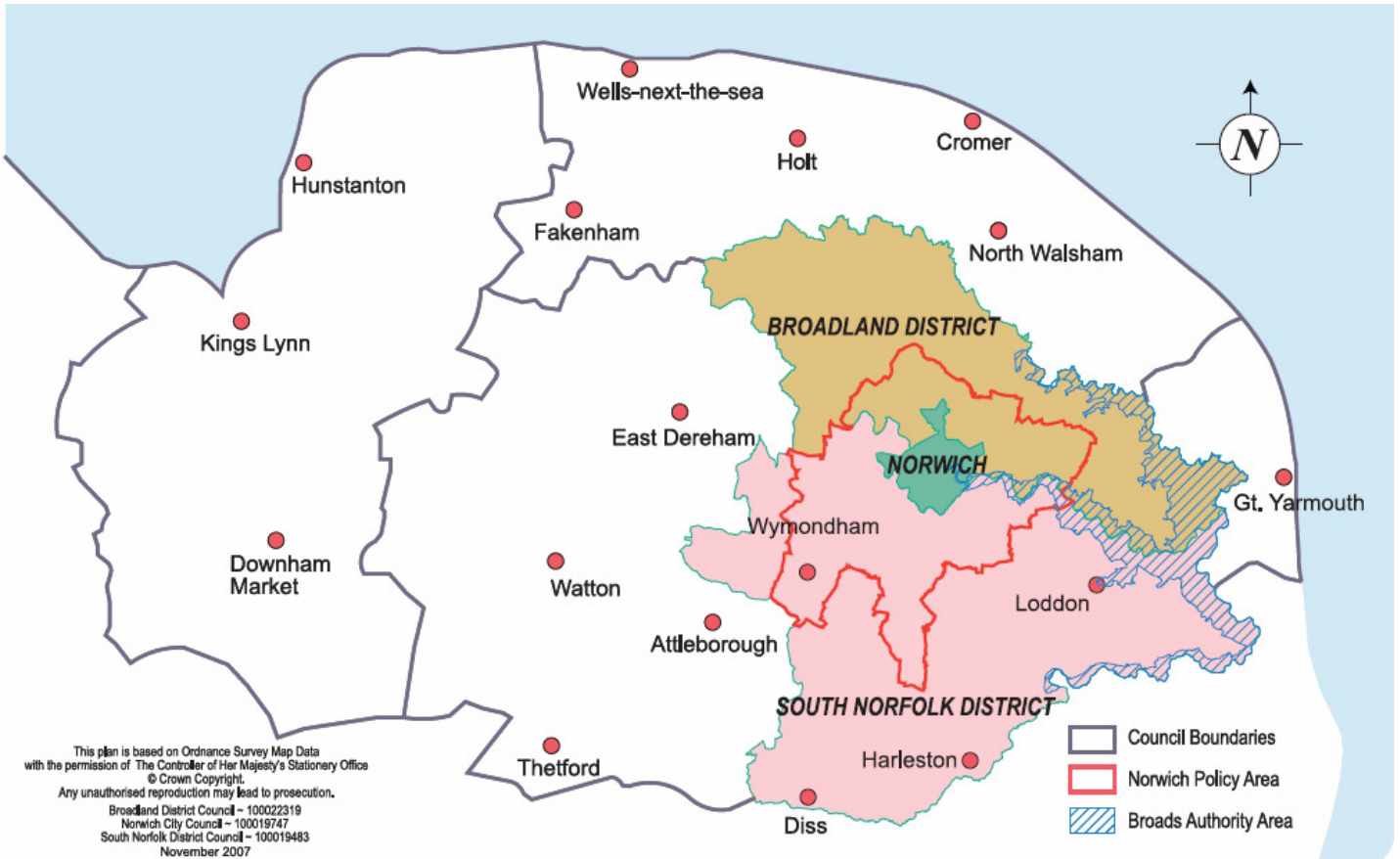


Greater Norwich AUGUST 2009



Please note that this report concentrates on Greater Norwich but also includes information relating to other parts of the county

Summary

The positive trends of the past three months have continued into August – with unemployment levels continuing to fall, albeit slowly, and house prices in Norfolk moving upwards fractionally for the first time.

