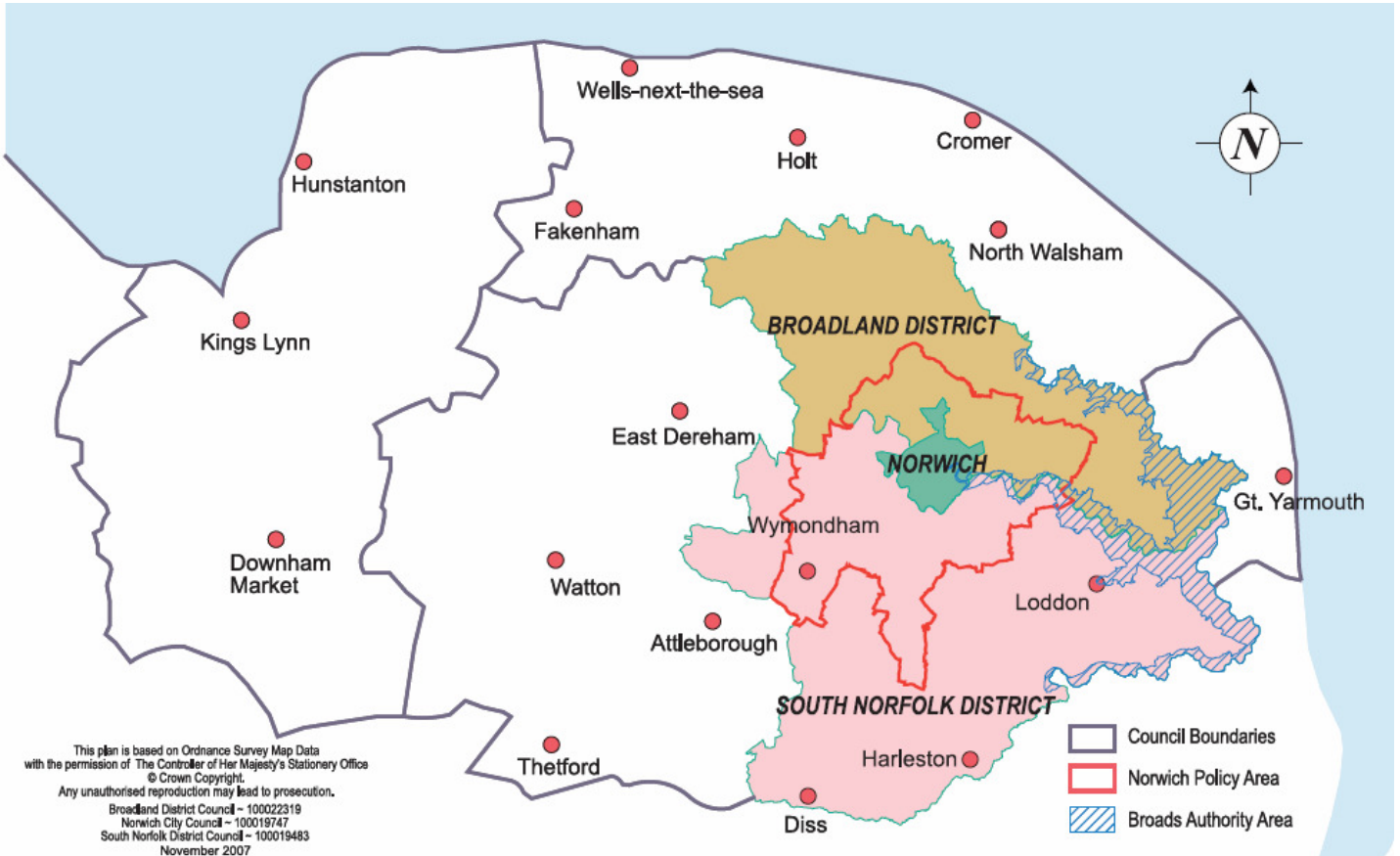


## Greater Norwich JULY 2009



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

## Summary

July – The fourth month in a row with more positive economic news. Across sectors, there are now many examples of businesses who are growing and increasing profits and turnover despite the difficult economic climate. This is in stark contrast to the final quarter of 2008, and the first quarter of 2009.

