

Information for monthly Regional Intelligence Snapshot

Suffolk | 19 August 2010

Produced by Research and Intelligence Team | Suffolk County Council

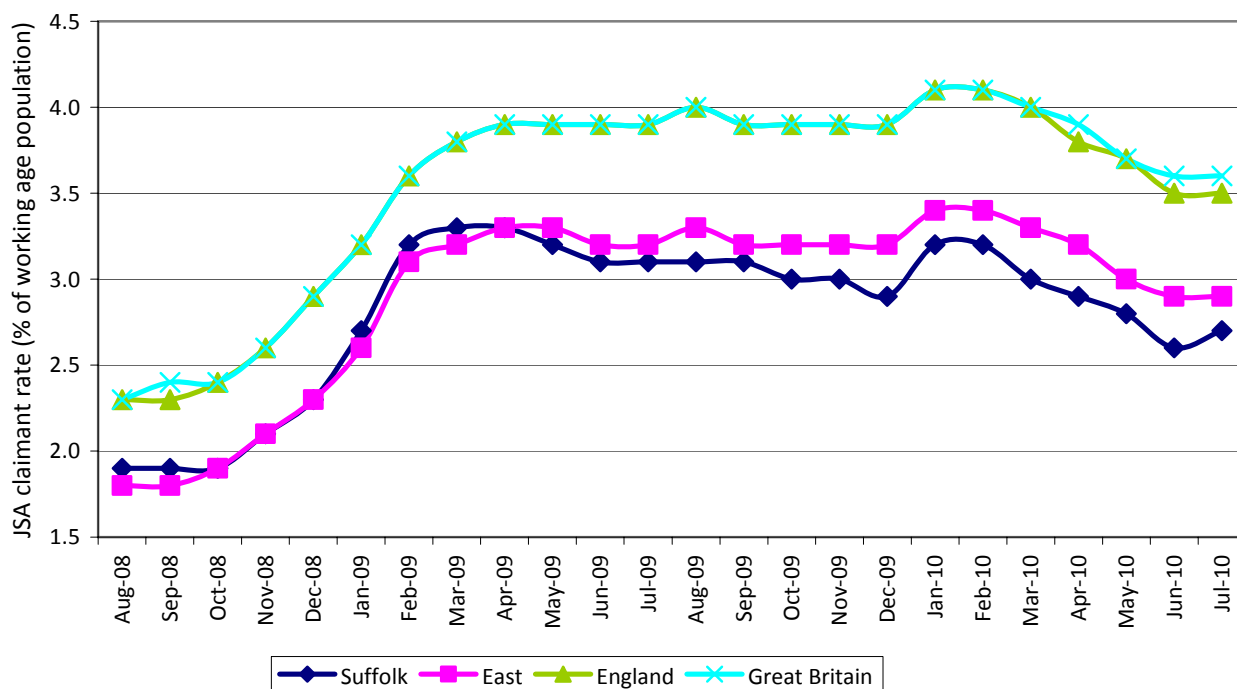
Contact: kit.day@suffolk.gov.uk or belinda.godbold@suffolk.gov.uk

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 rose by 2.36% from June to July 2010, increasing for the first time since January. In contrast, the regional and national figures saw a decrease in claimants in July. Proportionally, the largest increase in claimants was in Waveney (+5.18%, 128 claimants). The only fall was in St Edmundsbury (-0.07% 1 claimant), with all other districts seeing small increases of between 0.48% and just over 2.5%. Data from Jobcentre Plus/NOMIS.
- However, 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 July 2010

