

Information for monthly Regional Intelligence Snapshot

Suffolk | 28 May 2010

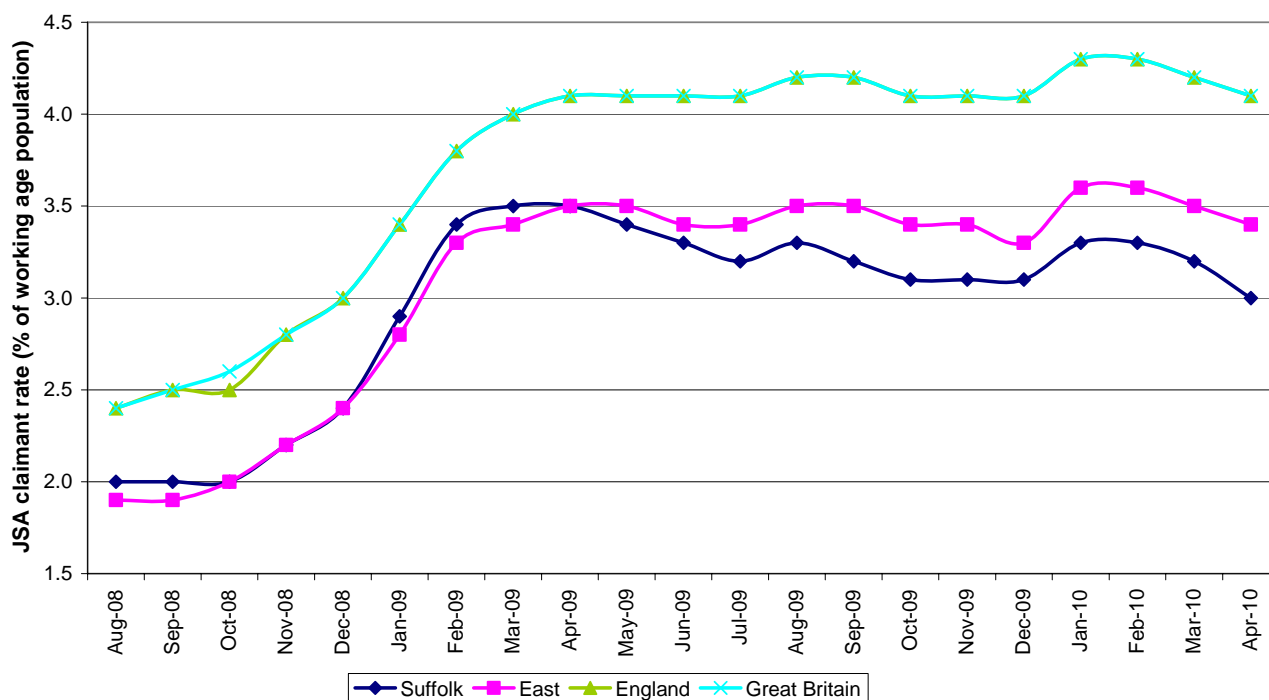
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SUMMARY OF ECONOMIC CONDITIONS (E.G. BUSINESS CONFIDENCE, BUSINESS CONDITIONS – OUTPUT, ORDERS, EXPORTS, ETC, LABOUR MARKET, HOUSING MARKET, ANY INDUSTRY SPECIFIC TRENDS)

