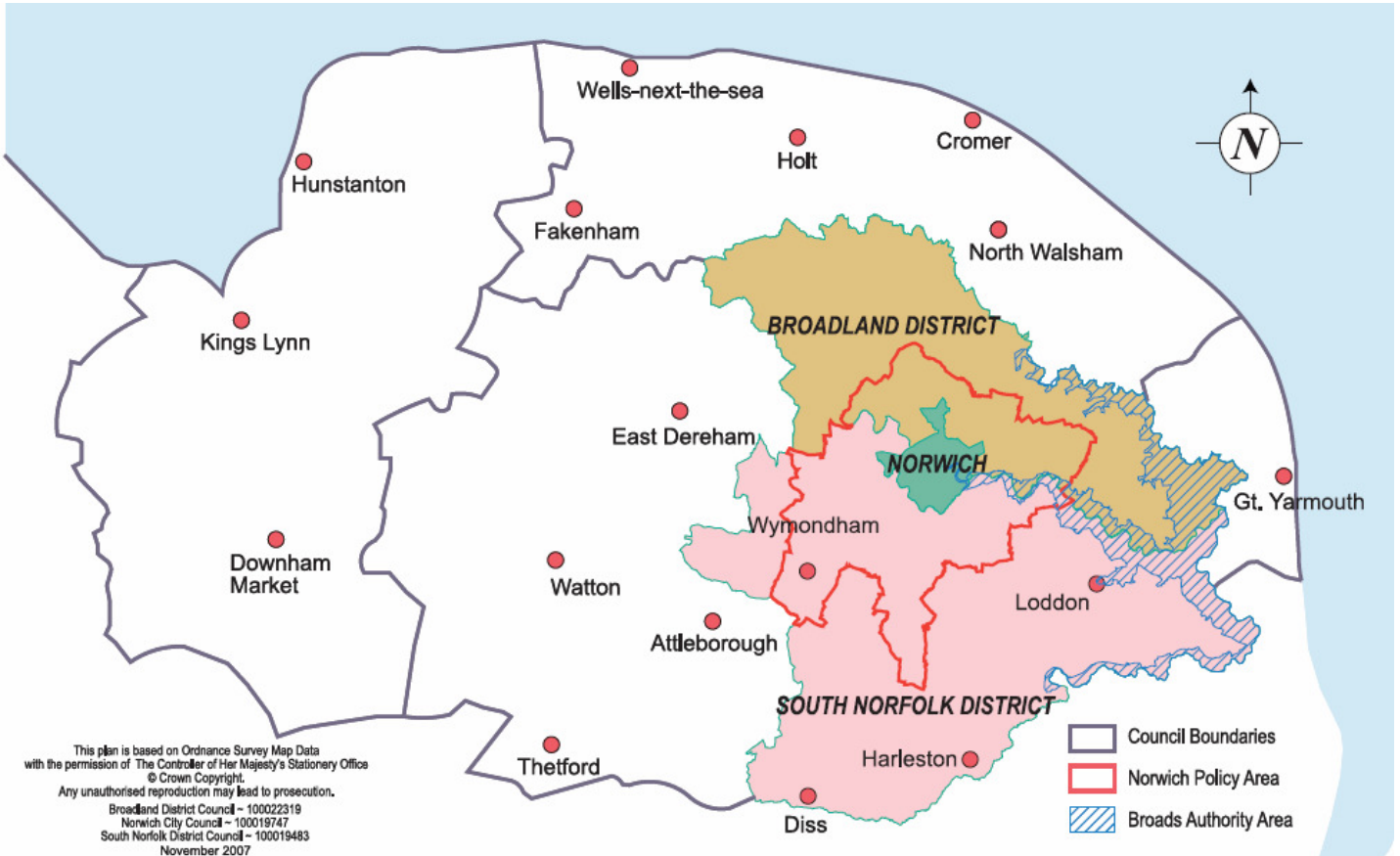


Greater Norwich OCTOBER 2009



Summary

A clutch of large employers have reported more positive news this month. In the food and drink sector Kettle Foods and Britvic both saw rising sales and increasing profits. Food processing businesses Banham Poultry and Bernard Matthews have both released figures showing a strong turnaround in their fortunes.

In the service sector Bertram Books, and in the financial services sector Virgin Money, both showed the benefits of restructuring but there are still challenges for many businesses with job losses at both the Norwich and Peterborough Building Society and at the Attleborough based manufacturing business Hamilton Acorn.

The tourism industry has enjoyed a strong summer and improved consumer sentiment has boosted retail, and a continued recovery in house prices has been maintained.

However, the jobless total in Norfolk as a whole has risen although the position is stronger in Greater Norwich (Norwich, Broadland and South Norfolk).

The spectre of local government savings and the impact this will have on the labour market is starting to emerge.