Within **food and drink** two of Norfolk's biggest businesses – Norwich based Britvic (Robinsons) and South Norfolk based Crown Chicken both reported strong figures – although caution about 2009 performance. However further cut backs were announced by Bernard Matthews in August.

The Norfolk Show enjoyed a healthy attendance, with businesses in general expressing greater optimism about 2009.

**Engineering** is seeing more positive trends with fuller order books, and **ICT** and **marketing** businesses also looking more buoyant with a number of businesses in the sector winning new work.

But there are some negative signs – with conservatories manufacturer Marston & Langinger hitting financial difficulties and office furniture manufacturer Lee & Plumpton also shedding workers (August).

Within **Financial services**, Capita has reduced the number of redundancies proposed in Norwich from 210 to 25. A key sector in greater Norwich, total redundancy figures reported to Job Centre Plus within financial services are at 754.

Within **retail**, 53 jobs were saved when shoe retailer Mr Shoes was bought from the administrators. Collapse of the company was attributed to a number of expensive leases signed as the business expanded too fast.

Also half of Norfolk and Suffolk's Woolworths stores have now found new tenants.

The jobless total rose in Norfolk – up 65 – following three months of modest falls. A further rise is anticipated as seasonal working may be hiding the true state of the jobless market.

However this rise may not be as high as feared as – redundancy notifications are at a year low and the number of vacancies has risen by 4pc compared with May. The EDP jobs indicator also shows a small increase in private sector recruitment.

## Conclusion

Positive trends seen over the previous three months seem to be gathering momentum, with positive news now outweighing the negative. However there is no doubt that many businesses are still very cautious about prospects going forward and there is an expectation that unemployment will continue upwards into the autumn.

## Trading Climate & Confidence Levels

### **Key Facts**

**Positive news outweighing negative for first time in 2009. Businesses across a range of sectors reporting growth in turnover and sales. However some sectors, particularly manufacturing still taking time to recover.**

### **Agriculture & Food Processing**

Britvic – soft drinks producer – saw sales rise by 3.2 percent in the last month compared to the same four weeks in 2008 with Wimbledon bringing the focus to the brand. In the last 40 weeks Britvic sales increased 6.1 percent to £732.3m.

Crown Chicken – poultry producer – saw turnover rise from £50.6m to £58.9m and profits rise from £1.05m to £1.39m in the period from 2007 to last year. The growth was partly down to forward purchasing animal feed products during a period in which prices of cereal, protein and oil based feeds increased by an average of 17.9 percent year on year. However, it is reported that 2009 is proving more difficult with the need to continue to improve customer confidence and prices reflecting the higher costs of production experienced by rising cereal, protein and oil costs.

### **Creative**

Turton Middleton – design agency – recruiting two new members after it won a three year contract from the Scottish parliament.

Right Angle Events Ltd – design and deliver crime scene investigation training and team building experiences – has seen staff numbers grow from three to 23 in the past year. Turnover of £66,000 in 2008 and on course for £240,000 this year.

### **Energy**

The Eastern Region Wind Energy Group – cluster of 24 automotive, aerospace and marine businesses across East Anglia set up by Hethel Engineering – could create thousands of jobs in the region. The project is aimed at enabling East Anglian companies to break in to the growing wind energy sector and is one step closer after raising funds for a feasibility study.

Carbon Special Reserve – carbon savings company – established in August 2008, employ two people and expect to employ two more in the next 12 months. Saw turnover at £177,000 in the first year with healthy profit.

### **Engineering**

Polar Composites – specialist in carbon fibre products – potential new market in the sports and leisure industry with production of lightweight helmets. Founder Mike Harris said it had taken £70,000 worth of work in one week from six different clients.

Eurotek Engineering, Aylsham – manufactures food freezing and chilling tunnels for the food processing industry, employs 25 people – gearing up for growth after seeing a 25 percent rise in global inquiries following its integration into a Euro5.2bn (£4.5bn) group, GEA Grasso Holdings. High profile clients of Eurotek include Greggs, Haagen-Dazs and Youngs Seafood.

