

Greater Norwich Quarter 3: October-December 2009



This report primarily focuses on the Greater Norwich sub-region, but also includes data and business intelligence covering other parts of Norfolk, taking in North Norfolk, Breckland and King's Lynn. Great Yarmouth is covered by a separate report taking in Waveney

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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
- Halifax house price index
- Bidwells data books
- McTear, Williams & Wood
- the EDP newspaper
- the Lynn News paper
- the Lowestoft Journal
- the Great Yarmouth Mercury
- email updates from businesses
- word of mouth
- sector group meetings

Introduction

This document brings together key business and economic intelligence information over this quarter (quarter 3) to develop a clearer understanding of the economic performance of the sub-region.

It primarily focuses on the Greater Norwich sub-region, but also includes data and business intelligence covering other parts of Norfolk, taking in North Norfolk, Breckland and King's Lynn.

Great Yarmouth is covered by a separate report covering the Great Yarmouth and Waveney coastal sub-region.

Summary

Business confidence ↑

Unemployment ↓

Redundancies ↓

Job vacancies ↓

House Prices ↑

This quarter has seen an improved set of data and business news compared with quarters one and two.

Business news has been more positive than negative, across a range of sectors. Sectors which have been under sustained stress such as food processing, engineering and construction are showing some signs of turning the corner. Financial services and retail however remain under pressure, but tourism businesses have recorded a bumper 2009 – with positive signs for 2010.

Business surveys this quarter reveal just how many companies froze pay in 2009. Analysis from the Chartered Institute of Personnel and Development revealed two fifths had frozen pay, while pay analysts IDS found one in three had suffered pay freezes.

The outlook for 2010 remains mixed, with IDS expecting most companies to introduce pay rises in 2010, but the CIPD survey showed that the majority of public and private sector workers expect a pay freeze in 2010.

Businesses in Norfolk are feeling more confident – with an expectation that 2010 will be better than 2009.

The EDP Larking Gowen survey of Norfolk businesses found 48pc of firms had seen a reduction in profits in the past year – but only 33pc expect to see a fall this year.

15pc of firms have reducing staffing in the past year, but only 11pc expect to cut numbers this year.

However the biggest threat remains the downturn in the economy and the credit crunch – just under half of all businesses rated this as their biggest threat. Tightened bank lending was the biggest threat for 11pc of firms.

Bargain hunters are also out in force – with many of the mergers and acquisitions completed in the quarter involving businesses in distress. Of the 39 deals completed in the quarter in East Anglia, seven involved companies bought out of administration.

The jobless total has risen over the quarter – both in the Greater Norwich area and in Norfolk as a whole, unlike the East of England as a whole which has seen a drop.

However the number of firms notifying redundancies has continued its downward trend – significantly lower than this time last year, and a Recruitment Employers Federation survey found more businesses are starting to recruit again, although this is yet to be borne out in vacancy data.

Business Link's statistics show a rise in overall rise in businesses assisted, but a cause for concern is the sharp drop in numbers of people accessing Business Link for advice on starting up in business.

House prices have continued a steady rise – pretty much in line with national trends.

Conclusion

The economy of Greater Norwich is continuing to recover. Like the national GDP figure for the quarter – it is hard to judge if the economy is growing again, but it is fair to conclude it is not shrinking.

What is certainly true is that there has been a decline in the number of redundancies and number of firms reporting negative news.

In their place, many firms are starting to win new orders, increase profits and in a few cases, take on more staff.

It is less clear if these businesses are growing – or like house prices - simply recovering ground lost in the previous quarters.

Businesses are more confident about prospects for 2010, but the fear of a further downturn in the economy remains a real threat and accordingly remains their biggest concern.

Trading Climate & Confidence Levels

Key Facts

Some positive headlines this month across a range of sectors from food and drink to engineering and construction. Good quarters for Virgin Wines and Woodfordes. Success to for May Gurney, Active Technologies and Hubbard Metalwork and health sector jobs created at Colney Hall. But times are tougher for energy group Acteon and engineering consultancy Millards went into administration

Agriculture & Food Processing

Greater Norwich

This quarter has seen some positive stories in the drinks industry with Virgin Wines recording its highest ever daily figure and Woodforde brewer seeing record demand for its beer boxes in addition to investing £50,000 in a new laboratory. However, First Quench Retailing which runs off-licences under several brands went into administration which has impacted on some Norfolk stores and Reepham Brewery closed due to a fall in trade, cost of rent and fewer free houses to sell too.