Trading Climate & Confidence Levels

Key Facts

The Agriculture and food processing sector has had a positive October with Kettle Foods and Britvic reporting increasing profits. Large contracts have been won across sectors including by May Gurney, KLM Engineering and Step Up 4 Coaching.

Although October was an encouraging month for many, job losses have been experienced at BAE Systems in West Norfolk, Norwich and Peterborough Building Society and manufacturer Hamilton Acorn

Agriculture & Food Processing

The Crown pub, East Rudham and the Dabbling Duck, Great Massingham, West Norfolk - have both been listed within the top 13 entries in The Good Pub Guide 2010.

Uncle Stuart's Brewery – microbrewery – producing the county's first pilsner, which makes it only the second Norfolk-made lager to go on sale.

Kettle Foods, Norwich – produces upmarket crisps – rising profits (£2.5m to £10.9m in 2008) and turnover (rise of £10m to £59m) at Kettle Foods have fuelled speculation that its private equity owners, Lion Capital, will put the business up for sale.

Britvic, Norwich – soft drinks producer, employs 300 people – higher sales and higher prices fuelled rising revenues for the company in the past 12 months. The group revenue had risen by 5.6percent to £978.8m in the year to October. Exports of Robinsons products in the Nordics and the launch of Fruit Shoot in Sweden in August helped the group's international division increase revenues by 38.8percent in the last three months of the year.

Reepham Brewery, Broadland – will be closing down at Christmas due to a combination of a fall-off in trade and the cost of renting the premises in addition to their being fewer “free houses” to sell his beers to.

Banham Poultry, Attleborough – poultry producer – returned to profit after a difficult few years thanks to restructuring at the top- selling its loss making subsidiaries in Lenwade and Carleton Rode to refocus on its core role of chicken production. The business is now in the running to be named Europe's top turnaround business. Sales in the year up to this September were up from £80m to £90m. Trading profit in 2008-09 is forecast to be more than £4m, as opposed to last year's loss of nearly £2m.

The Tas Valley Vineyard, Forncett St Peter – harvested a bumper crop in what is being hailed as one of the best vintages in 60 years.

Stephen and Catherine Temple's dairy farm in Wighton, near Wells, have been named as the greenest in the country through simple measures like low-energy light bulbs and travelling by bicycle where possible, to a massive biogas plant which turns slurry and other farm waste into heat and electricity.

Bernard Matthews, Norwich – turkey farmer – has made an operating profit of £857,000 in 2008 – a contrast to the £9.6m operating loss it suffered the year before. Rising sales of the brand's traditional frozen favourites – such as Mini Kiev's and Golden Drummers – were "highlights" of the improved performance. Next year the company is looking to introduce a new £1 value range in the light of consumers' focus on price. So far this year sales have been steady but the trading environment remains very difficult.

Construction

May Gurney, Norwich – integrated support and construction services, employs 700 people in Norfolk – secured a £16m contract with Norfolk County Council which will see the company take on responsibility for highways maintenance in Norwich.

The company has also won a £85m deal to manage waste and recycling in the West Country – North Somerset Council. The contract would run for seven years, with the potential for a seven year extension.

The company saw its revenues rise by eight percent to a record £470.3m and operating profits rise by 16 percent to £20.5m in the financial year to March 2009.

Van Elle, Dereham – foundation and piling contractor, employs eight people – is planning to expand with the creation of a new manufacturing facility which will create six new jobs. The firm's turnover is up to £6m a year.

Build Your Future careers fair for school children, Norwich – message that while the construction sector has been one of the hardest hit in the recession, company bosses say there are still opportunities out there for young people with the right attitude.

Creative

King's Lynn Art Centre and Princess Theatre, Hunstanton – theatres – may close as part of an economy drive. It is proposed that the Guildhall Theatre will be mothballed at the Art Centre, and the Princess Theatre will close through the winters. In response hundreds of people have signed a petition against the closures.

www.petitions.number10.gov.uk/Norfolk-Arts-Cut

Screen East – two films shot on location in Norfolk are to be screened at the London Film Festival later this month. Nearly £70,000 was invested in the two films – Glorious 39 and The Scouting Book for Boys.

A business offering businesses marketing solutions in King's Lynn has now invested a stake in Leziate Park and will be remarketing the venue.

Richard Osborne, Blue Pearl Photography has won the contract to furnish the Elizabeth II Conference Centre, Westminster with stunning photo installations. They'll be seen by half a million people a year.

Bertram Group, Broadland – book wholesaler, employs about 362 people – generated revenues of £53.5m and profits of £500,000 since it emerged from the wreckage of former owner Woolworths.

Energy

Construction related to offshore and renewable energy projects is still struggling.

Skills for Energy conference, Norwich – closer collaboration between the industry, schools, colleges and universities is needed to ensure enough skilled young people emerged to keep the East of England at the forefront of the UK's energy industry.

