

Great Yarmouth and Waveney Quarter 1: April - June 2010



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Intelligence in these reports has been gathered from a number of sources which include:

- nomis official labour market statistics
- Job Centre Plus – Norfolk
- Land Registry house prices
- McTear, Williams & Wood
- the EDP newspaper
- the LynnNews paper
- email updates from businesses
- word of mouth
- sector group meetings

Introduction

Key indicators

Business confidence ↑

Unemployment ↓

Redundancies ↑

Job vacancies ↑

House Prices ↓ for Norfolk ↑ Suffolk and Nationally

Summary

This quarter – April to June – has seen a growth in positive announcements by businesses, and a reduction in negative news. Coupled with continued reduction in the numbers on Jobseekers allowance, and a rise in vacancies, a private sector led recovery in Great Yarmouth and Waveney sub-region is continuing.

Sectors of traditional strength in the sub-region, energy, tourism and manufacturing have all performed well over the past few months, with a number of significant contracts gained by businesses such as Midexco in Great Yarmouth and USL Subsea Civil and Marine in Lowestoft. However there have been some significant negative announcements, including the going administration and job losses at SLP, although the sale of the business in August to Smulders does at least secure the company itself and provides an opportunity for employment growth in the future.

Business Link's activity levels in Great Yarmouth have increased quarter on quarter, with more star-ups and established businesses assisted. However the number of intensive assists and pre-starts fell. Figures for Waveney are not available.

The fragile nature of the recovery is shown by the corporate insolvencies, with the figure for Norfolk up quarter on quarter, but for Suffolk down quarter on quarter.

Conclusion

The private sector recovery has continued to strengthen during the quarter in Great Yarmouth and Waveney. Businesses are starting to invest on the strength of new orders and increased confidence. However, with public sector cuts likely to impact during the autumn, there is still a deal of uncertainty about future prospects, and whether the upturn can be maintained through the course of the year.

Trading Climate & Confidence Levels

Key Facts:

Positive news announcements across a range of sectors, including agriculture and food processing, manufacturing, energy and particularly tourism. However construction is still facing some significant challenges.

Agriculture & Food Processing

This quarter has seen some very positive stories regarding Adnams brewery in Southwold. The brewery is set to start producing gin, vodka and whiskey alongside its traditional cask and bottled beers. The company have also formed a joint venture with the Holkham Estate which will see Adnams Hotels managing two hotels in North Norfolk.

There is also news that could prove positive in the future as a feasibility study concluded that a scheme to transport raw sugar cane from Great Yarmouth to a proposed £35m processing plant at the British Sugar site at Cantley is feasible.

Construction

Construction continues to see mixed stories as while Red 7 Marine has invested almost £1m in a new 1.5acre diving facility at the Gapton Industrial Estate in Great Yarmouth, Jeld Wen timber factory finally closed its doors after announcing its closure before Christmas to make savings on its manufacturing processes in order to remain competitive

Creative

While one theatre's future is uncertain, six months after managers at the Marina Theatre, Lowestoft, were forced to cut the number of shows on offer, alternative methods of running the council-run theatre are being considered there was the official opening of a 4D cinema at Great Yarmouth's Pleasure Beach. The Pleasure Beach is only one of 11 attractions in Britain to have the technology

Digital

Positive news as Prosper Online, a group of nine internet stores in Great Yarmouth, reported four fold growth in sales with revenue hitting £250,000 in the year ending March 31 and Spring, a design agency in Southwold being named amongst the best in the country in a Design Week's Top 100 ranking.

Energy

This quarter has seen many good news stories surrounding the energy sector as wind turbines and offshore energy provide work and opportunities for the area as well. This sector is set to continue to grow and more positive stories are predicted for the following quarters.

The first turbines have been installed at the Greater Gabbard Offshore Wind Farm. The windfarm will be monitored from Lowestoft, where Greater Gabbard

Winds Limited has already invested £1.5m in its new offshore operations and maintenance depot. 100 jobs are expected to have been created by the time the wind farm is up and running in 2012.

Gardline Hydro, Great Yarmouth – have been contracted to carry out extensive geophysical surveys of one section of the East Anglia Array by project partners ScottishPower Renewables and Vattenfall.

Seajacks which operates self propelled jack up platforms purpose built for installing wind turbines has agreed to make EastPort UK harbour the home port for its vessels and announced that they have entered into a contract with Lamprell in Dubai to construct the company's third self-propelled jackup vessel which will be complete by May 2012. A fourth jackup should be built in the near future. Subocean Group, Edinburgh-based, have also signed a long term deal to set up a workshop and equipment store at the outer harbour to store parts for its offshore windfarm operations and client base.

New opportunities were spotted by Midexco, Great Yarmouth – new business launched with focus on procurement, enabling oil and gas companies to purchase consumables and components from its portfolio of suppliers and the OAASIS Group – new industrial distribution group formed from three long established energy firms all of which supply the oil, gas and renewables industries. In Great Yarmouth a 3.3acre site is currently being developed to house all three businesses where they will offer 30,000 different products. In addition to business news, Lowestoft has been identified as a front runner for the site of a proposed £10m Energy Skills Centre. A study funded by EEDA has pinpointed Lowestoft's PowerPark as a preferred location for the new centre

Engineering

SLP Engineering, Lowestoft – had good and bad news this quarter as about 580 jobs could be saved after Zefier UK II, subsidiary of Dutch energy group Smulders signalled its intention to buy the business. Zefier has acquired SLP subsidiary Sea and Land Power and Energy (SLPE), the company's energy arm, securing 17 jobs but 60 SLP workers are to be made redundant this month as work on existing contracts dried up, with further job losses possible.