Other Areas

Grain production in the county has seen success with Wissington beet sugar factory setting new records for daily sugar production and Crisp Malting Group looking to expand due to a continued demand in locally grown barley. 35 jobs were created when the Hain Frozen Foods site in Fakenham had a new production unit to create puddings and crumbles alongside the Linda McCartney meat free foods.

Construction

Greater Norwich

May Gurney continues to win new contracts and has seen a record £239m turnover and a 21 percent rise in half year pre-tax profits. A 'Build Your Future' careers fair for school children in Norwich main message was that while the construction sector has been hit hard, there are still opportunities out there for young people.

Other Areas

Van Elle in Dereham, a foundation and piling contractor, is planning to expand with the creation of a new manufacturing facility which will create six new jobs.

Creative Norfolk

A Norfolk County Council report released this quarter showed that Norfolk's creative industries are worth £750,000 (five percent of total GVA) to the county's economy and currently employs around 20,000 people (five percent of total employment in Norfolk).

Greater Norwich

Small businesses set up by individuals have seen a successful quarter with Tot Cars, which sells ride on toy sports cars, seeing demand rise, and Hoodeasy, a clothes firm, unveiling a bulk ordering system to increase its turnover further.

Other Areas

Two theatres in West Norfolk are set to close next year in a move to save money but book printing firm MPG Biddles in King's Lynn has now returned to profit after going into administration a year ago.

Energy

Greater Norwich

Acteon, which is made up of 17 businesses providing specialist services in the offshore oil and gas sector has seen demand fall after a fall in crude oil prices and construction related to offshore and renewable energy projects is still struggling.

Other Areas

Two areas of the county are being looked at for storage and energy production - the first is the partnership of Centrica Storage and Perenco UK which have formed a new company called the Bacton Storage Company Limited (BSCL) in the hope of using a 1.7bn cubic metre gas field called Baird for gas storage. If the site was to be used for storage it could increase UK storage capacity by around a third. If the project is given the go ahead it could be up and running by May 2012. The second is Cromer, which is being explored by the Clean Coal company to see if it is commercially viable for Underground Coal Gasification (coal lying under the seabed is burnt underground to produce energy).

Engineering

Greater Norwich

New contracts continue to be won in this sector. Active Technologies, an engineering design company has won a contract from Greenfield Holdings, which is providing solar panels for a national supermarket chain. Hubbard Architectural Metalwork, a designer and constructor of architectural and general metalwork products has secured a £1.5m deal to build a staircase for what will be the UK's tallest skyscraper. In contrast to these positive stories, civil engineering firm Millards has gone into administration with the loss of all jobs as no buyer has been found.

Aviation has had a mix of fortunes with KLM Engineering winning a multimillion pound deal to service part of Easyjet's fleet of aircraft, while BAE Systems in West Norfolk will see the loss of 20 sub-contractor staff jobs.

Other Areas

There has been a large investment of £560,000 by Warren Services, which specialises in building complex stage machinery for theatres and venues across the world, in a new piece of machinery. The company is also looking to increase its workforce by 10 people. New metal spinning technology firm Ladbrook Engineering is continuing to grow with new contracts.

Financial

Greater Norwich

PricewaterhouseCoopers has taken on six new graduates after job applications from graduates increased by 48 percent this year, but there have been job losses at the Money Centre, Central Trust and will be the result of the closure of a Norwich and Peterborough Building Society office.

Other Areas

One positive story that has resulted out of job losses in this sector is the establishment of Mint Consultancy in Dereham, which is run by an individual who was made redundant. The company specialises in providing financial and strategic advice to local businesses.

Health & Life Sciences

Greater Norwich

500 jobs could be created at the Norwich Research Park if a world class treatment and research centre for people with dementia, brain injuries and learning difficulties could be built. One business already succeeding at the centre is Anglia DNA which is looking to take its over the counter at chemists Do-It-Yourself DNA paternity test kit overseas.

ICT

Greater Norwich

The ICT sector has seen a positive quarter with awards being won, for example Soup at the Grocery Advertising and Marketing Industry Awards and Pocket Places at the Travolution Awards, and business featuring in leading national magazines, for example Real Projects in the Real Business magazine. ETT Group, a web design and marketing company has seen sales rise by about 50 percent in 18 months due to an increased interest in online selling as a way to boost trade in the recession and search engine optimisation business. Further has had a successful year with work lined up for the next year.