Engineering

BAE Systems, West Norfolk – contracted by the Ministry of Defence to maintain and upgrade the Tornado G4 fleet – will see the loss of 20 sub-contractor staff jobs. A spokesman said staffing levels depended on the number of aircraft the company was responsible for maintaining and upgrading each year.

KLM Engineering, Norwich – engineering firm, employs 350 people – has won a multimillion pound deal to service part of Easyjet's fleet of aircraft. The firm has weathered the recession well with no job losses.

Engineering sector meeting- overall there is still a mixed picture in fortunes and there are issues surrounding skills – apprenticeships are not providing the appropriate skills.

Financial

Norwich and Peterborough Building Society – will see the loss of 36 jobs due to record low interest rates – with most of the posts at risk being at its head office in Peterborough rather than the branch network. Last February the N&P announced a steep fall in profits – with pre-tax profits in 2008 of £5.9m, down from £24.3m a year earlier.

Aviva, Norwich – insurance – its shares will be listed on the New York Stock Exchange later this month which will give “further momentum to the brand in the US as it looks to capture growth in the retirement market, accelerate life insurance sales and benefit from the country's attractive demographic over time”. 20 percent of Aviva's shareholders are in the US.

Accountancy firm, Norwich – cautious optimism amongst their clients. The firm is looking to expand their client base and be more proactive in marketing over the next 12 months.

Virgin Money, Norwich – insurance and personal finance, employs about 200 people – turnover rose from £77m to £98.5m at the end of 2008. Profits rose by £4m to £24.2m. Virgin Money has applied to the Financial Services Authority for a full banking license where the approval process could take up to six months.

Phil Churchman & Company, Norwich – business consultancy - set up by former Aviva strategy director to help businesses grow, cut costs, improve flexibility or reduce their carbon emissions.

ICT

ETT Group, Norwich – web design and internet marketing – sales have risen by about 50 percent in 18 months due to an increased interest in online selling as a way to boost trade in the recession. The company has recently won a string of new contracts including designing new websites for the Cambridge Water Company, Barnados, Desira Group and Marshalls Seeds. The Group turnover was expected to reach almost £3m in the year to next May, up between 10 and 20 percent on last year and was looking to set up a technical services division to help deal with increasing demand for online marketing services. The Group contains Affinity New Media and Affinity i-Marketing.

Pocket Places - mobile phone-based travel guide - has beating off competition from US & UK companies much larger than themselves to scoop a prestigious Travolution Award in the 'Best Mobile Application' category. In its third year, the Awards celebrate the achievements of the industry and recognise innovation and outstanding strategy. They are judged by an independent panel of industry experts and include a wide range of categories including Marketing, Technology and Ones to Watch.

Manufacturing

Hamilton Acorn, Breckland – paint brush and decorating equipment – will be making 31 of its 75 staff redundant by moving production to Sweden and China. The company said that market pressures had forced the paint brush firm to relocate its manufacturing operations overseas, but insisted that its head office would remain in Attleborough. The transfer of its manufacturing is expected to be completed before the end of the year.

The Florida Group, Norwich – shoe manufacturer, employs 77 people – is taking its products overseas once again under plans to establish a new foothold in international markets. The business has appointed distributors in New Zealand, Australia and the Benelux countries and plans to export its Van Dal brand. The business turns over about £10m a year.

Tourism

East Anglia's tourist attractions are celebrating a bumper year thanks to plenty of good weather and a boom in the number of families holidaying at home. It comes as the East of England was named as one of the UK's most popular tourist

destinations with visitor numbers during April and June up 15 percent on last year. More than £5.2bn was ploughed into East Anglia's tourist industry. And year-on-year East Anglia is already up eight percent on 2008 – the highest increase of any region in the country.

Saxonair, Norwich – executive jet operator – has invested £1.84m in a new aircraft- a four passenger Cessna Citation Mustang – taking its fleet of jets to four. The company said trade had dipped in the aftermath of the financial crisis last autumn, but passenger numbers had picked up markedly in recent months – with the firm now likely to increase turnover from £1.5m a year to close to £2.5m in the 2009-10 financial year.

Norwich International Airport – will have more choice of destinations next year as the airport reveal eight new routes are in the pipeline including Bulgaria, mainland Spain and the Canaries as well as Turkey The flights to Spain, the Canaries and the further afield destination, which is yet to be revealed, are likely to be available from October 2010. The other flights are set to be launched in April.

Earlier this year, Norwich International Airport was rated one of the best in the country after outperforming regional rival Stansted in the consumer publication Which? Holiday. The publication asked more than 9,000 travellers to rate their experiences at 38 terminals at 30 UK airports in the past 12 months. Norwich came joint sixth with an overall rating of 68 percent, 26 places higher than Stansted which came seventh from bottom with 45 percent.