SUMMARY

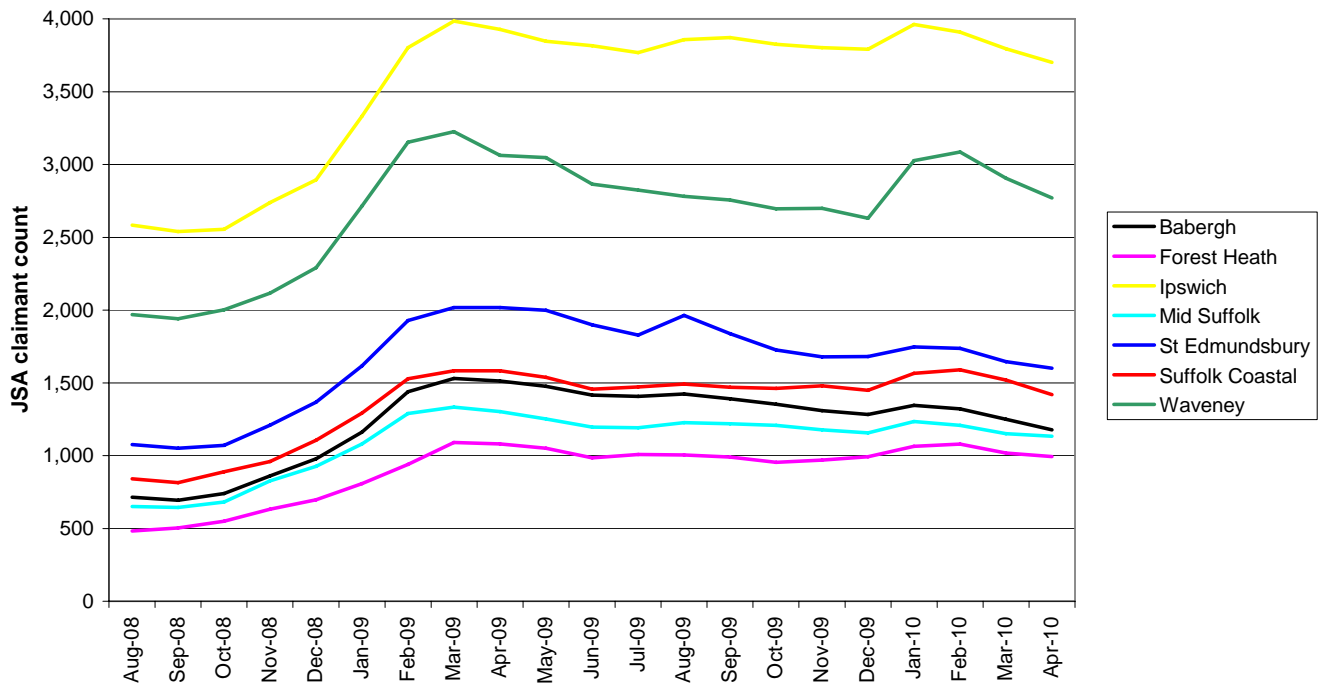
- The Job Seekers Allowance claimant count decreased by 3.70% from March to April, falling for the fourth month in succession. The claimant count also fell slightly from March to April 2009, but this was following six months of increases. The regional and national figures also saw a decrease in claimants in April 2010, and the Suffolk claimant rate remains below the regional and national average. Proportionally, the largest reduction in claimants was in Suffolk Coastal (-6.58%, 100 claimants). The smallest fall was in Mid Suffolk (-1.56) 18 claimants), with all other districts seeing moderate falls of between 2% and 6%. Data from Jobcentre Plus/NOMIS.
- The Job Seekers Allowance claimant rate in Suffolk remains below that of the East of England and the country as a whole.

Job Seekers Allowance claimant rate
August 2008 to April 2010



- There were around 232 redundancies during April and 30 so far in May (as reported by Jobcentre Plus and local press).
- The total number of redundancies in Suffolk now stands at 5,268 since October 2008 (as reported by Jobcentre Plus and local press). This total does not include
- However, there have been at least 2,154 full and part-time jobs created in Suffolk since the beginning of 2009 (as reported by Jobcentre Plus and local press).
- Average house prices in Suffolk increased again for the ninth month in the past ten, according to the latest available data from the Land Registry.

