow and Grow, a Lowestoft based company specialising in low cost gardening schemes, has received a £200,000 loan from Big Issue Invest, the UK's leading specialist provider of finance to social enterprises, to enable it to start work on a £4million Government contract and ease 1,200 long-term unemployed people into work during the recession. The social enterprise part of the Grow Organisation provides low cost gardening to vulnerable people including the elderly, the unemployed, single parents and low-income families and trades as a commercial landscape company. It also trains ex-offenders, the unemployed, the homeless and people with mental health issues to develop skills, gain qualifications and help them into full time employment. EADT 7/10/09
- East Anglia could benefit from a sizeable increase in information technology jobs predicted by technology giant Microsoft, but should brace itself for a difficult year or two, industry experts say. Almost 80,000 jobs will be created over the next 4 years as thousands of new technology firms set up business in the UK. EADT 6/10/09
- Leading Lowestoft fish company Sam Cole Food Group is building a new £2.25million factory which will bring its 3 main businesses under one roof and serve as a focal point for the industry and could bring extra jobs to the South Lowestoft Industrial Estate. The Haddenham Road facility, supported by grants of £420,000 each from the European Fisheries Fund and the Marine and Fisheries Agency, is due to open in April. EADT 16/10/09
- Bury St Edmunds' arc development continues to buck the retail trend by signing up four more retailers. Centros has signed up French natural beauty products store L'Occitane, designer hairdresser Rush Hair, funky milk bar Shakeaway and Apple computer specialist Stormfront – all new to Bury and now fitting out their units. EADT 6/10/09
- Value fashion retailer Peacocks is creating 16 new jobs with the opening of a new store in Felixstowe next week. EADT 17/10/09
- Kelsale-based East Green Energy has won a contract to install solar hot water systems in around 18 homes in Framlingham. 7/10/09
- East of England tourism has successfully tapped into the "staycation" phenomenon which has seen millions of Britons respond to the recession by taking their holidays at home rather than overseas. Demand for brochures following a coastal campaign had increased by 18%, while visitor numbers on the East of England tourism website had also soared. EADT 2/10/09
- VisitEngland has announced that the number of holidays taken in England by UK residents rose 14% in the first six months of this year compared with the same period in 2008. The increase in domestic tourism amounts to 2.6million more holiday trips and more than 9.1m extra nights' holiday taken from January to June 2009 compared with the same period last year. EADT 9/10/09
- A new Iceland store is due to open at the former Woolworths site in Sudbury. EADT 3/10/09
- The UK's biggest printing firm has warned of "significant challenges" ahead after suffering a £7.2million pre-tax loss for the 12 months to July 31<sup>st</sup> 2009, against a £30.6m profit the previous year. St Ives, whose print businesses include Clays Ltd of Bungay, has been hit by lower demand for commercial and consumer printing in the recession, as well as advertising moving online. EADT 20/10/09
- Around 30 workers are to be made redundant from a yeast factory in Felixstowe. Talks start next week on the job losses with staff and the unions at GB Ingredients, which was bought 3 months ago by Canadian company Lallemand. The need for cuts is said to be restructuring and posts could go in various departments at the site, where around 70 people are employed. EADT 3/10/09
- Two branches of the outdoor clothing chains Blacks and Millets in Suffolk are to close, with the predicted loss of around 12 jobs. Parent group Blacks Leisure said last month that it planned to close 89 loss-making stores under a restructuring required as a condition of continued support from its bankers. Both Millets and Blacks will continue to be represented in Ipswich, where the Millets branch in Tacket Street is to close while that in Carr Street will be retained, alongside the Blacks branch in Tavern Street. EADT 9/10/09
- A Suffolk-based warehousing and distribution firm is seeking the consent of creditors for a Company Voluntary Arrangement as part of a bid to restore its finances. The managing director of Felixstowe-based LM Logistics said the company recognised the "pain" the move would cause its creditors – who will receive only a yet-to-be-disclosed percentage of the money they are owed – but said the alternative of administration was likely to leave them further out of pocket. The company has suffered a difficult year due to a variety of factors relating to the general economic climate. EADT 15/10/09
- The running total of job losses in Suffolk since October 2008 now stands at 4,138 (as reported by Jobcentre Plus and local press). Peak month was November 2008 with over 1,000 notified job losses.

- Energy group EDF has confirmed that it is planning to sell the electricity distribution network for the East of England, which it has owned since 2001. A sale of the network has been the subject of speculation since February when EDF said it planned to reduce its net debt by at least five billion Euros (about £4.5bn) by the end of 2010. The announcement came less than a month after EDF completed a £12bn deal to take control of UK nuclear generator British Energy, which is planning to build a new generation of nuclear plants including two at Sizewell in Suffolk.  
EADT 3/1/09
- The full extent of the collapse of construction firm Haymills has emerged this month. Much of the Haymills Group, which went into administration in August, with debts of about £28million, is now owned by French industry giants Vinci, including the East Anglian arm of the business based in Stowmarket. But hundreds of creditors, ranging from small family operations to well-established national suppliers, are set to receive “only a very small dividend” as a result of the takeover deal, which was overseen by PricewaterhouseCoopers (PwC). At the point of its collapse, Haymills had outstanding debts to more than 800 creditors, nearly 200 of which were from Suffolk and north Essex. The company also faced claims from creditors ranging from just a few pence to more than £600,000, owed the Inland Revenue £469,891 and had inter-company debts of more than £1million. The total debt to creditors was estimated at £27,920,000. Companies in Copdock, Thwaite, Newmarket, Woodbridge, Brundish, Sudbury and Mildenhall and many more in Bury St Edmunds and Ipswich were among those owed money by Haymills Group.  
EADT 16/10/09