Barnham Broom and the Ramada Inn, hotels – business is quite buoyant in terms of businesses checking into hotels and booking their conference facilities.

Visit Norwich – tourism body to promote Norwich, South Norfolk and the Broads – the managing director of the company has been made redundant in a bid to secure the future of the company after it ran up a £30,000 deficit. The head of marketing will lead the organisation with no other positions being affected. The company, funded by fees from its 250 member businesses and local authority grants, fell into financial difficulties following a £50,000 cut in annual funding by Norwich City Council, followed by the withdrawal of grants totalling £40,000 a year by South Norfolk and Broadland councils in early 2008.

Leisure Target Tourism Services, Wymondham – leaflet and brochure distributor, employs 17 fulltime staff – will increase turnover from £752,000 in 2008 to £932,000 this year after servicing a rise in demand for information about the region's tourist attractions during the bumper summer season. The company has added 100 premier outlets to their service which has generated a huge amount of through-put in the leaflets. The volume of leaflets going through their racks has been 14 percent higher than previous years. The business provides leaflet and brochures to more than 6,300 tourism outlets across the six counties of the east of England.

Planet Ice – ice rink, formerly known as Ice Experience which was closed in July – will reopen before the end of the year under new bosses. Planet Ice is 11 years in the making and has a portfolio of nine ice rinks in the UK. Planet Ice hopes that by bringing the rink into the group it will have a steady and more reliable future.

Other

Blacks Leisure – outdoor clothing firm with Millets, Blacks Outdoor and Freespirit shops will be closing 89 of its loss making stores. Although official stores have not been named yet it is believed that one of the two Norwich Millets would close, the Blacks Outdoor store in Norwich would close while the Freespirit store would remain open.

Evander Group, Norwich – new owners of Homeserve emergency services division – have underlined their commitment to a future in the city.

Tilia Properties, Rackheath – property company specialising in renovating derelict wartime sites – has weathered the worst of the recession by increasing diversity within its portfolio. The recession has seen Tilia's occupancy level fall (to 90 percent), but the business was comfortable with the figure for the time being but would be looking for a rate of at least 98 percent once the economy recovered. Tilia recorded turnover of about £3m in the 12 months to November 30 last year.

Corder's Budgens, Fakenham – independent shop, employs 12 part time staff – is featured in the Independent Achievers Academy Top 100 Independent Retailers list.

Cooperative Supermarket, Wymondham – is opening up in a former Woolworths store with the creation of 20 jobs. The Somerfield store, owned by the Co-operative Group will close and the 22 staff will transfer to the new store with the additional 20 vacancies.

Giraffe Concepts – has brought Norwich branch of restaurant chain Tootsies after it was placed into administration by its owner Clapham House.

The Book Hive – independent book store – has opened a store in Norwich's vibrant Lanes, reversing a trend which saw the city lose a strong of book stores (Black Horse and Bookmark).

Tesco will be opening a new store down Prince of Wales Road, Norwich with the creation of up to 25 jobs. It is not known when the store will open but follows the opening of a new Tesco Express in Aylsham in November which will create about 25 jobs.

Permission has been given to revised plans to multiply the size of the Asda flagship store on the site of the old Bally Shoe factory to the south of the city after

the supermarket bosses threatened to pull the plug on the development. The store is set to be the lynchpin of a new £122m development on Harford Place, which will see new homes, shops and leisure facilities transform the run-down Hall Road area of the city.

Executive director who owns a range of businesses - cautious optimism with markets buoyant but keeping a close eye on finances.

North Norfolk, King's Lynn & West Norfolk and Great Yarmouth councils are to join forces to save cash. They have secured a £50,000 grant between them to look at how they can share services – starting with their revenues and benefits departments and some areas of customer services. The funding has been provided by Improvement East. They will look at whether the councils can use the same computer software to make services more efficient and, if so, then a further cash bid to pay for a new system would be made.

Wensum Pools, Fakenham – sells spas and hot tubs- been named UK spa and hot-tub showroom of the year by the British and Irish Spa and Hot Tub Association.

Step Up 4 Coaching, Bawburgh – business coaching, employs two support staff – secured a major training contract at delivery giant TNT to train mentors and coaches at the European delivery hub of the Dutch business in Liege, Belgium. The hub, at Liege airport, is the main European base for sorting parcels and mail from more than 50 airports globally before they are sent on to destinations across the continent. The business already holds contracts with pharmaceutical firm GlaxoSmithKline, skills council Construction Skills and the Home Office.

Queen Elizabeth Hospital, King's Lynn – will be taking on a group of Spanish and Portuguese nurses because the jobs cannot be filled locally after taking on 20 nurses from the Norfolk area earlier this month. The new nurses and midwives, who do not need extra training when working in England, will be put on a two week course to familiarise them with the NHS and processes at the QEH.