Job Seekers Allowance claimant count by district August 2008 to March 2010



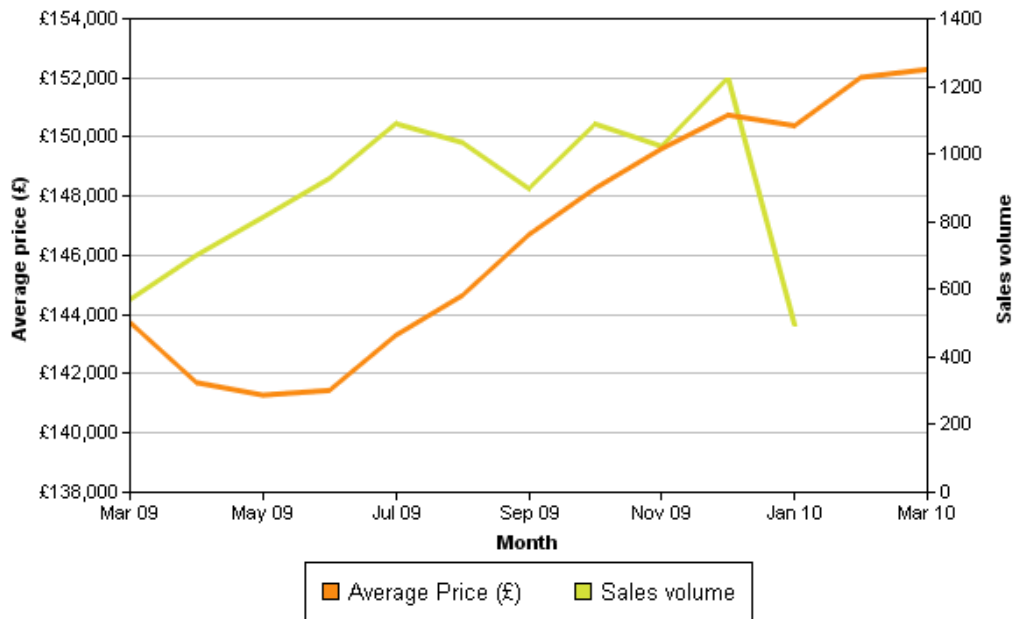
- The Suffolk Job Seekers Allowance claimant count saw a moderate decline from March to April, in line with the regional and national trend. Suffolk's figures decreased from 13,286 in March to 13,286 in April (a drop of 3.70%, 491 claimants). The claimant count levels are now similar to those last recorded in December 2009 (prior to the seasonal increase in January), considerably lower than the highest level seen during this recession, 14,764 in March 2009. The percentage of the working age population in Suffolk claiming JSA now sits at 3%, compared to a high point of 3.5% in March 2009.
- The Suffolk figures are similar to the overall trend of the East of England this month, which recorded a slightly smaller decrease in JSA claimants from March to April compared to Suffolk (-2.22%, 2,696 claimants). Therefore, the percentage of the working age population claiming JSA in Suffolk is still lower than in the East of England as a whole (3% in Suffolk compared to 3.4% in the East of England). JSA claimants also decreased across the country as a whole, with the claimant rate in England and Great Britain standing at 4.1%. The regional and claimant count is now at its lowest point since December 2009, and the national figure is at its lowest level since March 2009.
- All seven districts in Suffolk recorded a reduction in claimants from March to April. Suffolk Coastal saw the largest decrease (-6.58%), followed by Babergh (-5.84%), Waveney (-4.65%), St Edmundsbury (-2.85%), Ipswich and Forest Heath (both -2.45%) and finally Mid Suffolk (-1.56%).
- The trend in the claimant count from February to March 2010 contrasts markedly with those one year ago, which saw a 10% rise on February to take the JSA claimant level to its highest level during this recession.
- Data from NOMIS Official Labour Market Statistics <https://www.nomisweb.co.uk/>

HOUSING MARKET

House Price Index report - Suffolk (March 2009 - March 2010)

Month	Index	Average Price (£)	Monthly Change (%)	Annual Change (%)	Sales Volume
March 2009	256.3	143,739	-1.9	-16.7	570
April 2009	252.7	141,706	-1.4	-17.8	701
May 2009	251.9	141,284	-0.3	-17.3	813
June 2009	252.2	141,442	0.1	-16.6	928
July 2009	255.5	143,305	1.3	-15.2	1,090
August 2009	257.9	144,648	0.9	-13.3	1,034
September 2009	261.6	146,701	1.4	-10.3	898
October 2009	264.4	148,271	1.1	-7.0	1,089
November 2009	266.8	149,608	0.9	-3.9	1,023
December 2009	268.8	150,746	0.8	-0.3	1,226
January 2010	268.2	150,387	-0.2	0.5	495
February 2010	271.1	152,021	1.1	3.7	-
March 2010	271.6	152,289	0.2	5.9	-

House price and sales volume - Suffolk



- Average prices in Suffolk increased for the ninth month out of the last ten according to the latest available data (March 2010).
- The rise for the month of March was £268.
- Average price now sits at £152,289, back to levels experienced over a year ago in December 2008.
- Sales volumes fell dramatically in January following a rise in December, reflecting seasonal trend and the end of the stamp duty holiday on 31st December. This is likely to have caused transactions that may normally have been completed in January to be rushed through during December. No data is provided for the two most recent months.