Redundancy notifications at 40 were at their lowest for more than a year.

However there have been a number of negative headlines and job losses yet to filter through to the official figures.

These included redundancies at flagship businesses Bernard Matthews, May Gurney and manufacturing business Mondri.

Sales figures were very weak at media group Archant. Major manufacturing group Anglian Group – the UK's largest home improvements company, has improved its financial performance with the help of significant redundancies.

The first sign of public sector belt-tightening has come with job losses at the Institute of Food Research, one of the key institutions on the Norwich Research Park.

Job losses are also expected at Norwich City Council and other public sector employers.

On a more positive note Group Lotus has announced a recruitment drive, West Norfolk insurance company Adrian Flux is recruiting staff and a number of smaller businesses eg Economy Car Hire, Anglia DNA and Further are reporting rising order books.

Conclusion

Positive trends of the past three months are being maintained, with falling unemployment and stability returning to the housing market.

A good number of businesses are reporting increased business.

But the economy remains fragile, with some large employers continuing to struggle and cut back.

Public sector cut backs are now starting to create a negative impact on the local economy and there are concerns the fall in unemployment may be reversed in the coming months.

Trading Climate & Confidence Levels

Key Facts

Trading climate and confidence levels are on the up, and the improvements of the past three months are being maintained. However significant numbers of businesses are still finding the going tough, particularly in retail and manufacturing, but tourism as an industry has enjoyed a bumper 2009.

Agriculture & Food Processing

Bernard Matthews – turkey farmer – will be making further redundancies – 44 of its 2, 270 workforce between the Great Witchingham headquarters, Norwich and the Holton facility in Suffolk. This follows the loss of 130 jobs at the beginning of the year.

Buy The Case, Norwich – wine shop which employed three or four people – forced to close after being left £40, 000 out of pocket when a string of customers including Traffik, E18hteen restaurant and the Wine Press went into administration.

Naked Wines, Norwich – online wine retailer – been picked by Jamie Oliver to supply wines to match the recipes featured in his website. The company was set up in 2008 and in its first six months the business had topped 20, 000 customers.

Cereal growers – has seen ‘surprisingly’ good quality crops while the rest of the country has struggled with difficult weather conditions. But certain farms have suffered from hail storms damage.

Omex, King’s Lynn (world headquarters) – fertiliser and plant nutrition business, employs 20 staff, with 10 new places planned – celebrated its silver jubilee by investing about £4m in a new factory. Omex Agrifluids will operate alongside existing businesses Omex Agriculture.

Justeau, Swaffham – water cooler firm, employs five people – looking to double its turnover in 12 months after merging with Fontill Waters in Wiltshire, a contract packing company supplying spring water. Both firms, which had been working together as client and supplier, have a turnover of about £1m.

Construction

May Gurney, Norwich – integrated support and construction services, employs 600 in Norfolk – announced a review of staff levels within its highways department which could see up to 25 workers made redundant.

Creative

Archant, Norwich – media group – had a drop of 61.6 percent in operating profits for the first half of this year, 24.4 percent fall in revenue to £70.8m compared with

the first half of 2008, while operating profits fell by £8.1m to £5m. The number of full-time equivalent employees across the group has fallen by nearly 19 percent. Turnover from newspaper and print operations fell by 25.3 percent to £49.1m, with advertising revenues falling by 29.5 percent. But revenues from the group's digital operations increased by 18.9 percent, with the average monthly unique visitors to all Archant websites rising from 1.6million to 2.4 million.

Right Angle Events, Taverham – education company involving crime scene investigation – set to take its services overseas after major growth. To meet demand the company has taken on 27 staff this year. The company is on target to turn over about £260,000 this yearly – nearly quadruple the £66,000 in 2008.

Dirt Box, Norwich – niche youth clothing – building on its recent success (80 percent turnover in 2008-09) by moving to new premises in Mattishall near Dereham. It plans to transform an outbuilding into a workshop for printing and dyeing its trademark T-shirts allowing the company to carry out all its own printing.

Engineering

BERU F1 Systems – specialist engineering – creating the Factor 001 bike which will borrow electronics technology from Formula 1 cars to give riders the edge. It will be sold at £20, 000, and the first person to receive it will be Lewis Hamilton.