Other Areas

Swains plc, a telecoms provider has been named the East of England's regional winner of the Award for Innovation Through Technology

Manufacturing

Greater Norwich

The Florida Group which manufactures shoes is taking its products to overseas markets while Payne Pallet Inverters is looking to build a new unit on the Paynes business park to help explore new markets alongside updating their equipment and working methods.

Other Areas

Hamilton Acorn which manufactures paint brushes and decorating equipment will be making 31 of its 75 staff redundant by moving production to Sweden and China, in contrast to STG Aerospace which manufactures aircraft emergency lighting which is on a recruitment drive for four new positions.

Tourism

Greater Norwich

Tourist attractions are celebrating a bumper year thanks to plenty of good weather and a boom in the number of staycations, although Norwich International Airport is going to be providing a wider choice of destinations next year. Hotels, leaflet and brochure distributors and museums have all benefited but tourism body Visit Norwich has had to make its managing director redundant in a bid to secure the future of the company. On the other hand a chain of hotels (14) and pubs (13) are up for sale after the companies behind them went into administration (Cavendish Hotels Ltd, Elizabeth Estates (BS) Ltd and Elizabeth Hotels Ltd – who in total employ 462 staff).

Other Areas

Kelling Heath and Burnham Deepdale have both reported that camping is up and Merrivale Model Village reports its best year yet demonstrating that the good weather and higher levels of people holidaying at home this year has been of benefit.

Other

Norfolk

Norfolk Chamber of Commerce – quarter four results show the team processed 458 documents for 82 companies – a 45 percent increase on the previous month. Countries that are proving popular for local businesses to export to include – Algeria, Egypt, Hong Kong, India, Israel, Mexico, Qatar, Saudi Arabia and UAE.

Region's charities – donations have been maintained or even increased thanks to hard working fundraisers and loyal supporters. Organisations across East Anglia have seen their funds diminish as the tough economic climate affects fuel prices, grants and maintenance costs.

The East Anglian Air Ambulance has seen its maintenance charges increase by £100,000 a year because of poor exchange rates but has been boosted by a 16 percent increase in donations. North Norfolk charity Break, which helps vulnerable families, heating and lighting bills for their family homes have increased by 20 percent yet donations from individuals have risen slightly and profit at its charity shops has increased by 15 percent.

Greater Norwich

Borders the bookstore in Norwich has closed down in Norwich just as an independent bookstore, the BookHive, has opened up in the city alongside Lady Luck's boutique store, which has been opened by a student with help from the Prince's Trust, and a new Tesco express store.

OpenContact, an outsource contact centre has won a new contract with TPS- one of the UK's leading niche insurance specialists while Broadland Gate business park – 49 acres of farmland developed to include offices, research and development facilities, light industry and storage warehouses, a hotel, shops and restaurants creating 3,000 jobs – has moved a step closer after getting the green light from planners.