Meanwhile USL Subsea Civil and Marine, Lowestoft – have helped to install a £280m traffic tunnel under the River Tyne near Newcastle and Alicat Workboats, Great Yarmouth has successfully completed its first aluminium catamaran vessel, the Guardian, since the business launched last year

Manufacturing

J&H Bunn, fertiliser manufacturer, is investing more than £100,000 in new equipment at a factory in Cornwall in a bid to build its presence in the South West. Furthermore Norfolk Capacitors Ltd, Great Yarmouth – wants to move to a new 30,500sq ft headquarters in Gorleston in order to expand its operations and increase its workforce from 65 to 100.

One business benefiting from the World Cup was Mark Harrod UK, Beccles – sports equipment manufacturer, as advertisers buy goal posts to advertise products in the lead up to the South African World Cup. The firm is looking to net nearly £2m in revenues this year, up from £1.6m last year. This story demonstrates the importance of local businesses keeping an eye out for opportunities created by one off events, and should act as a driver for more businesses to sign up on '[Compete For](#)', the free service that enables businesses to compete for contract opportunities linked to the London 2012 Games.

Retail

As Great Yarmouth's Market Gates Shopping Centre will see a new fashion store opening up along with a jewellery store to replace the former Diamond and Pearls store, Vergo department store will be closing permanently after administrators failed to find a buyer.

Tourism

The area has seen good weather and positive news this quarter. Great Yarmouth's tourist office have calculated that tourism contributes £480m to the local economy and the town attracts five million visitors a year. The sector sustains jobs for 30% of the workforce.

The tourism sector is gearing up for a bumper year after copies of the glossy 2010 Sunrise Coast tourist guides have been sent out in record numbers, and Great Yarmouth being ranked tenth in a Which?Holiday magazine survey to find the nation's favourite place for a day beside the sea. This was evident as the first weekend of the Easter holidays saw sunshine and temperatures hit double digits meaning increased visitors for the coastal resorts. Vauxhall Holiday Park, Great Yarmouth saw a seven percent increase in bookings last year and this year they are set to rise to 10 percent as more people join the rising trend of staycations.

Tourism may again be boosted later in the year as the Tour of Britain will go through Norfolk on its sixth day, September 16th, finishing in Great Yarmouth. Up to a million spectators are expected to view the race over the eight days.

While some hotels invest, the Furzedown Hotel, Great Yarmouth – have invested in a 150-seat function room and more self contained conference rooms, and Warner Leisure Hotels is investing £1.5m in its two Lowestoft resorts- Gunton Hall and Corton Coastal Villages, two other hotels are sold. The Wherry Hotel, Oulton Broad and Hatfield Hotel, Lowestoft, after their previous owner Elizabeth Hotels chain went into administration in December 2009.

Other

11 jobs have been advertised for roles in the new academies in Costessey and Gorleston and Permanent Plumbing Solutions, Great Yarmouth – has been set up in Alchemy 2, Great Yarmouth College's pioneering centre for new trades businesses.

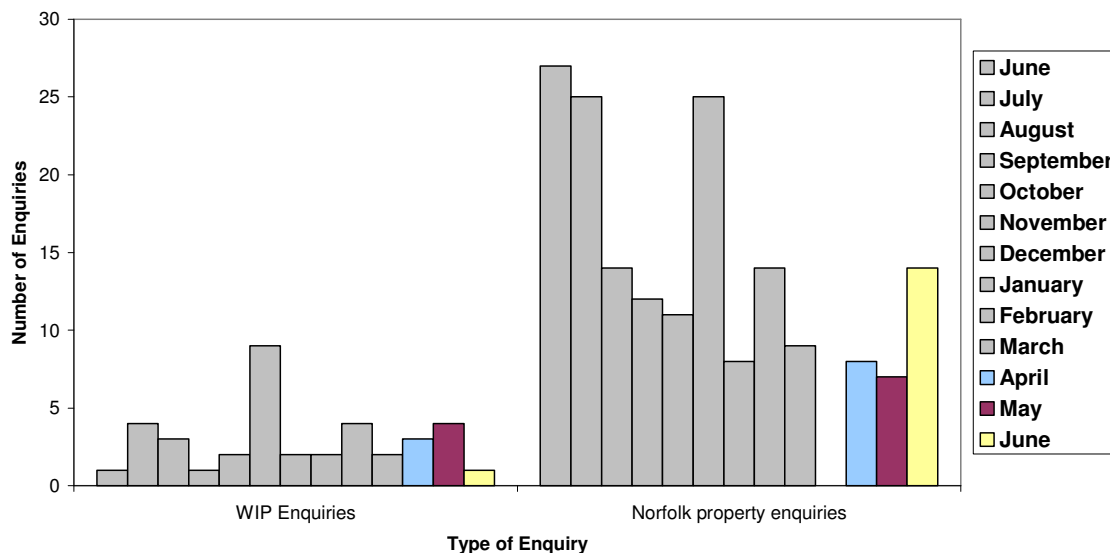
Investment Enquiries

Key Facts

In this quarter there has been the same number of WIP enquiries as last quarter with an average of 2.67. Norfolk property enquiries have risen by two percent, but still remain below the totals the site was receiving last year.