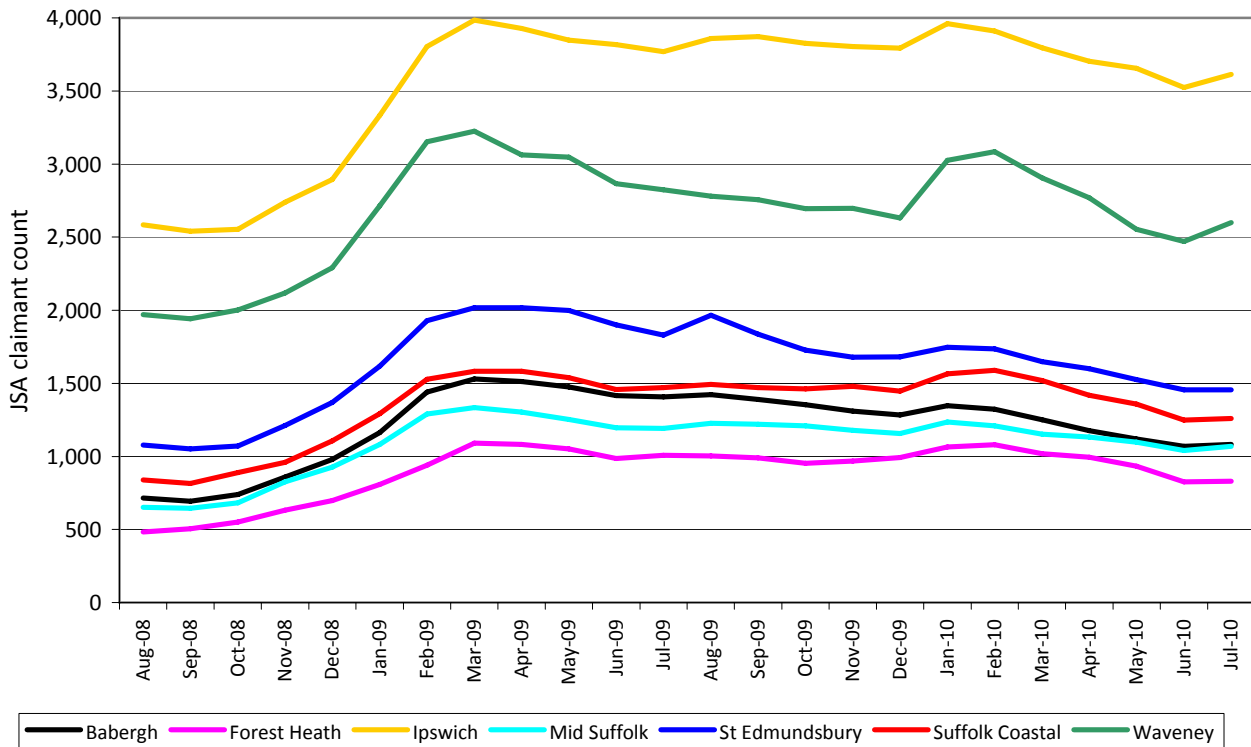


Note: The population figures used to calculate proportions have been changed from working age (16-59f/64m) to aged 16-64 for both males and females. This change affects proportions for all dates in this chart.

- There were around 493 redundancies reported in July, though many of these are either so far unconfirmed or will take place in the coming months (as reported by Jobcentre Plus). A further 31 redundancies have been reported so far in August.
- The total number of reported redundancies in Suffolk now stands at **6,140** since October 2008 (as reported by Jobcentre Plus and local press – redundancies which have taken place or are likely to do so in the near future).
- However, there have been at least **2,366** 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 for the twelfth month in the past thirteen, according to the latest available data from the Land Registry (June).