### **Financial**

Larking Gowen – chartered accountants and business advisors – have seen a six percent rise in turnover to £13.2m in the 12 months to the end of March 2009 and is continuing to recruit.

Mills & Reeve – law firm - Norwich office recorded a turnover of more than £15.5m.

### **ICT**

Foolproof – marketing and web design services – on target for a ten percent rise in turnover for the year ending August 31<sup>st</sup>. Turnover is about £3.5m. The company had to make five members of the team redundant when the recession took hold but has since recruited four more staff since trade picked up in February.

RD Research – database developer – has won a new contract with the NHS and is bidding to win another after successfully completing a database project on time and on budget for the NHS in the Aston area of Birmingham. The Aston project was worth about half the company's turnover.

Midwich – audio visual products firm – celebrated 30 years of trading this month. The company employs more than 200 people, saw sales of £173m last year and holds a 43 percent share of the UK distribution market for projectors and an 83 percent share of the market for commercial displays, according to Future-source Consulting.

Soup, Norwich – digital marketing firm, employs 35 people – sold a majority stake in the business to a London agency, Skive. The company had been in administration.

NAME (Norwich Action for Marketing and Exhibitions) – scheme being run by SNF to help Norwich businesses in the Creative, Engineering, Health & Life Sciences and ICT sectors attend exhibitions across the country. Companies that have applied are doing quite well but clearly keen to promote themselves to new markets.

Prosper Online Ltd – selling products on internet from small engineering companies – established in 2007 with first year sales at £5000, second year at £60,000 and currently recording £15-20,000 a month, with £50,000 a month predicted for the end of 2009.

P1 Technology Partners – IT and software development – won a new contract with River Cottage under their new ‘Norfolkshoring’ banner

### **Tourism**

Royal Norfolk Show – annual two day event – attracted 97, 275 visitors.

Talks that a £300m conference and tourism complex featuring 8, 000 hotel rooms and the largest convention centre in the UK could be built on farmland near Norfolk’s new eco-town around Rackheath, Woodbastwick and Salhouse. The scheme has been named the Norfolk Hub.

The Pig’s Pub – local pub in Holt – is bucking the trend by becoming re-established as a thriving part of the community with significant investment in new facilities, local produce and cookery clubs.

### **Other**

Capita – outsourcing firm –stepped back from making 210 redundant to about 25 or fewer with transfers, covering extra work and the potential introduction of new technology and new ways of working.

Mr Shoes – shoe retailer – seen 53 jobs saved after the directors stepped in to buy the business out of administration. Two stores in Norwich have been safeguarded.

Kingswood – outdoor education company – with its headquarters in Norwich has seen profits more than double from £1.56m in year to July 2007 to £3.4m in same period last year with predictions the growth would continue this year.

Half of Norfolk and north Suffolk’s former Woolworths stores have found new tenants. Survey by the EDP found that eight of the former stores in Norfolk and North Suffolk had returned dozens of jobs to the local economy after being taken over by other retailers.

Bertram Group – book wholesaler – doubled its stocks from £14m to £30m and seen very strong sales three months after emerging from the collapse of its former owner Woolworths.

Living Rooms – ethnically sourced goods – opened up a second store in the county.

Apollo Group – property services – invested in a new Norwich office. The company employs 900 nationally with a turnover of more than £300m.

Getcomfortable Ltd – marketing consultancy – business is fine and has won a couple of contracts doing marketing strategies in its first six months.

Pure Lettings Ltd – property management and lettings agency – turnover now exceeding £1.3m by managing 300 properties in two years and retaining 98 percent of clients in the properties.

Marston & Langinger, Fakenham, North Norfolk – conservatories and poolhouses manufacturer, employs 75 people – entered into a company voluntary arrangement with creditors owed a combined total of just over £1m unanimously backing the proposal. The deal occurred after the business was hit by problems from the collapse of investment bank Lehman Brothers.

Norse Commercial Services, Norwich – employs about 4,500 people across Norfolk and Suffolk – entered a new partnership (60 percent stake) with Enfield Council to provide cleaning for public buildings across the borough. The contract is worth £3.5m a year over the next 10 years.