Lotus, Hethel – sports car manufacturer – Lotus Evora model has been crowned Britain's Best Driver's Car 2009 by Autocar.

Lotus, Hethel – sports car manufacturer – on course for growth despite reporting annual losses of almost £15m, and feel the launch of the Evora model meant the company was better placed than most of its competitors to succeed in the downturn. The company has recruited an additional 150 manufacturing staff – a 30 percent increase – to meet demand. The company has earmarked £20m for investment in its products for continued growth in 2009-10.

Breckland Technology – sports car manufacturer – 16 staff being made redundant after the company went into administration, due to financial difficulties brought about by its overseas backers being unable to increase their investment due to global pressures.

STG Aerospace, Swaffham – emergency lighting for commercial airlines, employs 15 in Swaffham (further five at its sale base in the USA) – turnover has increased by 40 percent with sales reaching £6m, £1.7m more than in 2008. The increase is in part due to the pressure on the airline industry to cut costs. The company has also received three major contracts in rapid succession

Financial

Aviva, Norwich – insurance - announced its operating profits rose to £1.68bn from £1.51bn in the six months to June 30 after margins on life and pensions business improved and its general insurance arm exceeded targets for the

period. Although Aviva has cut its dividend by 31 percent to 9p a share after the company said it expected pressures on earnings to remain tough.

Adrian Flux, East Winch – insurance – creating one hundred new jobs after a boom in sales. The company pledged to draw its new recruits from King's Lynn and surrounding towns and villages. The company has broken its monthly sales record three times since the start of the year.

Health & Life Sciences

More than three percent of medical posts in the region are unfilled, new figures from the NHS Information Centre have shown. Experts have blamed increasing demand, a lack of training places, staff retiring and changes in immigration laws. Vacancies include 32 posts at the Norfolk and Norwich University Hospital – but this is down from 52 the previous year. However applications for vacancies has increased sharply in recent months.

The Institute of Food Research, Norwich Research Park – leader in research into harnessing food for health and controlling food related diseases, employing 182 science posts – is to shed more than 40 jobs as part of a package of cuts forced by spiralling costs and funding pressures.

Anglia DNA, Norwich Research Park – DNA testing – DNA tests to settle family disputes are to go on general sale over the counter in chemist shops for the first time. Anglia DNA has been working with courts to establish identity and paternity since it was founded in 2004.

Keep IT Clean, Norwich – IT cleaning company, employs seven people – bracing itself for a surge in new work as businesses step up their efforts to prevent the spread of swine flu. The number of recent inquiries has increased with organisations such as Bedfordshire police signing up as a new client as a direct result of the swine flu outbreak. The company has about 200 clients across the country ranging from Virgin Money to schools and colleges.

Omex, King's Lynn (world headquarters) – fertiliser and plant nutrition business, employs 20 staff, with 10 new places planned – only company in Britain involved in a global project (Harvest Plus) backed and sponsored by Bill and Melinda Gates Foundation and the World Bank. The project aims to reduce infant mortality caused by zinc deficiency.

ICT

Further, Norwich – online marketing company – recorded its best set of results to date. The company recorded turnover of £742, 000 last year, up from £362, 000 and this year it is expecting that figure to grow to £1.2m, with staff growing from its 2 founders three years ago to a team of 19.

Datadrum, Norwich – won a new contract from Toyota to produce a national brochure campaign aimed at encouraging young people to join the car maker's

apprenticeship academy. The company will also be working on their website. In addition global agricultural company Monsanto has asked the company to produce its new vegetable seeds catalogue, aimed at farmers.

Economy Car Hire, Dereham – dotcom car hire firm, employs 17 people – turnover will grow by up to £1m this year after recording a turnover of £14m last year. The business operates in more than 20 European countries and has been set up in Australia, the United States and Sri Lanka.

Manufacturing

Ancora International Ltd, Norwich – garment manufacturer including organic corporate clothing – been established in Norwich for three months and will be attending Offshore Europe in Aberdeen in September to raise their profile and create contacts.