LABOUR MARKET

**Job Seekers Allowance claimant count by district
August 2008 to July 2010**

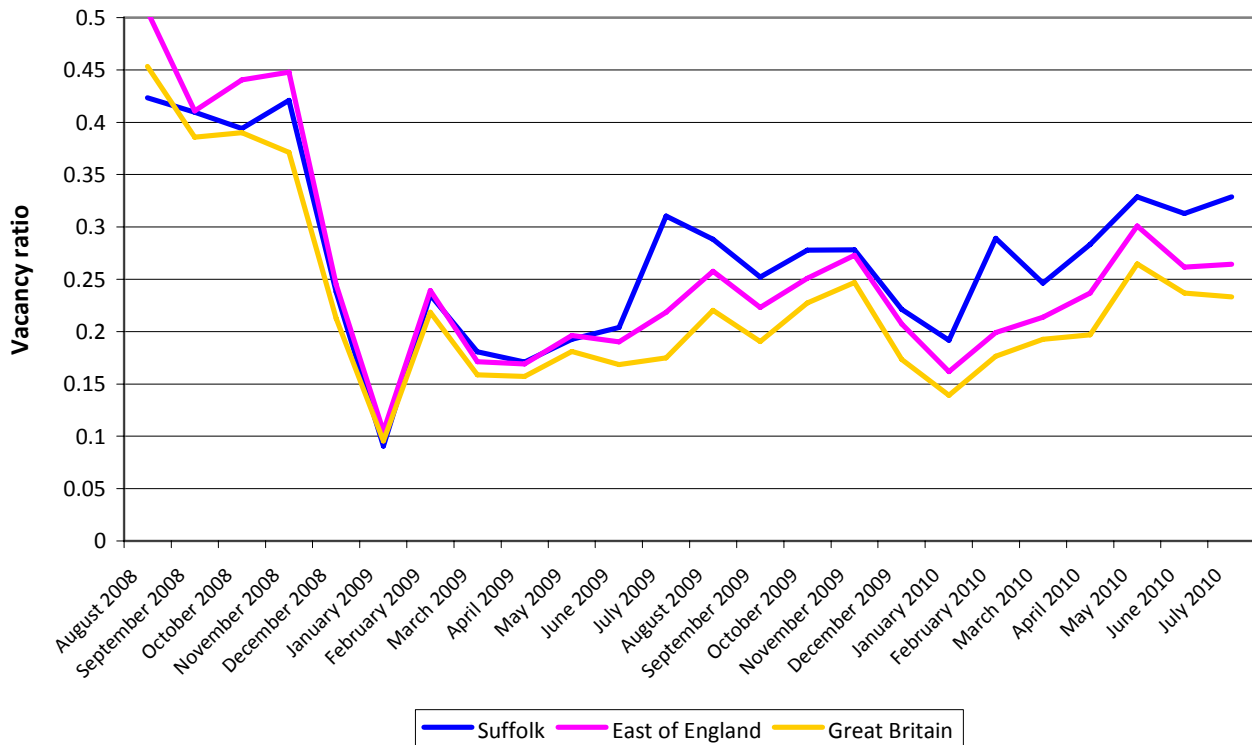


- The Suffolk Job Seekers Allowance claimant count saw a slight increase from June to July, in contrast with the regional and national trend. Suffolk's figures increased from 11,633 in June to 11,907 in July (a rise of 2.36%, 274 claimants). The claimant count levels are now similar to those last recorded in January 2009, 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 2.7%, compared to a high point of 3.3% in March 2009*.
- The Suffolk figures diverge from the overall trend of the East of England this month, which recorded a decrease in JSA claimants from June to July compared to Suffolk (-0.95%, 1,011 claimants). However, the percentage of the working age population claiming JSA in Suffolk is still lower than in the East of England as a whole (2.7% in Suffolk compared to 2.9% 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 3.5% and 3.6% respectively*. The regional and national claimant counts are now at their lowest point since January 2009.
- Six of the seven districts in Suffolk recorded a rise in claimants from June to July. St Edmundsbury bucked the trend with a fall of a single claimant (-0.07). The remaining districts generally recorded small increases, with Waveney being the highest (up 128 claimants, +5.18%), followed by Ipswich (91 claimants, +2.58%), Mid Suffolk (27 claimants, +2.59%), Babergh (13 claimants, + 1.22%), Suffolk Coastal (12 claimants, +0.96%) and Forest Heath (4 claimants, 0.48%).
- The trend in the claimant count from June to July 2010 is different to that of one year ago, when there was a 0.98% decline in claimants.
- Data from NOMIS Official Labour Market Statistics <https://www.nomisweb.co.uk/>

* Note: The population figures used to calculate proportions have been changed from working age (16-59f/64m) to aged 16-64 for both males and females. This change has been applied to data from previous months and affects all proportions quoted on this page.