Other Information

Match funding for capital and infrastructure projects-public spending available (from EU) but funding from local authorities is starting to wane. Match funding from private sector is no longer there. ERDF projects now stalled due to lack of private sector funding.

People are sitting on buildings in need of refurbishment due to a lull in the market making it hard for enterprises and people wishing to move offices to find business property.

Rural Enterprise Valley project (REV) – second phase of the scheme could receive a £280,000 over four years investment from Breckland Council. The REV project was launched more than three years ago to give a multi-million pound

jumpstart to the advanced engineering and motorsports businesses along the A11, but the £6.3m initiative finished last year.

The investment would go into REVActive, which will build on the first phase of REV by encouraging businesses to improve their energy efficiency. During the first phase of the REV project more than 400 businesses were supported, leading to an estimated additional 40 jobs and £3m sales for the local economy.

King's Lynn port is one of the country's fastest-growing with a 33 percent increase in trade during 2008 at a time when most major ports saw a drop. Concrete components for Pam Paper's giant mill, a few miles upstream from Lynn docks, were shipped over from the continent leaving just a short road journey around Lynn to their destination. In addition some 465,000 tonnes of harvest cargo was exported to both EU and non-EU destinations in 2008, which was 48,000 more than the year before.

Norfolk Community Foundation, which awards grants of up to £5,000 to worthy causes in the county, has launched its Love Norfolk 2009 campaign to help raise funds for small charities and groups across the county which make a real difference to people's lives. The campaign hopes to encourage wealthy individuals and businesses to donate more money to local charities and projects – of which there are about 4,000 in Norfolk which would be eligible. Since the foundation was created in 2005 it has given £1,375,000 away and supported almost 600 charities. In 2008 alone it gave away £611,000 and supported 240 charities.

The owner of Clydesdale and Yorkshire banks has pledged an additional £10bn in new business and mortgage lending over the next two years, with £1bn of that money ring-fenced for businesses in the east of England.