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

INDUSTRY-SPECIFIC TRENDS

- **Manufacturing** delivered a boost for the UK economy in early May as the sector posted its strongest monthly growth in nearly eight years. The surprise 2.3% jump in manufacturing output during March raised hopes that the latest estimate of economic growth for the first quarter of 2010 will be revised upwards from the initial level of 0.2%. Economists said manufacturers were benefiting from stronger export demand as the weaker pound boosted competitiveness overseas. Howard Archer, chief UK economist at HIS Global Insight, added: "This is a really spectacular performance by the manufacturing sector, which is a real shot in the arm for the economy."
Manufacturing output and the wider measure of industrial production rose by 1.2% across the first quarter of 2010, stronger than the 0.7% gain the Office for National Statistics assumed in its initial estimate of GDP growth for the first quarter.
Barring other changes, Jonathan Loynes, chief European economist at Capital Economics, said the GDP estimate was likely to be revised up to 0.3% in the next update from the ONS on May 25. He added: "Of course, industry still has a lot of ground to make up after the deep recession – production is still down by over 10% from its peak back in 2007 – but the various forward looking surveys point to further solid growth in output over the coming months."
Compared with March 2009, at the depth of the recession, UK industrial output is now 2% higher, the strongest annual growth since May 2004.
Ben Read, an economist at the Centre for Economics and Business Research, said the UK recovery appeared to be gaining some momentum. "However the continued problems in the eurozone, combined with the potential for prolonged political uncertainty here, could easily hold back the recovery in the second half of this year," he added. EADT 12/5/10

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

- There is concern this month over reduced funding for various projects across the county, including schools, fire and police. The coalition government has pledged to review a number of projects in a bid to cut costs, a number of which are likely to affect Suffolk, including the Building Schools for the Future (BSF) programme which aimed to transform the education system from three to two-tier, and the centralisation of the region's fire control rooms. Police station opening times could also be cut in order to save around £200,000-a-year within three years. EADT

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

REDUNDANCY TOTAL

- According to information from Jobcentre Plus and local press, the total number of redundancies to have taken place in Suffolk since October 2008 now stands at **5,268**.

NEW JOBS, EXPANSIONS | REDUNDANCIES, BUSINESSES AT RISK

BABERGH

- Funding cuts and rising costs have forced a leading charity that cares for the elderly to close a popular day centre in Sudbury. Age Concern Suffolk says it can no longer afford the £8,000 annual costs to support the Chilton Companions Club in Sudbury and will now have to close it at the end of July. The news came as a blow to both the pensioners who visit the centre every Wednesday for a meal and some company and the charity's staff and volunteers. A lack of funding for the charity and a £3,000 rent increase on the property in Martins Road was behind the decision. EADT 13/5/10
- A new company has been launched in Suffolk to act as the UK supplier of an innovative product currently being used to tackle the oil spill in the Gulf of Mexico. C I Agent Solutions UK Limited, based at East Bergholt, is marketing a revolutionary polymer which turns liquid oil into a solid. It is currently being deployed to help protect some of the most sensitive areas of coastline at risk as a result of the explosion on a BP oil rig in the Gulf of Mexico in April. The polymer, developed by C I Agent Solutions US, is also used by utility companies for pollution protection around facilities such as waste pipes. C I Agent Solutions UK is now in talks with a number of UK spill, construction and utility companies. EADT 21/5/10

IPSWICH

- Administrators for department store Vergo Retail have announced the closure of a number of stores, including two in Suffolk, resulting in the loss of more than 300 jobs. The outlets set to close in the next four weeks are in Ipswich, Stowmarket, Witham, Clacton-on-Sea, Colchester, Norwich, Dovercourt, Plymouth, Sunderland and Hexham. The announcement will make 335 employees redundant, including 25 in Ipswich. Administrators said a purchaser for the stores will not be ruled out until they stopped trading. Vergo Retail was placed into administration on 7th May with MCR appointed as administrators. EADT 12/5/10
- Ipswich Building Society has said that it will not be moving jobs to India, despite exploring the possibility of working in partnership with business within the subcontinent to handle additional processing work. Chief executive Paul Winter said the society was looking at a range of options for keeping down costs, including outsourcing some of its processing work, which currently employs seven staff in Ipswich. But he stressed that all the Ipswich jobs would remain, and that the society was hoping to expand its UK workforce this year if it manages to match its performance of last year, when the mortgage book grew by 12%. EADT 12/5/10
- Despite fears of a government funding squeeze, promoters of a new transport scheme for Ipswich town centre are hopeful it will get the green light from the Treasury. In the dying days of the Labour government, ministers at the Department of Transport gave early-stage approval for the "Ipswich fit for the 21st century" proposals. These would see improvements to roads, bus routes and cycle paths in the town centre to try to encourage drivers out of their cars. The total cost of the scheme is put at £25million, with £22.5m due to come from the government. Like all government schemes, the proposal is due to be reviewed by the new administration over the next few months. However, county councillor with responsibility for transport Guy McGregor was hopeful it would survive a cull. He said: "In comparison with most other schemes this is very modest. £25m might sound a lot for Ipswich but in a global scale it is very modest amount for fairly major benefits." EADT 24/5/10