VACANCIES

Vacancy ratio - number of vacancies per Job Seekers Allowance claimants

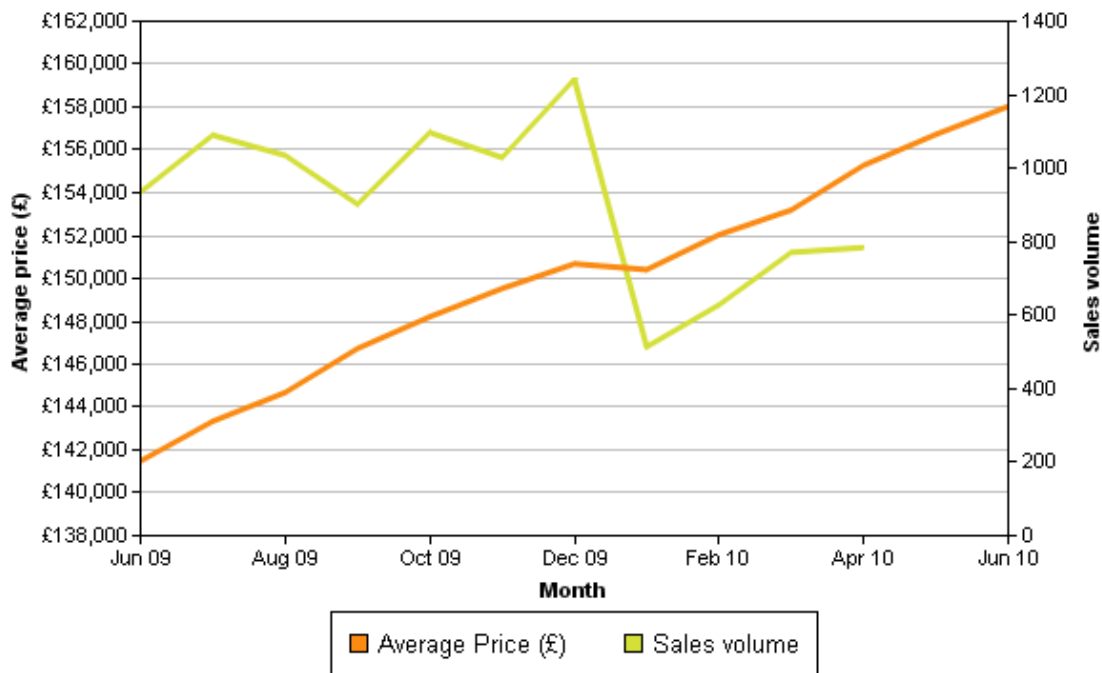


- The number of Jobcentre Plus vacancies per Job Seekers Allowance claimant in Suffolk continues to be higher than the East of England and national figure.
- The number of vacancies is slightly lower than at this time in 2009, but as the number of claimants is also lower, the ratio of vacancies to claimants has improved. Data from NOMIS <https://www.nomisweb.co.uk/>

	Babergh	Forest Heath	Ipswich	Mid Suffolk	St Edmundsbury	Suffolk Coastal	Waveney	Suffolk
January 2009	99	82	235	81	282	160	149	1,088
February 2009	238	278	759	202	699	486	647	3,309
March 2009	224	303	540	227	503	242	627	2,666
April 2009	246	208	609	212	544	295	362	2,476
May 2009	203	219	563	246	523	470	511	2,735
June 2009	198	313	580	264	527	473	426	2,781
July 2009	277	353	1,729	180	528	623	499	4,189
August 2009	235	470	782	303	972	701	499	3,962
September 2009	289	275	873	283	761	456	475	3,412
October 2009	379	272	1,048	267	729	487	490	3,672
November 2009	270	491	1,004	347	696	380	461	3,649
December 2009	247	259	837	274	491	432	334	2,874
January 2010	248	316	651	174	495	368	422	2,674
February 2010	341	327	965	425	689	697	583	4,027
March 2010	242	331	1,038	313	593	328	427	3,272
April 2010	269	384	1,001	372	617	475	506	3,624
May 2010	297	531	980	375	609	559	673	4,024
June 2010	299	411	833	314	609	599	576	3,641
July 2010	330	370	685	593	907	590	438	3,913

HOUSING MARKET

House price and sales volume - Suffolk



House Price Index report - (June 2009 - June 2010)