Unemployment

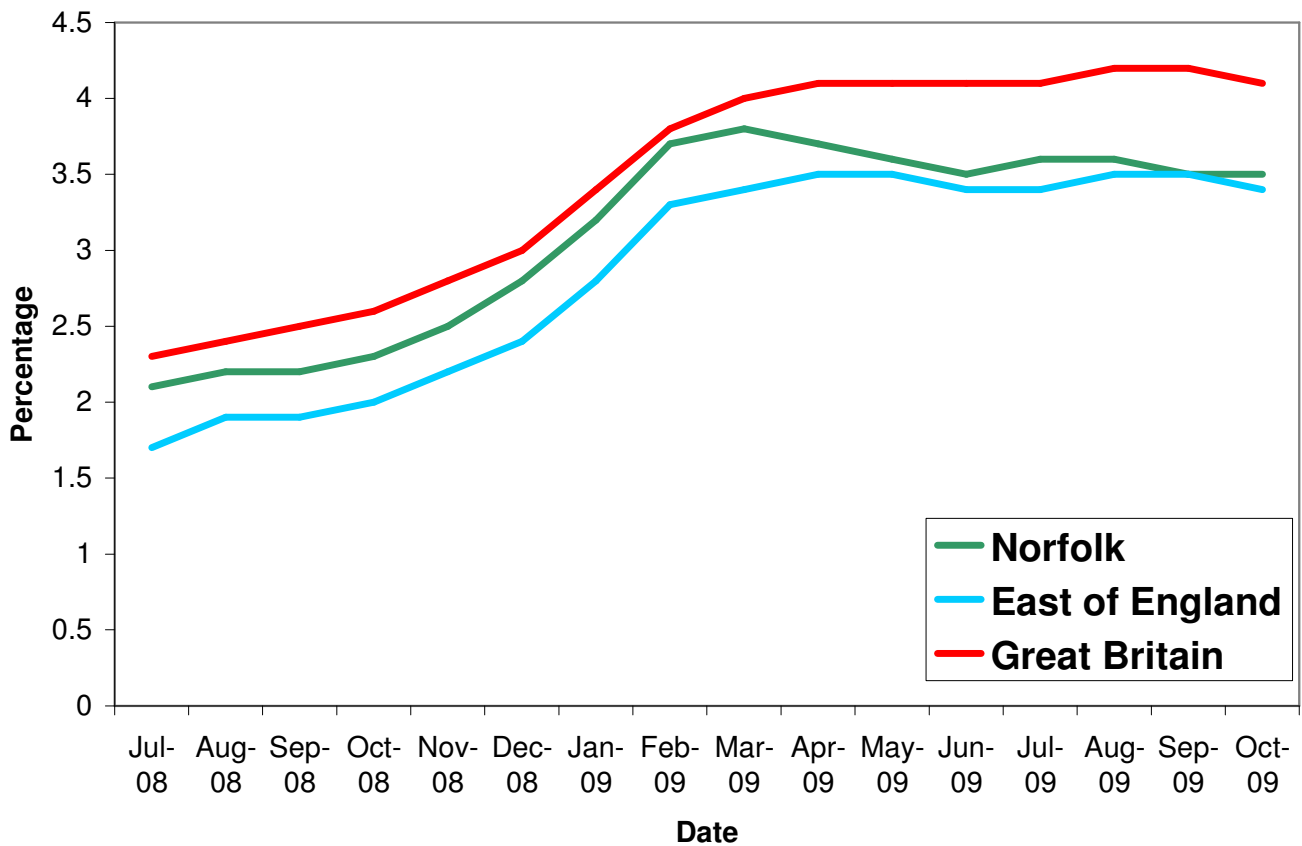
Key Facts

Norfolk JSA claimant count was 17,648 in October, up 249 or 1.43% since September 2009 but up by 6,501 on the year, a 58.32% increase since October 2008.

Broadland, Norwich and South Norfolk have all fallen by 0.1% since September. Broadland is at its lowest level since January 2009.

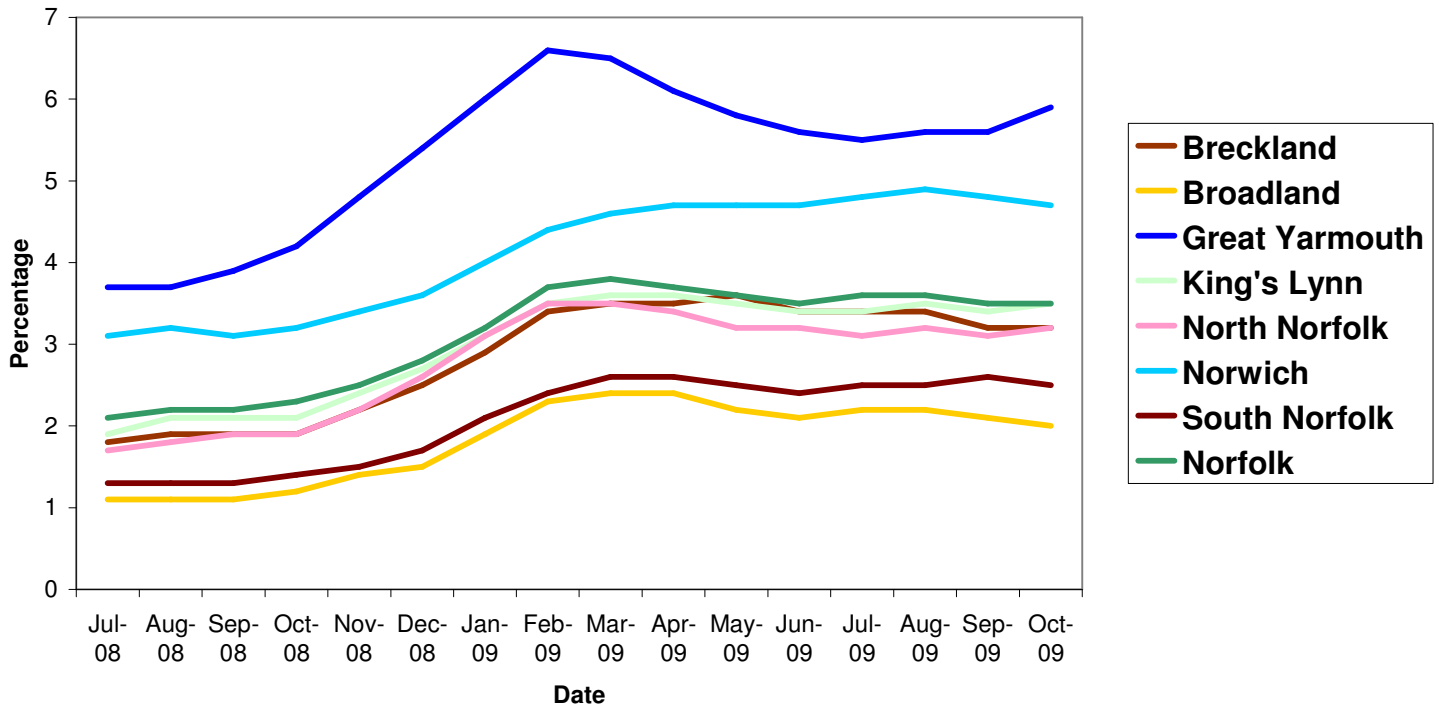
Source: Nomis, Official Labour Market Statistics

All people claiming JSA



Source: Nomis, Official Labour Market Statistics

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	17,648	3.5	6501	58.3%
Breckland	2,476	3.2	1,023	70.4%
Broadland	1,440	2.0	590	69.4%
Great Yarmouth	3,224	5.9	950	41.8%
King's Lynn & West Norfolk	2,816	3.5	1,086	62.8%
North Norfolk	1,692	3.2	655	63.2%
Norwich	4,307	4.7	1,449	50.7%
South Norfolk	1,693	2.5	748	79.2%

Source: Job Centre Plus

6,901 claimants in October 2009 were from the Norwich Job Centre Plus office, a 57 percent rise from 2008, an increase of 7.98 percent since September 2009.