There is currently a web optimisation marketing campaign underway for Invest in Norfolk which will look to drive up hits on the website and consequently enquiries.

Investment Enquiries



WIP Enquiries – foreign company property investment enquiries

Norfolk property enquiries – enquiries via www.investinnorfolk.com

Insolvencies

Key Facts

The insolvency statistics suggest that East Anglia has recovered more strongly from the recession than the rest of the county but with wide variations by county.

Norfolk actually decreased 55percent quarter on quarter and now has an index of 82 indicating that the local economy is faring better than it did prior to the recession.

2009	Norfolk	Suffolk	Cambs	Total
Qtr 1	41	67	22	130
Qtr 4	14	32	24	70
2010				
Qtr 1	20	24	17	61
Qtr 2	9	20	10	39

The mw-w.com index for the region is 114, but Norfolk's index is 82. Suffolk and North Essex have bucked the trend seeing an increase in corporate insolvencies both quarterly and annually and its index now stands at 231.

Source: McTear, Williams & Wood

Surveys

Key Facts

- **Results show mixed feelings with growth in manufacturing output at its fastest in 16 years, construction seeing a rise in workloads for the first time in two years but more than four out of five business in one survey saying the recession was still having a negative impact on them**
- **Results of a couple of the surveys demonstrated the importance of broadband and the presence of a website.**

April - [British Chamber of Commerce Survey of 3,300 companies nationally.](#)

Findings include:

Transport

- 86 percent of Norfolk businesses (80 percent UK) have been affected by a lack of capacity in the UK's transport network
- 65 percent Norfolk (64 percent UK) report a loss of man hours
- 67 percent Norfolk (49 percent UK) have experienced increased operating costs
- A third of Norfolk businesses (a fifth UK) said that they had lost business due to inadequate transport infrastructure

Digital

- 75 percent of Norfolk businesses felt that their business was being affected adversely by a lack of broadband efficiency
- 35 percent reported an increase on operating costs
- 56 percent felt digital deficiencies resulted in loss of man hours
- Norfolk businesses agreed with their UK colleagues, with 92 percent of businesses feeling that 2Mbps is not fast enough for the industries of the present or future

Energy

- Greater business energy efficiency – seven out of 10 companies are taking action to reduce their consumption and costs

April – [Chartered Management Institute survey of 900 bosses across the UK.](#)

Findings include:

- Two out of five said their business was severely hampered by the effects of the economic slump
- More than four out of five said the recession was still having a negative impact on them
- Morale has worsened in two out of three organisations, with tough choices to keep costs down, including continuing pay freezes and a ban on recruitment.

- More than two thirds said they were fiercely opposed to planned increases in National Insurance contributions

May – Chartered Institute of Purchasing and Supply's (CIPS) latest activity index. Findings include:

- Manufacturing output grew at its fastest pace in almost 16 years during April – 58 (over 50 indicates growth)
- Recovery was aided by the sharpest growth in new business orders since January 2004 and the biggest jump in new export orders in the history of the survey
- Employment among manufacturers is also growing at its fastest rate since February 2007
- The service sector eased from 56.5 in March to 55.3 in April
- Service sector was hurt by the Icelandic eruption, particularly firms in the transport, storage and communications fields.
- Employment among the service industry grew in the month at its fastest rate for just over two years.

Markit PMI Business Activity Index. Findings include:

- Combined output of the East of England manufacturing and service sectors rose slightly to 55.9 in April, from 55.3. Nationally there was a drop from 57.7 to 56.4

[May – Burdens Barometer from the British Chambers of Commerce](#). Findings include:

- Estimates the cumulative financial impact of rules and regulations has hit £88.3bn since 1998, £11bn over the past year through 40 new regulations.

June – Chartered Institute of Purchasing and Supply's latest activity index.

Findings include:

- Index is 58 for the second month in a row, the strongest since September 1994 (figure over 50 indicates growth)
- Industry has grown for eight successive months
- Export orders at near record levels as weak pound helps firms win business in China, Europe, the US and Middle East.

June – 1 & 1 Internet web hosting firm online poll. Findings include:

- Nearly 50 percent of consumers have 'concerns' if a firm has no website
- 41 percent of retailers believe the internet has led to an improvement in work/life balance
- 54% said they had made adjustments to their business plan as a result.
- 83% of those polled said the internet had made it easier for people to succeed in business
- A third believe it has been a significant motivator for people from less privileged backgrounds to start up a venture.