MID SUFFOLK

- A business leader has said he is hopeful without being optimistic, that jobs at a department store in Stowmarket can be saved, despite an announcement it is to close. Administrators MCR, who were appointed to run Vergo Retail on Friday, announced this week that nine of its stores, including Tavern Lane in Stowmarket, are to close, with the loss of 335 jobs. "The stores are expected to close within the next four weeks; however a purchaser for these stores will not be ruled out until they finally stop trading," said a spokesman for MCR.
It is unclear how many people the Stowmarket branch employs - however town centre manager Mark Strachan said it was believed to be less than 20.
The news has been met with concern among town leaders. Peter Downs, chairman of the Stowmarket and

District chamber of commerce said: "It is sad. It is a concern when any retailer or employer ceases operations. My understanding is that the holding company is in administration in which case it's not yet a lost cause. There is hope for the people employed that they may end up with a different owner."

Despite the latest news, Mr Downs said he believed Stowmarket had 'weathered' the economic downturn better than many other towns, and he said the Vergo site represented a prime site that would appeal to other stores.

"It is a good site especially given that many retailers are looking for bigger shops than they perhaps were 10 years ago. I wouldn't go so far as to say that I am optimistic for its future, but we are hopeful," Mr Downs said.

Cllr Anne Whybrow, from Stowmarket Town Council, was also clinging on to hope for the store and its staff. "We are concerned for the employees. We are hopeful that something else will present itself over the next few weeks," said Cllr Whybrow, who is economic and cultural development portfolio holder at the council.

The store was among a dozen sold by the East of England Co-op to Vergo Retail last summer. Meanwhile, the MCR website gives details for customers who are worried about outstanding orders or gift vouchers that they are no longer able to redeem. Bury Free Press 14/5/10

ST EDMUNDSBURY

- A charity which looks after disabled people in Suffolk is creating 40 new jobs. The Papworth Trust is creating 40 new jobs for support workers in the county. Both full and part-time roles are being offered, along with full training with linked pay increases and an optional contributory pension. The Papworth Trust has three locations in Suffolk, at Bury St Edmunds, Haverhill and Ipswich. EADT 10/5/10
- Pub firm Wetherspoons and Abbeycroft Leisure have emerged as the two organisations competing to take over the Corn Exchange, in Bury St Edmunds. Despite St Edmundsbury Borough Council, who own the building, turning down its own planning application to market the first floor of the building as a pub, Wetherspoons has maintained its interest in the grade II listed building. Before it could take on the lease of the building it will have to submit a planning application addressing the concerns raised by the council's own application, about the impact on businesses and residents. Abbeycroft, who run the Bury and Haverhill leisure centres, has put forward a bid to use the site for a children's soft play area and young people's activity centre, similar to its successful facility in Haverhill. It would run this alongside a community cafe with internet and education facilities and possible links to the library. A report to the council's cabinet on 19th May, recommends that the two bids are further investigated. The Corn Exchange is to become redundant as a public hall when the Apex opens later this year. Cllr Nigel Aitkens, said: "Wetherspoons does provide a financially successful facility that provides high rent. But the Abbeycroft bid does have significant community benefits which cannot be ignored." Warren Smyth, chief executive of Abbeycroft said: "There are a lot of opportunities - it will keep children active and fit, and it is a great town centre location. I am quite hopeful that local residents and businesses will welcome our proposals. There is a long way to go. But it is quite exciting." A Wetherspoons spokesman said: "We have an extremely good reputation for the way we run our pubs. We are not aware of any pubs closing because of us opening; it is just another place in town for people to enjoy themselves." Bury Free Press 21/5/10
- British Gas is to create 60 new jobs with the launch of a new insulation depot in west Suffolk. The new depot, due to open at Stanton, near Bury St Edmunds, on May 10, is the third of 12 that British Gas plans to open nation-wide over the next year. The new roles, involving installation of cavity wall and loft insulation, will cover an area including Suffolk, Essex, Norfolk, Cambridgeshire and London. Wayne Smith, head of insulation at British Gas, said: "Insulation is one of the easiest and cheapest ways to cut carbon emissions, which is why British Gas is investing in insulation depots across the UK." EADT 7/5/10
- Plans to bring discount store Poundland to the historic centre of Bury St Edmunds by the end of the summer have been branded "tacky". The chain, which sells everything for £1, hopes to move into part of the former Woolworths store in the town's conservation area. Mike Ames, chairman of Bury In Bloom, likened the store to a seaside retailer. "I see Poundland as a seaside resort promenade shop more than an historic town centre," he said. "We have already got a discount store down there. It's beginning to get a bit tacky." Campaigning resident Simon Harding said the move could be bad news for the town's traders. "Ever since Betfred was let a prime retail spot on the corner of Woolhall Street, the whole area has gone down market," he said. "In the long term, this could have a disastrous effect on the balance of retail trading in this area." But Alan Jary, vice chairman of the Bury Society, said it would be good to see the store open once again. "I am delighted a national chain has seen fit to come into the town centre," he said. "It is good someone has got confidence in trade in the town." The news comes as supermarket giant Tesco confirmed it was opening an Express store at the back of the former Woolworths store, which has been divided into three smaller units on the ground floor. The small convenience store, which will bring up to 30 new jobs to the area, will open in the autumn. Steve Peters, Bury town centre manager, welcomed the news that businesses were coming back to the Woolworths site, which has stood vacant since it closed in January 2009. "We are very pleased it is being put