Redundancies

Key Facts

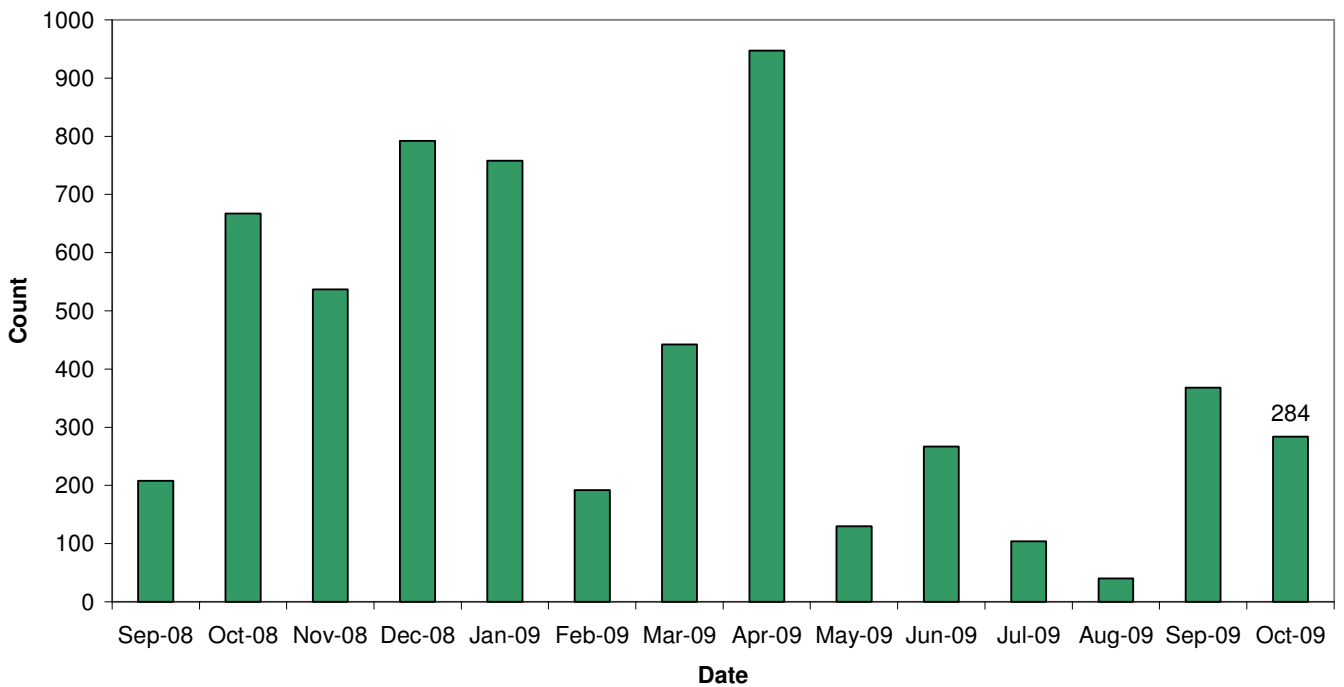
There have been 5,945 redundancies notified to Job Centre Plus between July 2008 and 31 October 2009, with an increase of 5.02% since September 2009. Of these 53% have been in Norwich, 1.5% in Broadland and 2% in South Norfolk.

The hardest hit sectors have continued to be in manufacturing (1,090) and insurance and financial services(1,035).

Mechanical/electrical engineering has risen from 85 to 209 since May 2009 with the first sudden increase to 133 in September.

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
1 st October	7	70 (30.43%)	55 (+90 part time temporary) (63.04%)	15 (6.52%)
8 th October	7	64 (58.72%)	36 (33.03%)	9 (8.26%)
15 th October	7	67 (38.51%)	50(+50 temporary) (57.47%)	7 (4.02%)
22 nd October	6	66 (51.97%)	51 (40.16%)	10 (7.87%)
29 th October	7 131	73 (55.73%)	54 (41.22%)	4 (3.05%)

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

3, 896 jobs in Norfolk were notified to Job Centre Plus. Of these 61 percent were full time positions. Notified vacancies were up 10 percent from September's total.