Month	Index	Average Price (£)	Monthly Change (%)	Annual Change (%)	Sales Volume
June 2009	252.1	141,480	0.1	-16.5	935
July 2009	255.4	143,338	1.3	-15.1	1,090
August 2009	257.8	144,678	0.9	-13.1	1,035
September 2009	261.5	146,728	1.4	-10.1	902
October 2009	264.1	148,211	1.0	-6.9	1,097
November 2009	266.5	149,529	0.9	-3.9	1,029
December 2009	268.5	150,682	0.8	-0.3	1,242
January 2010	268	150,411	-0.2	0.6	514
February 2010	270.9	152,038	1.1	3.7	628
March 2010	273	153,193	0.8	6.6	771
April 2010	276.7	155,278	1.4	9.6	784
May 2010	279.3	156,720	0.9	10.9	-
June 2010	281.6	158,025	0.8	11.7	-

- Average prices in Suffolk increased for the twelfth month out of the last thirteen according to the latest available data from the Land Registry (June 2010).
- The rise from May to June was £1,305.
- Average price now sits at £158,025, back to levels last experienced in October/November 2008.
- Sales volumes continued to recover following the dramatic fall in January 2010. No data is provided for the two most recent months.

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

INDUSTRY-SPECIFIC TRENDS | IMPORTS & EXPORTS | INWARD INVESTMENT

- The outlook for the construction sector in the East of England has begun to worsen as spending cuts begin to bite, according to a new survey.
The Royal Institution of Chartered Surveyors (RICS) UK Construction Market Survey for the second quarter of 2010 found that sentiment within the eastern region has already started to turn amid as fears over the scale of public spending cuts and ongoing uncertainty about prospects for the economy. Despite some encouraging signs at the beginning of the year, the latest data shows that 2% more chartered surveyors are reporting a fall rather than a rise in total construction workloads in the East of England.
This compares with the first quarter of the year when 10% more surveyors reported rising rather than falling workloads.
Public housing and other public works were the worst affected sectors in the region, with 26% and 15% of chartered surveyors reporting a fall in workloads respectively, compared with 11% and 28% who reported an increase on the previous quarter. The large fall in the public works sector is mainly attributable to the suspension of the Building Schools for the Future programme. EADT 18/8/10

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

- Nearly a third of business owner-managers in East Anglia say they have seen their work-life balance deteriorate over the last 12 months, despite the emergence of the UK economy from recession.
The latest Small Business Finance Barometer survey, commissioned by Close Invoice Finance, found that 31% of small and medium sized enterprise (SME) owners in East Anglia feel their personal lives are suffering, with 85% reporting that they are working longer hours.
Andrew Curry, managing director of Close Invoice Finance in East Anglia, said the absence of any real thaw in the freeze on bank lending wasn't helping businesses, with credit provision still proving limited or non-existent.
"Of those polled, 46% said they were finding access to funding more difficult than 12 months ago," he said.
"Interestingly however, despite having to meet increasingly strict lending criteria set out by their banks, 57% of businesses surveyed still turn to their bank as first port of call when they need finance."
The research also found that 44% of SME owner-managers admit to having to delay their target retirement age in light of the recession with 26% of those surveyed expecting to continue working into their seventies.
"Low interest rates on savings and poor performing pensions mean that many have no choice but to delay their retirement," said Mr Curry.
The research in East Anglia was part of a national survey involving independently conducted interviews with more than 500 owner-managers of companies employing up to 250 people. EADT 14/8/10
- The East of England's economy continued to grow during July, although new order growth hit a five-month low, according to new figures. The latest East of England PMI survey recorded the 15th consecutive monthly increase in overall activity, although the recent recovery in employment levels also showed signs of weakening while input costs rose sharply. The survey's Business Activity Index, which measures the combined output of the region's manufacturing and service sectors, registered 55.9 in July. This was down from 58.5 in June but, with any figure over 50 representing growth, it maintains an unbroken record of improvement stretching back to May last year. Both manufacturers and service providers saw an improvement, with the former showing the strongest growth, and the overall increase in activity in the region remained faster than the average seen across the UK economy as a whole. The East of England data forms part of a series of regional surveys derived from the national PMI survey produced by Markit for the Chartered Institute of Purchasing and Supply. New business growth in the East slowed in July, but remained strong, also extending the current sequence of expansion to 15 months. However, employment growth was only marginal in July, slowing to the weakest in the current five-month period of expansion. Input cost inflation remained substantial in July, despite easing for the third month running. EADT 11/8/10
- Business failures in the East of England have fallen for the fifth successive quarter. According to data compiled by regional insolvency specialist McTear Williams & Wood, the number of company failures in the region

during the second quarter of 2010 was down 16% compared with the first quarter, against a fall nationally of just 3%. Compared with the second quarter of last year, East Anglia recorded a 41% fall while the national total was down 8%. However, there are wide variations at local level, with Suffolk and north Essex performing less strongly than Cambridgeshire and Norwich. EADT 11/8/10

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 (or potentially taking place in the coming months) now stands at **6,140**.