Acorn Planting Products, Loddon, South Norfolk – manufactures mesh guards and shelters to protect trees and plants, employs 12 people with a £1.2m turnover – has been bought by plastics firm Boddingtons. Boddingtons plans to invest in plant and new technology at the site and it is expecting to merge its own plastic meshing and netting products into the Acorn brand.

Mondi, near Diss – manufactures cardboard boxes, employs around 160 people – will be making a sixth of its workforce (28) redundant after experiencing a fall in demand as a result of the recession. The company closed their Scunthorpe plant in May, and also cut jobs in March, Cambridgeshire and Mold in South Wales.

Palm Paper, King's Lynn – manufactures recycled paper, employs 150 local people – has started running three weeks ahead of schedule. Currently the paper running off the machine is not the highest quality, but it is hoped this will be achieved within a week to start selling.

Tourism

Norfolk's tourism industry, employs 35,000 people and generates £2.4bn a year - has enjoyed a bumper holiday season, with some holiday parks and resorts staying visitor numbers have risen by up to 40 percent compared to last year due to the 'staycation' factor (the recession and the poor value of the pound to the euro).

Bewilderwood adventure park has seen visitor numbers up by 35 percent..

Kelling Heath Holiday Park has seen bookings rise by 30 percent compared to last year.

Hunstanton and King's Lynn tourist information centres had 5,000 more visitors than the previous seven years.

Fakenham's Pensthorpe nature reserve has seen a 20 percent increase.

Broads boating companies have reported a 35 percent seasonal surge in bookings.

Banham Zoo near Diss has seen a 14 percent increase in business.

Mustard Shop – shop and museum – saved after a heritage body (Norwich Heritage Economic and Regeneration Trust) stepped in to safeguard its future as a tourist attraction which attracts thousands of visitors a year. The Mustard Shop had been put under review by owner Unilever.

Other

Allied Carpets, Norwich- store closed after the business went into administration last month.

Anglian Group, Norwich – home improvement firm – major restructuring has seen a £7m operating loss in 2007-08 become a £6m profit by March this year. But the accounts also show a £12 drop in its wage bill as its workforce fell from 3,030 people nationwide in March 2008, to 2,432 in March this year – including about 94 job losses in Norwich.

NPS, Norwich – property consultants – has been back on the acquisition trail by buying Hamson Partnership, a West Sussex chartered surveying consultancy.

Targetfollow, Norwich – property group – forecast significant growth in rents and values in the future from its expanding portfolio of buildings around the country as it unveiled a pre-tax loss for the year of £30.5m. Turnover climbed by almost £10m to £49.2m in the year to March 31 2009 but low yielding investments and development costs led to the pre-tax loss.

Cocoabean, Norwich – recruitment agency – went in to administration with purpose of finding an investor after falling victim to an alleged fraud. The investment group, HB RIDA, is backed by Dragon's Den star James Caan.

Mattressman – bed specialist employing 80 people – entrepreneur behind the store has set his sights on opening eight new stores across the region in the next 12 months. Turnover in the year to March had risen by 28 percent to £11m, with 60 percent of the business being accounted for by the brand's internet operation.

Wesley Barrell, Norwich – upmarket furniture retailer – will be leaving Norwich after seven years to focus its East Anglian operation on Cambridge and St Albans. This will result in loss of one manager and two part time jobs.

Norfolk Industries for the Blind, Norwich – sheltered workshop supported by Norfolk County Council, employs 25 people with a range of disabilities – will create two further jobs after clinching a £180,000 one year contract to supply shredded paper and viscose products to Armitage Pet Products which supplies pet stores nationwide.

Norwich City Council – poised to be handed an unpalatable menu of cuts in jobs and services totally £7.9m to stop finances at City Hall running millions of pounds into the red.

Jack Richards&Son, Fakenham – haulier company – expanding its fleet and hoping to bring more vehicles to work in Norfolk to meet increased demand. The company increased its turnover by 5.6 percent to £21m in the year to the end of May. They said that more work was centred on pallet work as the current £/Euro exchange rate had seen many businesses increase their distribution of single and multiple pallets of products into the wider European market.

Dragonfly, Dereham, Breckland – independent fashion shop – closing after eight years due to “a combination of the inflexibility of banks to provide working capital with a decrease in sales”. Stores will remain open in Wymondham, Holt and North Walsham.