June – [Manpower employment outlook survey](#). Findings include:

- East Anglian companies were far more positive about their hiring intentions than the national average – the fifth consecutive quarter showing positive hiring intentions in East Anglia

June – [EDP Business Guide 2010](#), which charts the progress of the region's top 75 companies. Findings include:

- 75 firms performed significantly better than the UK economy generally in terms of turnover
- Discounting Aviva turnover remained steady at £9.3bn
- Many leading businesses have emerged fitter and leaner from the recession
- Companies in the food and farming sector, seen as future growth area for the region, saw particularly impressive results, with many reporting record years
- Manufacturing and general services companies also fared well

June – [Chartered Management Institute research on the impact of the World Cup on business](#). Findings include:

- Managers fear could cost them up to £1bn in lost production
- More than half of 700 employers surveyed were “panicking” at the financial impact of staff being distracted by the tournament

June – GE Capital study on export. Findings include:

- Fewer than one in eight (12 percent) SMEs in East Anglia and the East Midlands put overseas expansion in their top business priorities for the year
- Only 13 percent said that they expect their growth to come from international sales over the next three years – making them reliant on the fortunes of the UK economy
- In 2008 10 percent said overseas expansion was a priority and seven percent were planning on growing non-domestic sales
- Of those companies that do export, more than two thirds (69 percent) continue to invoice their overseas customers in sterling rather than in the foreign currency of their buyer, a rise of six percent since 2008.

June – [CBI and PwC financial services survey](#). Findings include:

- Fourth consecutive quarter of improving profitability, firms are expecting this to level off in the coming three months
- Over the last quarter, 38 percent said that volumes rose, 29 percent said they fell → 9percent overall
- Banks only sector to see business volumes fall
- In next three months, a balance of 63 percent of firms expect a rise in business volumes – most positive forecast since December 1993
- Number of people employed in the sector continued to fall
- Firms now expect staff numbers to increase in the current quarter, which would represent the first improvement since December 2007

Support & Government Initiatives

Other Initiatives A scheme, the Connecting Communities project, set up by neighbourhood management programme Comeunity to help unemployed people in Great Yarmouth has only found work for 20 people. The scheme had £48,000 of government money and a dedicated phone line for people to make enquiries – but only 12 people called it.

Business Link Engagement

Key Facts

This quarter has seen Business Link's engagement with businesses in Great Yarmouth increase considerably in start ups, 9 (128.6%) and established businesses, 71 (120.3%). In total Business Link engaged with 74 more businesses this quarter than in the previous one, a rise of 56.9%. However, engagement fell slightly in both pre starts, 6 (-9.4%) and intensively assisted customers, 6 (22.2%).

It must be remembered that figures are not cumulative, they relate to customers with a particular status at the time the stat was taken which is at the end of the quarter

KEY

IDBR Inter-Departmental Business Register. Based on inputs from three administrative sources:

1. traders registered for Value Added Tax (VAT) purposes with HM Customs and Excise;
2. employers operating a Pay As You Earn (PAYE) scheme registered with the Inland Revenue; and
3. incorporated businesses

This represents the "stock" of businesses in the county (including the unitaries)

- A** Start Up Activity expressed as a % of IDBR
B Established businesses expressed as a % of IDBR
C All customers expressed as % of IDBR

The numbers in brackets are the figures for the previous quarter.

Area	IDBR	Pre-Start	Start Up	A %	Established Businesses	B %	Total	C %	Intensive Assisted Customers
Great Yarmouth	3,025	58 (64)	16 (7)	0.5	130 (59)	4.3	204 (130)	6.7	21 (27)
Breckland	5,045	82 (189)	27 (12)	0.5	270 (102)	5.4	379 (303)	7.5	23 (42)
Broadland	4,595	76 (40)	18 (2)	0.4	171 (98)	3.7	265 (140)	5.8	23 (34)
King's Lynn & West Norfolk	5,410	104 (227)	24 (10)	0.4	250 (112)	4.6	378 (349)	7	38 (26)
Norwich	4,235	143 (117)	25 (-4)	0.6	298 (147)	7	466 (260)	11	36 (46)
North Norfolk	4,485	74 (60)	41 (19)	0.9	235 (65)	5.2	350 (144)	7.8	61 (28)
South Norfolk	5,280	85 (108)	31 (13)	0.6	251 (114)	4.8	367 (235)	7	35 (45)
TOTAL	32,075	622 (805)	182 (63)	0.6	1,605 (697)	5	2,409 (1,561)	7.5	237 (248)