NEW JOBS, EXPANSIONS | REDUNDANCIES, BUSINESSES AT RISK

CROSS-COUNTY | COUNTY WIDE

- About 15,000 jobs are at risk nationwide as the Ministry of Justice slashes £2billion from its £9bn budget, a union has warned. The potential impact on Suffolk is not yet clear. EADT 11/8/10
- Proposals to bid for money to build new care homes for older people in north and west Suffolk have been scrapped. Suffolk County Council owns 17 care homes around the county and had been planning to bid for private finance initiative (PFI) money to pay for the development of three new homes to replace four existing buildings, including centres in Lowestoft and Mildenhall. However, the council's cabinet decided to stop working on the business case for the funding application because the proposal was "unaffordable in the current economic climate". EADT 22/7/10
Additionally, the operation and ownership of residential care homes owned by the County Council are under review as the authority looks to cut costs and implement the New Strategic Direction. EADT 5/8/10
- Three schools in Suffolk are set for disappointment after it emerged that the Government would be putting their academy plans on hold. Holywells High School in Ipswich, and Orwell and Deben high schools in Felixstowe were originally earmarked to become academies. However, it has now emerged that the Government is to scale back the projects. EADT 7/8/10
- A consortium led by Asian business tycoon Li Ka-shing has bought up EDF electricity networks, including those covering the East of England. EADT 30/7/10

BABERGH

- Thriving manufacturer DaRo Group of Sudbury has announced its most successful year ever. The company has continued its record of continued growth in every consecutive year since the formation of DaRo Products Ltd in 2000. EADT 27/7/10
- Suffolk-based outsourcing company Promotional Logistics (Prolog) has agreed a £10million package with Lloyds TSB Corporate Markets to fund growth which could create up to 500 new jobs. The deal will support Prolog, which provides outsourced promotional and retail logistics and customer communications, in the expansion of its Sudbury headquarters with the development of new warehouses and office space. Prolog, which is transferring its day-to-day banking to Lloyds as part of the deal, has an annual turnover of £41m and already employs more than 900 people across the East of England the East Midlands. EADT 18/8/10

FOREST HEATH

- A pharmaceutical company in Mildenhall is more than trebling its staff over the next three years after working with UK Trade and Investment (UKTI). The Indian owner of Nestor Pharmaceuticals, which makes and exports

prescription drugs, is to increase the number of employees in Mildenhall from 30 to 100. Bury Free Press 22/7/10

- The Guineas Centre shopping centre in Newmarket, Suffolk, is now in the hands of receivers, though individual shops are not affected by the move. EADT 28/7/10

IPSWICH

- The Ipswich office of The Home Instead Senior Care Company is on target to create 100 new jobs to meet increasing demand for their care services in East Suffolk. The office currently has a team of 25 caregivers. EADT 7/8/10
- Electricity supply company Haven Power has unveiled major expansion plans which are set to lead to the creation of 140 jobs. The company has expanded rapidly since being set up four years ago, and was sold to power company Drax Group for £11million last year. It currently employs around 300 staff, of which about 220 work at Ipswich. The new jobs will be in sales and customer service roles as well as professional roles such as accountancy and forecasting and modelling. Star Advertiser 5/8/10
- A new 87-room hotel could be built near the town's waterfront after Travelodge submitted a new application. It wants to build the new hotel in Duke Street, next to the Loch Fyne restaurant on the site of the former Kenning's car hire centre. The application also proposes a 58-space car park for guests, and if approved, work on the project could start early next year. Star Advertiser 12/8/10
- Ipswich Waterfront hosted a celebration of its diverse mix of food, cultural and retail assets as Haven Marina marked its tenth anniversary on August 8th. EADT 8/10
- Work has begun to transform the burnt-out shell of the former St Peter's Warehouse on the waterfront into a temporary car park. Star Advertiser 5/8/10
- The longest-ever vessel to enter the Port of Ipswich has sailed into town with a cargo of rice. The Danzigergracht came from New Orleans with a consignment for S&B Herba Foods. The 156.9 metre vessel's cargo was unloaded at the Grain Terminal (Ipswich) Ltd for storage and onward distribution. The ship weighs more than 18,000 tonnes and is owned by Spliethoff's Bevrachtungskantoor BV. Port owner Associated British Ports' port manager Alastair MacFarlane said: "Ipswich is ideally placed close to the agricultural heartland of the UK and the port plays a vital role to the local economy. Accommodating vessels of this size ensures that Ipswich will maintain its position as the UK's leading port for grain exports." EADT 10/8/10