Other Areas

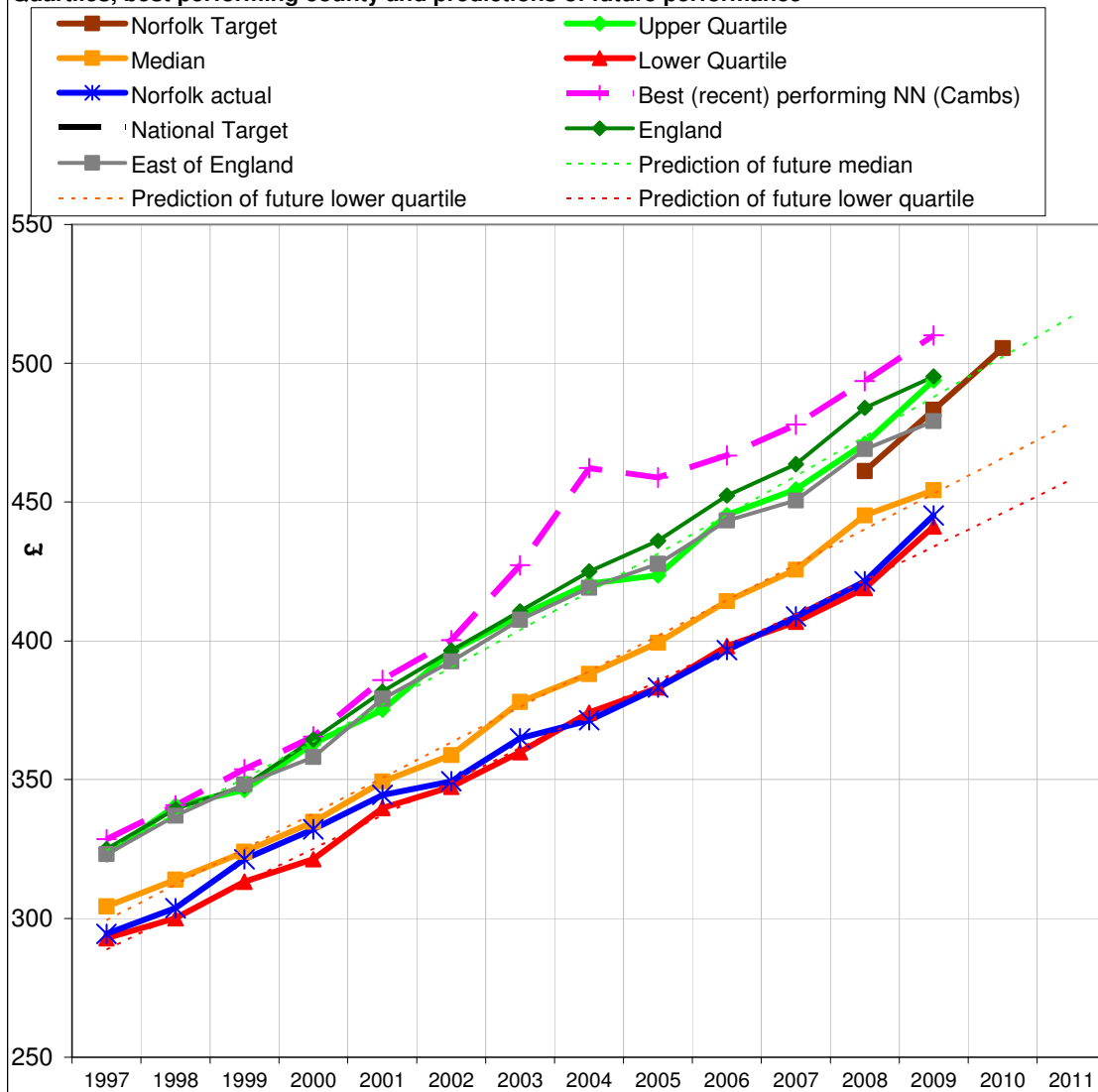
Two previous Woolworths have been reopened as a Co-Operative supermarket and an Iceland in Wymondham and Cromer respectively. New contracts have been won by Foulger Transport, who has signed a distribution deal with QD stores that will see it deliver goods to the retailer's stores across the east of England and Step Up 4 Coaching at Bawburgh, a business coaching firm, which has secured a major training contract at delivery giant TNT in Liege, Belgium. However, RAF Marham is at threat of losing a squadron as the Ministry of Defence look to cut costs.

Median earnings of employees in the area

Key Facts

Data for 2009 shows that over the last twelve months, Norfolk's median earnings have increased by more than twice of that of the regional and England average. However, this still leaves Norfolk some £33.90 (7.1%) behind the regional average.

Quartiles, best performing county and predictions of future performance



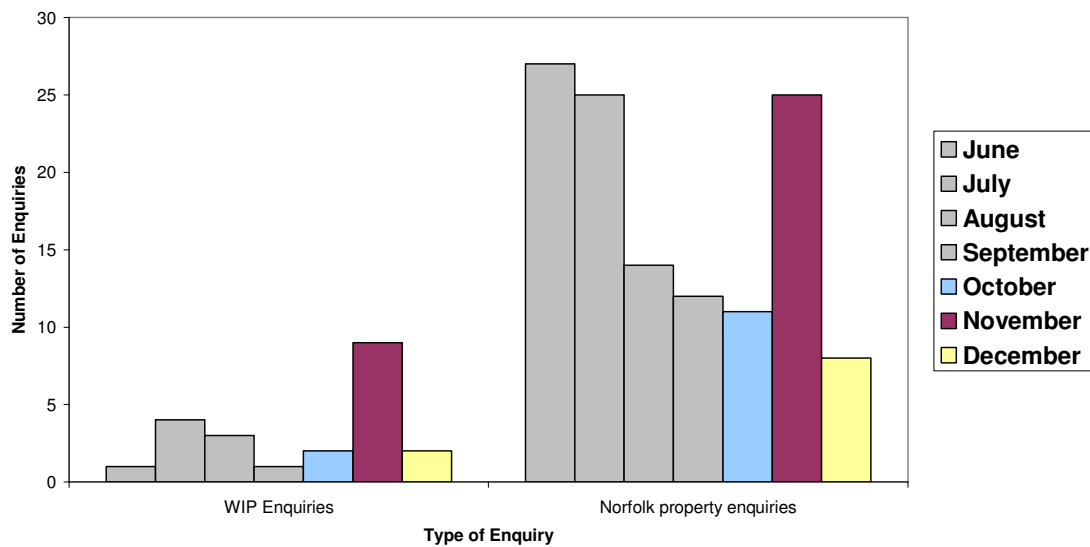
Source: Communities and Local Government website