back into business,” he said. “This is a major step forward to have the building back in use again. Hopefully, another unit in use will further encourage other businesses to come forward.” EADT 6/5/10

SUFFOLK COASTAL

- A new wind farm off the coast of Suffolk has been given the green light, it has been announced. Situated around 30km off the coast, the Galloper wind farm will sit adjacent to the Greater Gabbard wind farm, currently under construction. The extension is set to double the offshore wind power generated in the area, with both sites having a capacity of 500MW. RWE Npower Renewables and partners SSE Renewables has welcomed the go ahead given to develop another wind farm in the North Sea. Paul Coffey, chief operating officer of parent company RWE Innogy, highlighted the benefits of developing another source of renewable energy. He said: “The opportunity to develop a wind farm close to the Greater Gabbard offshore wind farm site has a number of advantages: we know that this is an excellent site for a wind farm – there is already the necessary infrastructure in place, and if consented one can benefit from the long-term operational and maintenance activities due to the close proximity of the two wind farms.” EADT 12/5/10
- Staff at an agricultural college have entered a period of consultation over the future of their jobs. Up to 15 tutors and lecturers at Otley College could face redundancy as part of a review being carried out in a response to the “uncertain” financial situation facing colleges across the country. One tutor, who has asked not to be identified, told the EADT there was currently a “bad atmosphere” among staff as they faced a fifth job review in five years. EADT 20/5/10

WAVENEY

- Nearly 600 jobs at troubled Lowestoft engineering firm SLP could be saved after a Dutch energy group signalled its intention to buy the business. Administrators at PriceWater-houseCoopers (PwC) confirmed they had entered exclusive talks with Zefier UK II, a subsidiary of Dutch-based Smulders, with a view to completing the sale of SLP. SLP went into administration last November after becoming embroiled in a US\$91million (£60m) legal claim by Danish conglomerate Maersk relating to a previous contract in Qatar, leaving hundreds of workers facing an uncertain future. Zefier has now acquired SLP subsidiary Sea and Land Power and Energy (SLPE), the company’s energy arm, securing 17 jobs. And while no final agreement has yet been reached, Zefier now has an eight-week “exclusivity period” in which to hammer out a deal on the engineering business, which forms the vast bulk of SLP. While only a comparatively small company, SLPE is seen as key to the future success of SLP, pulling in work from the huge expansion in offshore wind power. Sites including the East Anglia Array off the region’s coast are set for thousands of turbines under the third round of the national roll-out of offshore windfarms, which are set to make a major contribution to the UK’s energy needs. However, despite the positive signs, Stephen Oldfield, of PwC, said 60 SLP workers would be made redundant during May as work on existing contracts dried up, with further job losses possible. About 100 jobs were also lost in March. Mr Oldfield warned nothing was certain until the sale of the main part of the business was completed. EADT 14/5/10