MID SUFFOLK

- The first building work on the SnOasis ski slope could start in February 2010 according to the man behind the scheme. A bid to secure extra time to allow the final designs to be completed is currently being considered by planning officials at Mid Suffolk District Council and now the enormous winter sports complex looks closer than ever to being built. The Government injected nearly £5.5million into the associated housing development in late July. However, John Field, community representative, Lord Blakenham, on Mid Suffolk District Council and sits on Suffolk County Council, expects the project to take at least another two years to finally see the light of day. EADT 3/8/10

ST EDMUNDSBURY

- Discount store Poundland is creating up to 30 new jobs with the opening of a new store in Bury St Edmunds. EADT 8/10
- An insurance brokers in Bury St Edmunds is celebrating after winning the largest contract in its 26-year

history. Alan Boswell Insurance beat off stiff competition to win the deal to provide a health care scheme for the Anglia Farmers' co-operative, which has 2,500 members.

The firm, listed in the top 25 independent insurance brokers in the UK in the Insurance Age Top 100, says the contract will represent a turnover of £1.3 million in premiums and is the largest piece of single business it has ever won. Bury Free Press 3/7/10

SUFFOLK COASTAL

- An innovative eco-friendly scheme that could see wind turbines installed in two Suffolk villages – with income from electricity sales ploughed back into the parish – has been hailed as a blueprint for the county's green future. The ground-breaking project has been developed by Cookpole Energy Action (CEA), a not-for-profit group made up of residents from Cookley and Walpole, south of Halesworth. The cost would be around £100,000 and the electricity generated would be fed into the national grid. It is expected to generate an annual income of around £15,000 which would then be invested in other eco-friendly projects within the parish. EADT 12/8/10
- Twelve new affordable properties have been built at Norton Way, Framlingham. The project provides eight affordable homes to rent and four homes to purchase on a shared ownership basis. EADT 4/8/10
- Fisherman could be forced out of business because of a ban that stops them catching skate and sole until January. Boats under 10m from Suffolk and Essex can no longer catch the fish because this year's quota of 110 tonnes has already been landed. The directive has come from the Marine Management Organisation (MMO) which has responsibility for preparing plans for the English inshore and offshore regions according to the policies set out by the Government, which are dictated by the EU. Sole usually accounts for up to 70% of the catch for some fisherman at this time of year. Evening Star 24/7/10
- Sizewell B nuclear power station remains off-line but is on track to re-open later this year, its owner EDF Energy has confirmed. Meanwhile, a pressure group is calling on the company and environmental watchdogs to be more open with members of the public following a number of "near misses" at the Suffolk plant. Sizewell B was shut down in March when higher-than-normal moisture levels were recorded within the containment building. EDF Energy says repair work is continuing and the station should return to service in the third quarter of this year. The problem is believed to have been caused by one of the heaters associated with a component known as the pressuriser. Lowestoft Journal 9/8/10
- The Felixstowe South reconfiguration project at the Port of Felixstowe is taking shape. The first three ship-to-shore gantry cranes are now in place at what will be the port's new berths eight and nine. Two more cranes are due to arrive shortly, with the first phase of the development, due to become operational next year, being equipped with seven of the world's largest cranes in total. The Port of Felixstowe currently accounts for around 40% of UK container trade and industry projections forecast container traffic to quadruple by 2030. The Felixstowe South project, which represents an investment of around £400million, will raise capacity at the port from 3.3million standard containers to more than 5million. EADT 9/8/10
- A Suffolk branch of supermarket chain Waitrose is the first in the country to trial a new format which extends the range of locally-produced food. A total of 16 Suffolk suppliers, half of whom are new to the company, will be providing the Saxmundham store with 105 products, including 57 new additions to its range. The shop is also in talks with other local producers, including fruit and vegetable suppliers. The local produce will also be given prominence in the store, with producers' logos appearing alongside information including the number of miles the food has travelled from the producer to the shop. EADT 24/7/10
- Felixstowe-based transport group Maritime has taken over as operator of a major rail freight terminal in Essex. The move represents Maritime's first step into rail terminal operations and is part of a wider plan to develop rail-connected operations at strategic locations around the UK. It has taken over the existing rail contracts at the Riverside Rail Terminal at Tilbury, on the River Thames, and aims to increase train throughput by bringing new services to the terminal. EADT 14/8/10