Bakers & Larners, Holt – clothing retailer – invested up to £200,000 through increasing the store by 5,500sq ft with the introduction of a new fashion floor, restaurant and Intersport operation.

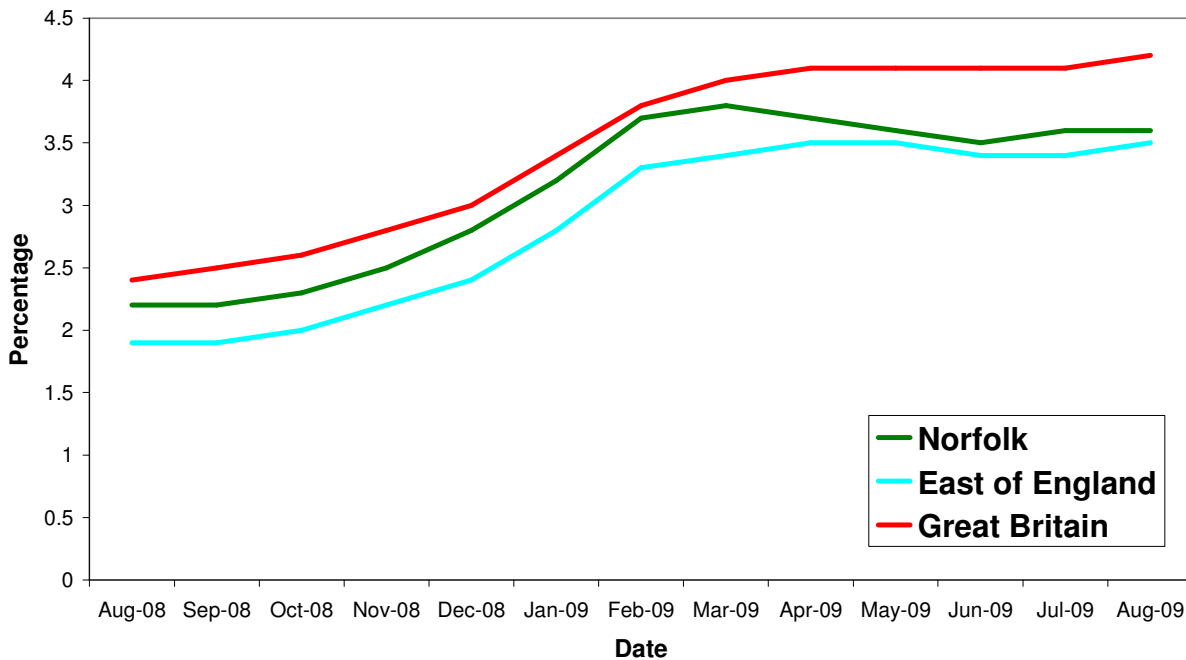
Footloose 'n' Funnybones, Diss – independent children's clothes, shoe and toy shop – closing the business due to a reduction in footfall blamed on the economic downturn.

Unemployment

Key Facts

Norfolk JSA claimant count was 17,856 in August, down 299 or 1.7% since July 2009 but up by 7,234 on the year, a 67.85% increase since August 2008.

All people claiming JSA



Source: Nomis, Official Labour Market Statistics

Area	Count	%age of working age population	Change in count year on year	%age change in count year on year
Norfolk	17,856	3.6	7,194	67.5%
Breckland	2,567	3.4	1,121	77.5%
Broadland	1,592	2.2	812	104.1%
Great Yarmouth	3,046	5.6	1,008	49.5%
King's Lynn & West Norfolk	2,847	3.5	1,146	67.4%
North Norfolk	1,701	3.2	734	75.9%
Norwich	4,385	4.9	1,542	54.2%
South Norfolk	1,718	2.5	831	93.7%

2, 806 claimants in August 2009 were from the Norwich Job Centre Plus office, a 53 percent rise from 2008, a decrease of 59.40 percent since July 2009.