In terms of district vacancy notifications:


- Broadland had 346, a drop of 57 percent since last year and a 24 percent decrease from September.
- Norwich had 1,550, a drop of 8 percent since last year but a 67 per cent increase from September.
- South Norfolk had 376, a drop of 24 percent since last year but a 7 percent increase from September

Permanent and temporary jobs have increased for the second month in a row, although the labour market is still very fragile, recruited firms reported. Research among 400 companies showed bigger increases in job placements by recruiters in September than in August, although growth remained "subdued" compared to the levels seen before the recession kicked in. The Recruitment and Employment Confederation said job vacancies fell in September at the slowest rate for 16 months, showing demand for staff had stabilised.

The number of permanent and temporary workers available for jobs rose last month, but at lower levels than earlier in the year, suggesting that the most intense phase of job cutting had passed, said the report.

(Source: EDP October 7th)

Industry	Norfolk	
	October 08	October 09
Agriculture, hunting and forestry	49	55
Manufacturing	143	89
Electricity, gas and water supply	8	22
Construction	123	156
Wholesale and retail trade	793	605
Hotels and restaurants	258	316
Transport, storage and communication	336	208
Financial intermediation	101	70
Real estate, renting and business activities	2,145	1,499
Public administration/defence/compulsory social security	177	125
Education	64	67
Health and social work	430	557
Other community, social and personal service activities	192	124
Column Total	4,819	3,893

 Industry sectors with job vacancy losses

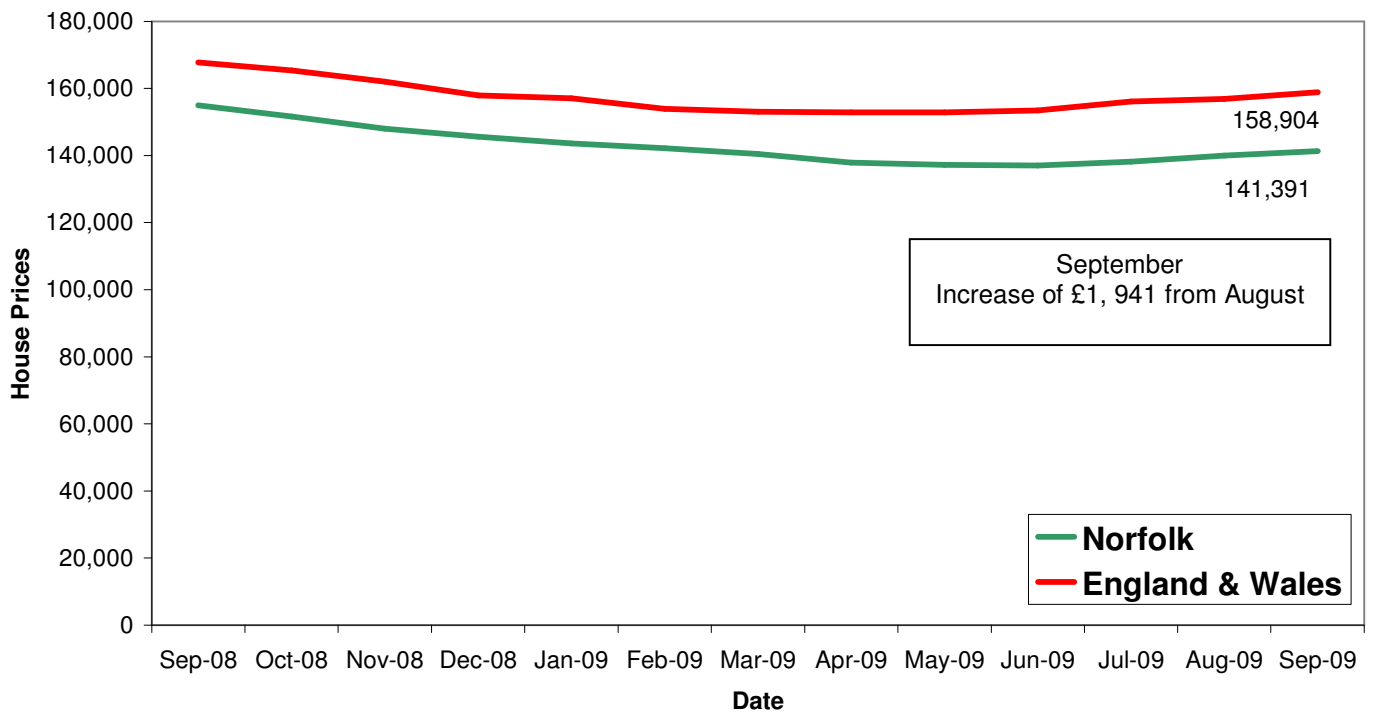
Housing

Key Facts

- **UK house prices increased by 1.2% in October.** This is the fourth consecutive month which has seen an increase in prices. They are now 7.1% higher than six months ago when prices reached a trough in April.
- **Average House price £165, 528**

Source: Halifax House Price Index

House Price Trends



Source: Land Registry