Unemployment

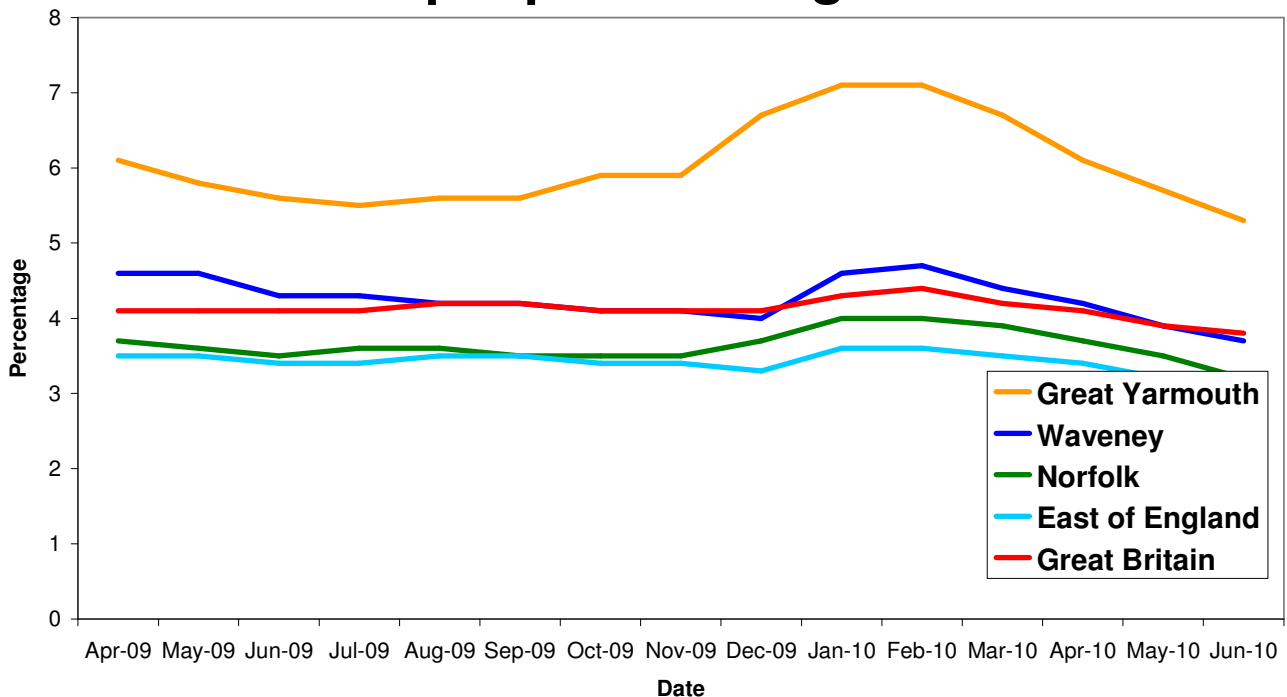
Key Facts

- Norfolk saw an average of 17,256.7 people claiming JSA in this first quarter, with a fall of 2,268 people, 12.32% between April and June.
- Great Yarmouth saw an average of 3,102 people claiming JSA in this first quarter, with a fall of 454 people, 13.66% between April and June.
- Waveney saw an average of 2,597.7 people claiming JSA in this first quarter, with a fall of 299 people, 10.79% between April and June.

This quarter has seen the trend of the proportion of people who have been claiming JSA for less than 6 months continue to fall with those claiming longer than a year rising in Norfolk and Great Yarmouth. This suggests that either people who have become unemployed in the past year are finding it hard to get back in to work, alternatively it may indicate that those recently unemployed are finding work, hence the fall in claimant count overall.

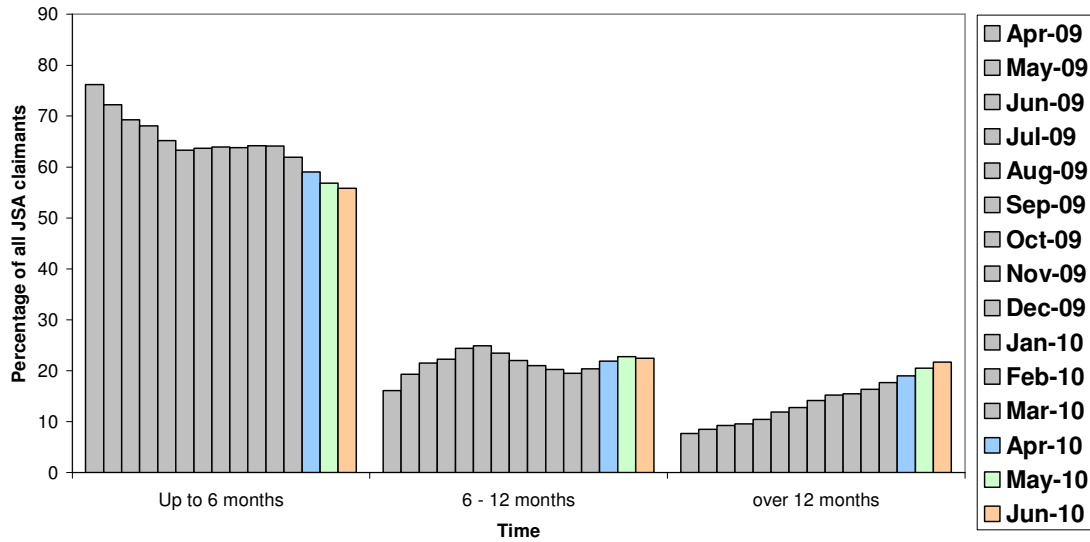
Waveney saw a slight rise in those claiming for less than six months in June and this may directly correspond with the final closure of Jeld Wen.