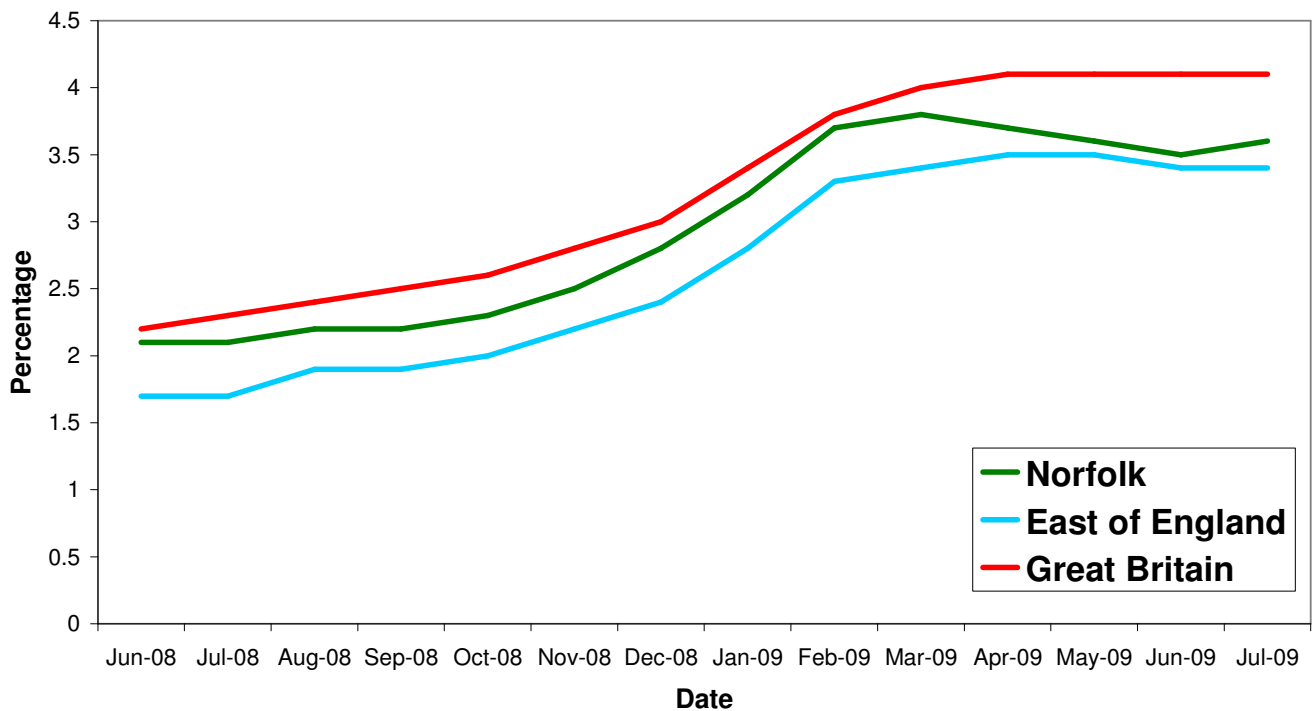
## Unemployment

### Key Facts

- Norfolk JSA claimant count was 17, 557 in July, up 65 or 0.37% since June 2009 but up by 7, 329 on the year, a 71.66% increase since July 2009.

Source: Nomis

## All people claiming JSA



Area	Count	%age of working age population	Change in count year on year	%age change in count year on year
Norfolk	17,557	3.6	7329	71.7%
Breckland	2,566	3.4	1,208	88.5%
Broadland	1,553	2.2	766	97.3%
Great Yarmouth	3,014	5.5	997	49.4%
King's Lynn & West Norfolk	2,757	3.4	1,226	80.0%
North Norfolk	1,693	3.1	806	90.9%
Norwich	4,311	4.8	1,516	54.2%
South Norfolk	1,663	2.5	813	95.6%

6, 912 claimants in July 2009 were from the Norwich Job Centre Plus office, a 65 percent rise from 2008, an increase of 1.66 percent since June 2009.