Source: Job Centre Plus

Redundancies

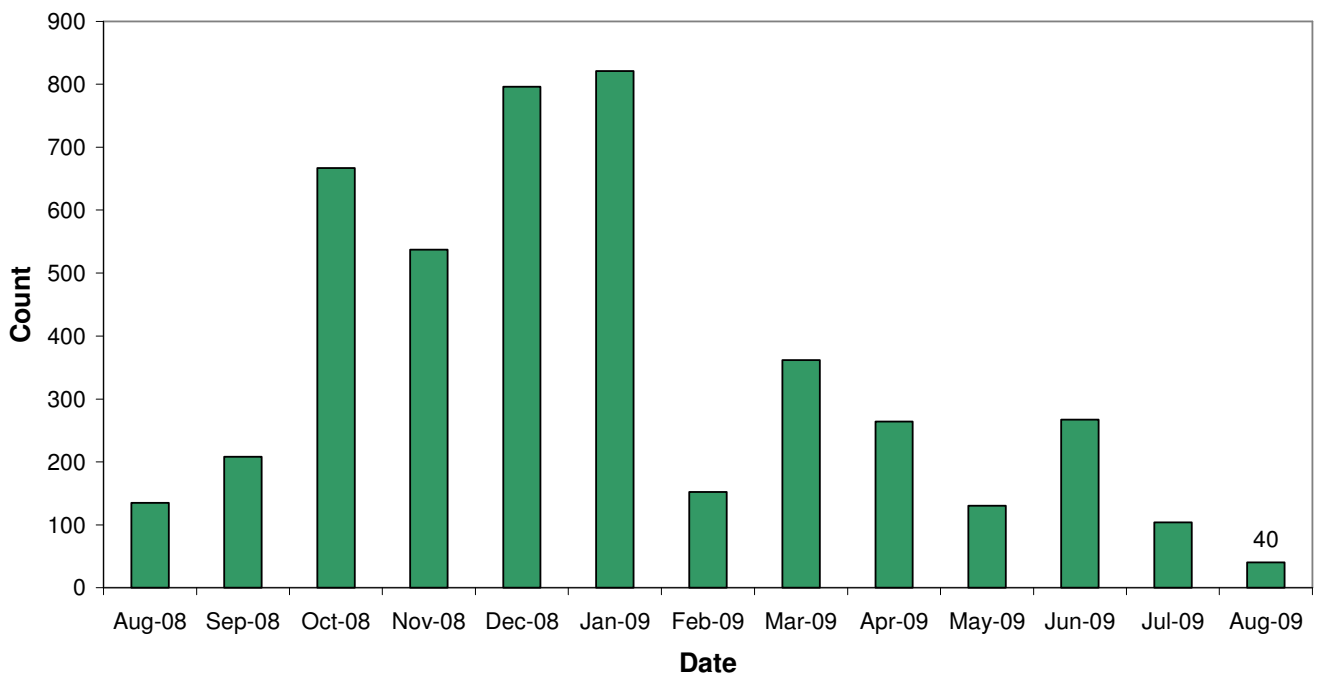
Key Facts

There have been 5, 293 redundancies notified to Job Centre Plus between July 2008 and 30 August 2009, with a decrease of 61.54% since July 2009. Of these 53% have been in Norwich, 2% in Broadland and 2% in South Norfolk.

The hardest hit sectors continue to be manufacturing, construction and insurance and financial services.

Source: Job Centre Plus

Norfolk redundancy notifications



Job Adverts (EDP)

Date	Pages	Public Sector Jobs (council, education, NHS, healthcare)	Private Sector Jobs	Third Sector Jobs
6 th August	6 and a 1/2	59 (22.69%)	181 (69.62%)	20 (7.69%)
13 th August	6 and a 1/2	46 (37.70%)	68 (55.74%)	8 (6.56%)
20 th August	7	50 (42.73%)	63 (53.85%)	4 (3.42%)
27 th August	4	41 (41%)	54 (54%)	5 (5%)

Unless figure or positions stated each advert is counted as one position

One article in the EDP this month reported a sales manager position at Sabrefix, Watton, a steel business, had not had one enquiry in a month since becoming vacant. This news is in complete contrast with previous headlines which reported the tens and hundreds of people who have been vying for only a handful of positions at a time.

4, 339 jobs in Norfolk were notified to Job Centre Plus. Of these 64 percent were full time positions. Notified vacancies were up 21 percent from July's total.