All people claiming JSA



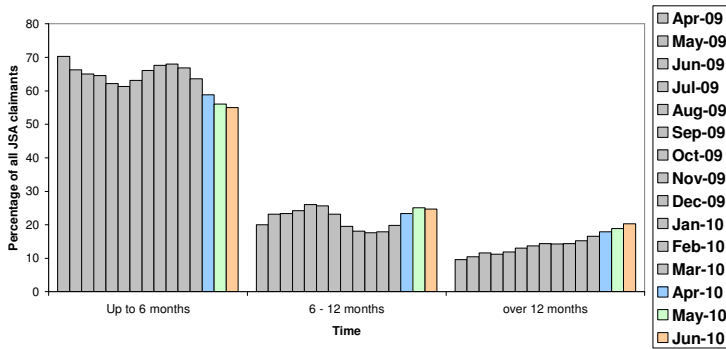
Source: Job Centre Plus

Norfolk JSA claimants by duration

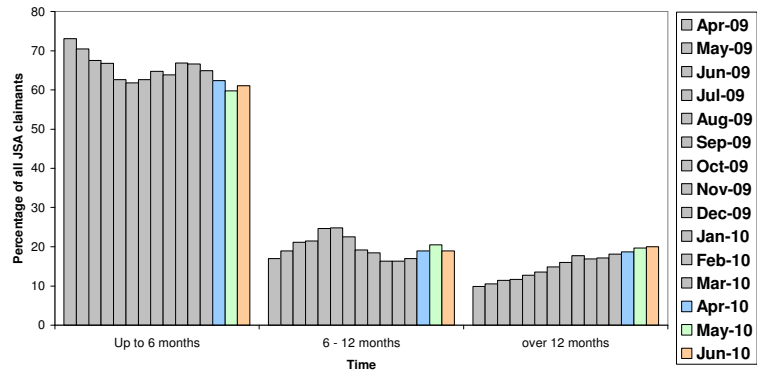


Source: Nomis, Crown copyright

Great Yarmouth JSA claimant by duration



Waveney JSA claimants by duration



Redundancies

Key Facts

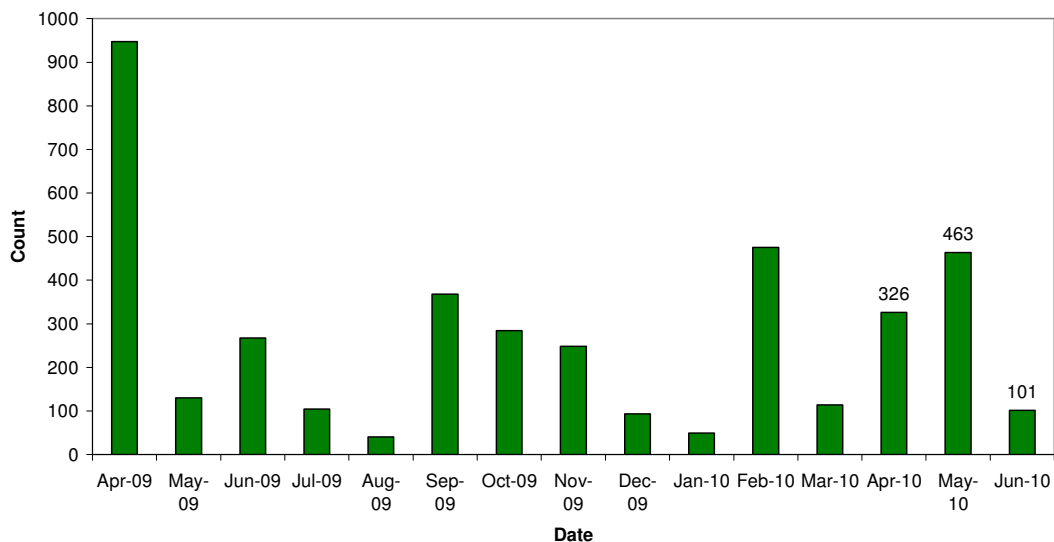
There were 863 redundancy notifications this quarter, with May's total of 463 the second highest since April 2009. There were 863 redundancy notifications this quarter, with May's total of 463 the second highest since April 2009. The graph shows that there has been no consistent trend in redundancies over the year, rising and falling. This quarter continued the latest rise but also the significant fall in June.

Sectors with greatest redundancies were further education (227), retail (120) and manufacturing (90).

Month	Number of Redundancies
April	326
May	463
June	101

Source: Job Centre Plus

Norfolk Redundancy Notifications



Total Redundancies since July 2008	Increase between April and June 2010	Sector
7826	890	All
1225	90	Manufacturing
913	75	Construction
1208	73	Insurance & Financial Services
897	120	Retail
569	33	Haulage & distribution
670	0	Food Processing
212	0	Tourism & Leisure
296	0	Publishing
139	0	Public Transport
101	0	Boat building
115	0	Media
229	0	Mechanical/electrical engineering
306	227	Further Education
132	42	Service
231	64	Health & Social Care
64	0	Wholesale
42	0	Real Estate
41	0	Printing
40	0	Science / Research
18	0	Architecture
261	69	Public service

Job Adverts (EDP)

Key Facts

- On average there were 6.38 pages of jobs in the EDP during this quarter, a fall of nearly 2 pages since last quarter. The private sector is now accounting for the majority of the jobs. Over the course of a year the job papers have gone from being predominantly public sector, to an equal mix of public and private to the present private sector dominance. With announcements that councils and government organisations need to save money this trend may become stronger. Third sector jobs have accounted for between 7 and 16 percent.
- The Great Yarmouth Mercury and Lowestoft Journal had 1 to 1.5 pages of jobs each week. Most weeks saw the private sector providing the most job opportunities, with the third sector ranging from 4.55 percent to 44 percent.