## Redundancies

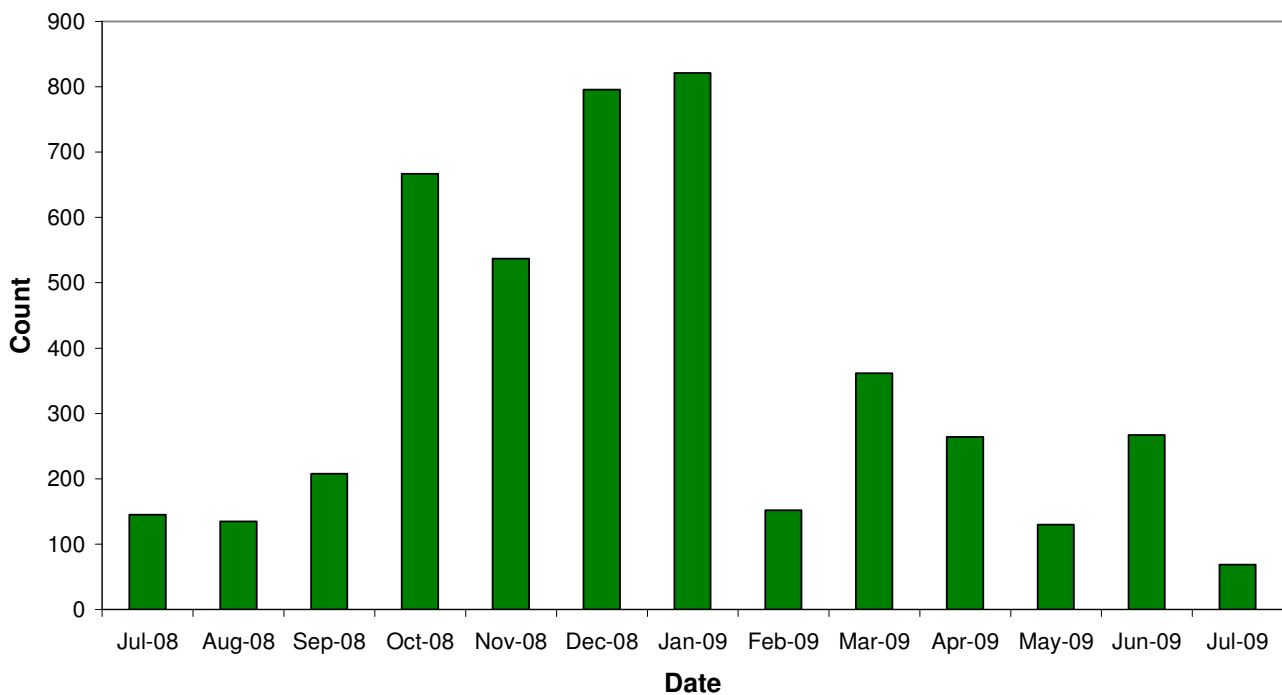
### Key Facts

There have been 5, 253 redundancies notified to Norfolk Job Centre Plus between July 2008 and 30 July 2009, with a decrease of 74.16% since June 2009. Of these 49% have been in Norwich, 6% in Broadland and 3% in South Norfolk.

The hardest hit sectors continue to be manufacturing and construction with 880 and 791 respectively. Insurance and financial services is also being hit hard with 754 redundancies.

*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
2 <sup>nd</sup> July	9 and a ½	97 (57%)	61 (35.5%)	13 (7.5%)
9 <sup>th</sup> July	No data			
16 <sup>th</sup> July	No data			
23 <sup>rd</sup> July	7 and a ½	89 (57.42%)	61 (39.35%)	5 (3.23%)
30 <sup>th</sup> July	8	75 (49.02%)	74 (48.37%)	4 (2.61%)

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

3, 577 jobs in Norfolk were notified to Job Centre Plus. Of these 52 percent were full time positions. Notified vacancies were up by 4 percent from June's total.

In terms of district vacancy notifications:

- Broadland had 452, a drop of 9 percent since last year and a 5 percent decrease from June.
- Norwich had 1, 011, an increase of 13 percent since last year and a 33 percent increase from June.
- South Norfolk had 318, a drop of 31 percent since last year and a 12 percent decrease from June.