WAVENEY

- The company that owns a food factory destroyed by fire has begun a consultation period, after which the factory's 150 workers face possible redundancy. Wessex Foods, on the South Lowestoft industrial estate, was destroyed by blaze on July 11. Efforts have been made to procure manufacturing capacity in the short term in the Lowestoft area, but so far no viable alternative has materialised. No decision has yet been taken on the future of the Lowestoft site. EADT 3/8/10
- A planning application from Tesco to build a store in Halesworth has been rejected. However, the company has not ruled out a supermarket for the town, saying it is still considering its options. Evening Star 28/7/10
- A search for new work has begun at offshore engineering firm SLP after the business was bought out of administration after months of talks. The Lowestoft-based company called in PricewaterhouseCoopers (PwC), the administrators, in November 2009 after becoming embroiled in a £60m legal dispute with Danish conglomerate Maersk, leaving about 800 jobs at risk. However, after several waves of redundancies the business has been sold to Zefier UK III, a subsidiary of Holland-based renewable energy firm Smulders. Lowestoft Journal 9/8/10
- Lowestoft-based self-catering holiday specialist Hoseasons is to retain its name following its £51million acquisition by the United States group Wyndham Worldwide. Hoseasons has been merged with the group's existing UK business, The Holiday Cottages Group, re-styled as "The Hoseasons Group, a Wyndham Rentals company". EADT 17/8/10
- A furniture manufacturer which has shops across Norfolk and Suffolk is under new ownership after being sold by administrators. Mark Elliot Furniture, which is run from Beccles, where it has a factory and store, went into administration in July and was sold immediately to private equity firm SKG Capital. The company, which has stores locally in Southwold, Holkham, Holt, Norwich's Timberhill and Bury St Edmunds as well as others further afield, makes bespoke armchairs, sofas, dining tables and chairs, cabinets and sideboards. The stores have remained open to trade as usual since the sale earlier this month, and no jobs have been lost. Lowestoft Journal 23/07/10
- Southwold Pier has been put up for sale for £6m. Owners Stephen and Antonia Bournes have decided to sell the coastal landmark because they cannot commit to a £5m hotel extension. The 30-bedroom luxury hotel was originally due to cost £2-£3m but, with the project now estimated at £5m, it is no longer financially viable for the couple, who have two teenage sons. The pier is the second biggest employer in Southwold with a workforce of 45 full time staff, which rises to 95 in the summer season. Mr Bournes said they could not cover the necessary 40% of a loan, plus conditions, and could not foresee that the banking situation would change. He said they also did not want to take on a business partner. Employees were told about the sale on Monday. Planning permission for the hotel was given last December and the project was three years in the making. Mr Bournes, who bought the pier in March 2005, hopes the new owner will build the five-storey hotel as soon as possible because a lot of the facilities are in need of renovation. Lowestoft Journal 6/7/10

See the Research and Intelligence Team web pages at:

<http://www.suffolk.gov.uk/CouncilAndDemocracy/AboutSCC/SpecialistSupportFunctions/TransformationAndPerformance/ResearchAndIntelligence.htm> for more data, including Suffolk Trends 2009, which highlights key social, economic and environmental changes for the county in the past year. It highlights where and how change is happening and provides essential contextual data for everyone involved in service development or service redesign.