Job Vacancies

Vacancies notified to JCP			
	Number	% Full Time Positions	Monthly Change %
April	4,409	70	18.78
May	4,872	70	10.5
June	3,843	70	-21.1

Vacancies notified by Great Yarmouth Borough Council		
	Number	Monthly Change %
April	376	-6
May	533	42
June	375	-30

Skills

A pilot course at Lowestoft College – one year Energy Skills Foundation Programme, designed with employers to help young people to decide on a career in energy and to help them gain an advanced apprenticeship with a company – is gaining interest from education providers nationwide.

[A report by business organisation CBI on skills](#). Findings include:

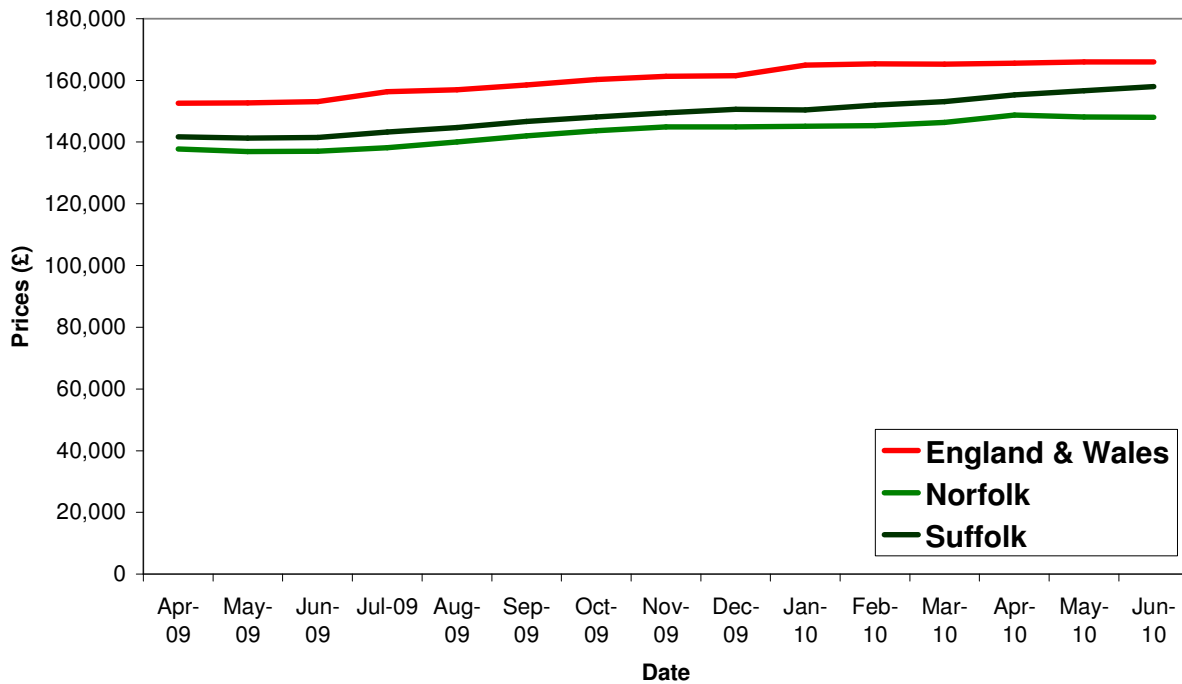
- 45 percent of companies are currently having difficulty finding new employees with skills in science, technology, engineering and maths (Stem subjects)
- 59 percent said they expected to have problems securing those key skills in three years' time
- 34 percent of employers say they prefer recruiting people with a Stem related degree
- 69 percent of businesses want the government to promote science and maths in schools
- 71 percent say providing high quality work placements is a good way to do this
- A-levels that businesses value most
Business studies (42 percent)
Maths (21 percent)
English (13 percent)
Physics or chemistry (9 percent)
- A-levels that businesses value least
Psychology (2 percent)
Sociology (1 percent)

Housing

Key Facts

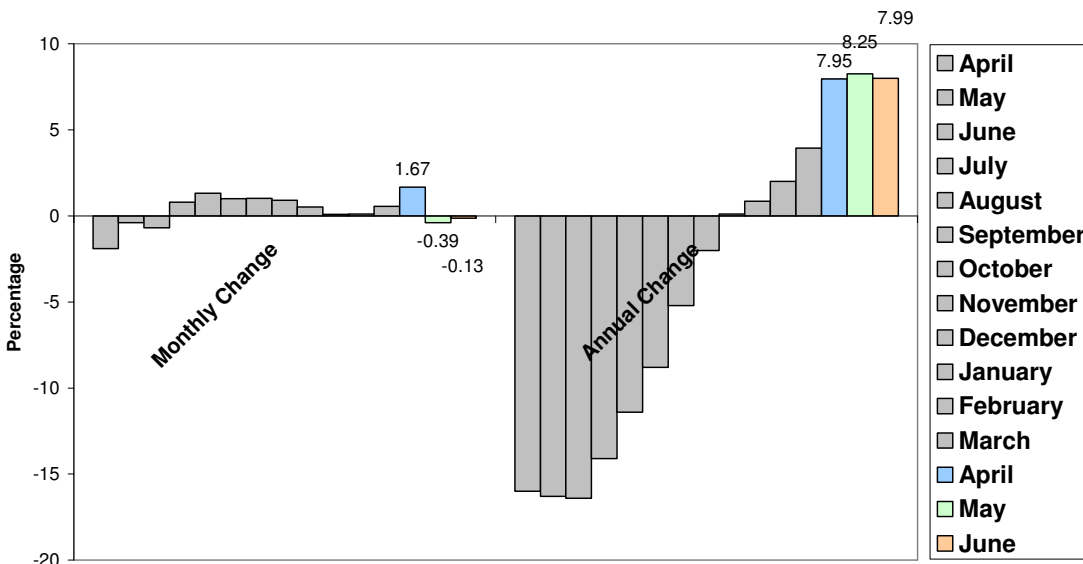
- UK house prices have averaged £156,865.3 in this first quarter with a rise in prices of 0.29% between April and June.
- Norfolk house prices have averaged £148,347.3 in this first quarter with a fall in prices of 0.5% between April and June.
- Suffolk house prices have averaged £156,674.3 in this first quarter with a rise in prices of 1.77% between April and June.