Industry	Norfolk	
	July 08	July 09
Agriculture, hunting and forestry	33	34
Manufacturing	139	112
Electricity, gas and water supply	20	7
Construction	99	141
Wholesale and retail trade	319	269
Hotels and restaurants	402	252
Transport, storage and communication	67	71
Financial intermediation	74	56
Real estate, renting and business activities	1,839	1,595
Public administration/defence/compulsory social security	178	167
Education	43	99
Health and social work	341	607
Other community, social and personal service activities	164	162
Column Total	<b>3,718</b>	<b>3,572</b>

 Industry sectors with falls in job vacancies

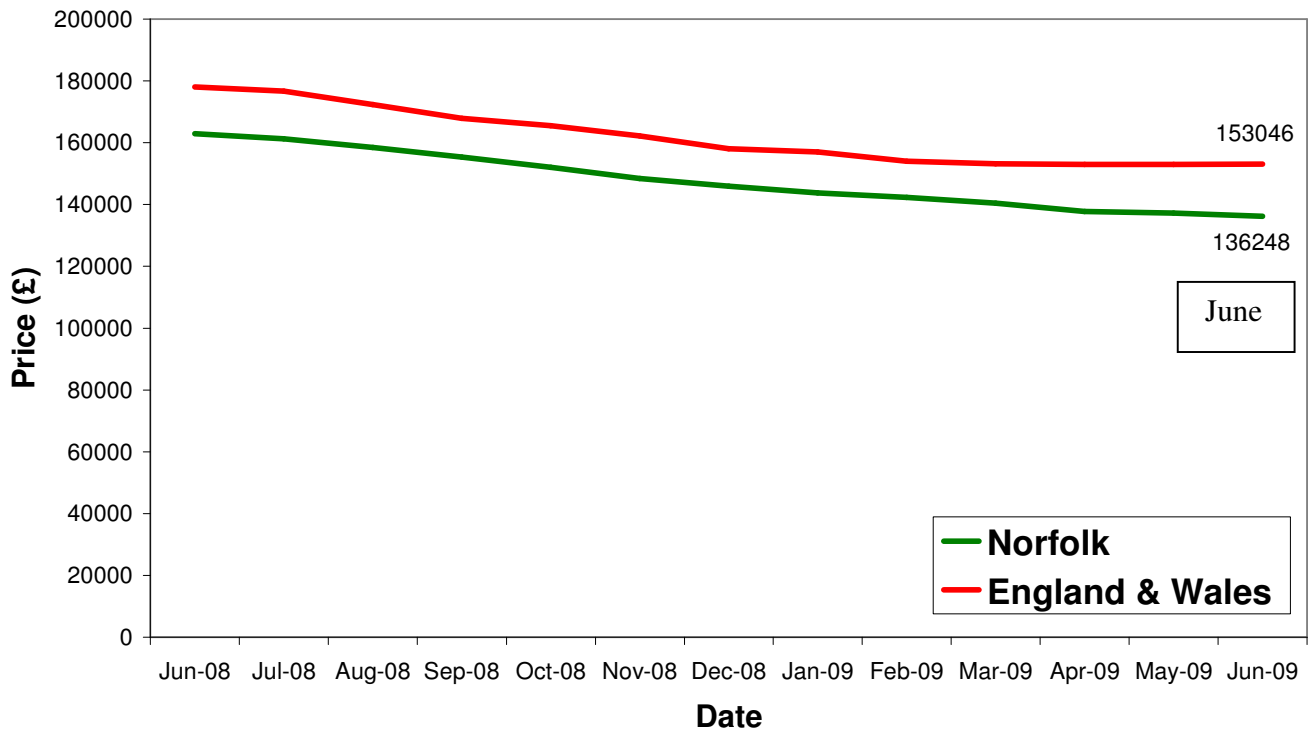
## Housing

### Key Facts

- **UK house prices increased by 1.1% in July.** This rise is in contrast to a slight decrease in June, but is lower than the rise of 2.6% in May.
- **Average House price £159, 623**

Source: Halifax House Price Index

## House Price Trends



Source: Land Registry