In terms of district vacancy notifications:

- Broadland had 441, a drop of 24 percent since last year and a 2 percent decrease from July.
- Norwich had 1, 490, a drop of 2 percent since last year but a 47 percent increase from July.
- South Norfolk had 413, a drop of 2 percent since last year but a 30 percent increase from July.

Industry	Norfolk	
	August 08	August 09
Agriculture, hunting and forestry	21	70
Manufacturing	155	169
Electricity, gas and water supply	16	54
Construction	84	134
Wholesale and retail trade	778	360
Hotels and restaurants	310	335
Transport, storage and communication	68	120
Financial intermediation	78	373
Real estate, renting and business activities	2,164	1,875
Public administration/defence/compulsory social security	230	108
Education	105	59
Health and social work	611	520
Other community, social and personal service activities	134	158
Column Total	4,754	4,335

Industry sectors with falls in job vacancies

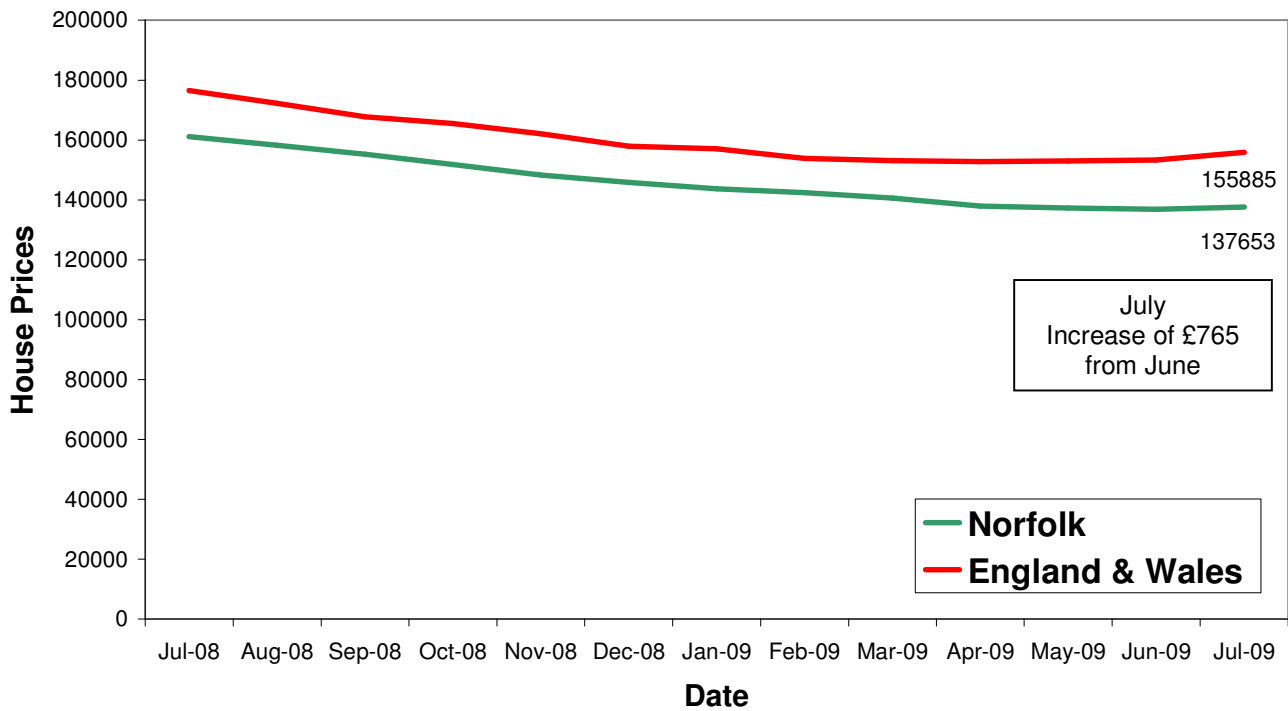
Housing

Key Facts

- **UK house prices increased by 0.8% in August.** This is the second month in a row which has seen an increase in prices.
- **Average House price £160, 973**

Source: Halifax House Price Index

House Price Trends



Source: Land Registry