House Price Trends

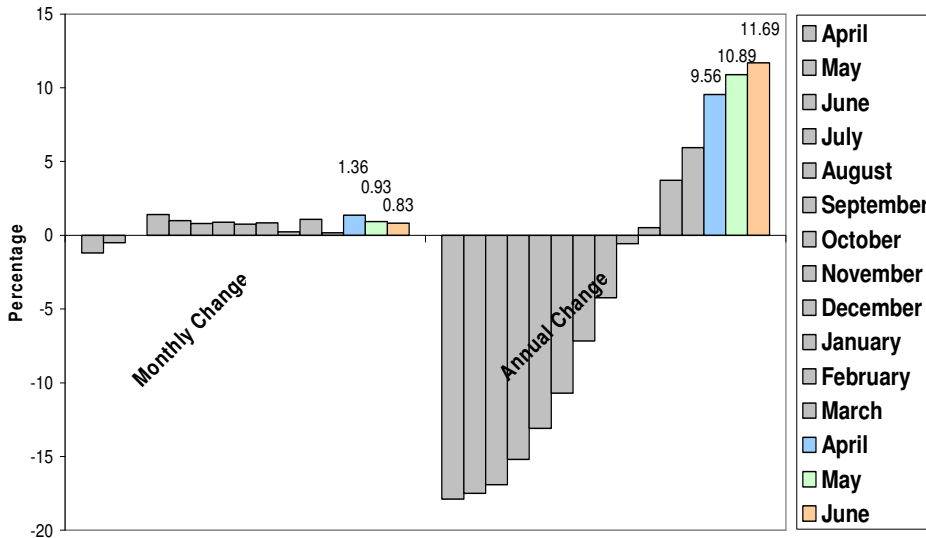


Source: Land Registry

Norfolk House Price Trends

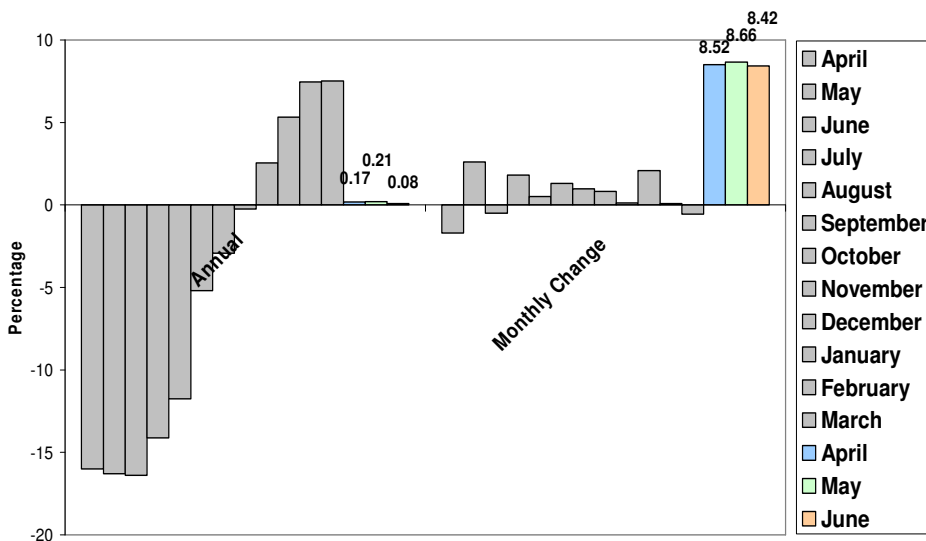


Suffolk House Price Trends



Norfolk's monthly change in house prices have fallen in to the negative this quarter, with annual change falling between May and June. The UK and Suffolk have continued to have positive monthly changes, although these are falling month on month and the UK looks close to going into negative figures. Suffolk's annual change has continued to grow month on month, where as the UK experienced a similar decrease in June from May like Norfolks.

England & Wales House Price Trends



Commercial Properties

Building work on a £12m scheme to add commercial units and office space to Gorleston's Beacon Park started in May. It will include an office campus, to be known as Wellington Park, with more than 43,000 sq ft of offices. There will also be a light industrial unit to be called Blackfriars Court with more than 60,000sq ft of floor space for over 15 separate units.