Investment Enquiries

Key Facts

The graph shows that there are a higher proportion of Norfolk property enquiries through the Invest in Norfolk website than there are foreign company property investment enquiries. On average there have been 14.6 Norfolk property enquiries and 4.3 WIP enquiries this quarter. Both enquiries saw a peak in November and this may be a result of NWES adding their property in this month and related promotion.

Investment Enquiries



WIP Enquiries – foreign company property investment enquiries

Norfolk property enquiries – enquiries via www.investinnorfolk.com

Surveys

Key Facts

Surveys this month have shown predominantly positive results with businesses predicting upturns and feeling financially stronger, sectors seeing growth and an increase in recruitment. Young people are accepting they need to be more flexible in their choice of job but many workers feel they will be working for more years than they had previously expected.

October – IDS, pay analysts. Findings include:

- Number of firms freezing pay has reached one in three this year
- Most companies which did not increase workers' pay this year will award increases in 2010.
- Pay rises were worth an average of 2.9 percent.
- Pay freezes particularly hit workers in the motor industry, construction, chemicals, road and air transport and the media.
- Wage rises were more likely among employees working in energy, pharmaceuticals, bus and rail transport, food retailing and food manufacture and finance, although this sector has been badly hit by job losses.

October – Clydesdale survey of businesses. Findings include:

- More than 90 percent of the region's business managers predict an upturn in the next two years
- Nearly a third of them saying the improvement will come as early as next year

October- CBI distributive trade survey. Findings include:

- High street sales grew at their fastest annual rate for almost two years in October
- An 8 percent balance of firms reporting higher volumes than a year earlier, the best since December 2007 – led by furniture and carpet stores as the housing market slowly recovers.
- Retailers are at their most optimistic since July 2007, with a 19 percent balance expecting sales volumes to improve in November.

November – The Chartered Institute of Purchasing & Supply's (CIPS) headline activity index. Findings include:

- A score of more than 50 registers growth, and the index reached 53.7 in October, it's highest level since November 2007.
- The jump from an upwardly revised September score of 49.9 is the third biggest monthly rise in the survey's history.
- Export levels rose for the third successive month, helped by a weak pound
- Staffing levels in the sector fell for the 18th month in a row

November – The Recruitment and Employment Confederation (REC) and KPMG – survey of 400 recruitment firms. Findings include:

- Firms are starting to hire staff at an accelerating rate, suggesting that the jobs market is on the road to recovery
- The survey saw the biggest increase in permanent placements for two years, while temporary jobs rose at the sharpest rate for 16 months.

November – Office for National Statistics. Findings include:

- Manufacturers had the biggest monthly rise in output for more than seven years (since July 2002) during September
- September's 1.7 percent gain countered a 2 percent fall in August as factories wound down production for the summer break
- Industrial production – including mining, quarrying and utilities output – was up 1.6 percent in September.
- Industrial production over the July-September quarter as a whole was down 0.8 percent.
- Industry surveys from the CBI business group and the Chartered Institute of Purchasing and Supply suggest stronger conditions in October, with manufacturers pulling out of recession for the first time since the beginning of 2008 in the final quarter of 2009.
- But the figures show the sector's overall output during the July to September period was 10.5 percent below the same period last year, despite improving conditions among car manufacturers.

November – welfare to work provider Reed in Partnership regarding young people in East Anglia. Findings include:

- Young people in East Anglia are flexible about the type of paid work they are prepared to do
- Half of people aged 18-24 in East Anglia believe a lack of experience is the biggest barrier to them finding a job
- 44 percent said they would be prepared to take part in unpaid work to help build experience
- 45 percent said they would try unpaid training to help develop new skills
- 38 percent said there were “no suitable jobs”

November - Wolters Kluwer consultancy firm regarding retirement. Findings include:

- A third of people think they will continue to work after they are 65
- 10 percent think they will still be working into their 70s
- 22 percent of workers think they will have retired by the time they hit 60
- 44 percent expect to give up work between the ages of 60 and 65
- 68 percent of people state financial concerns as the reason for planning to work on beyond the state pension age
- 41 percent of people stated they did not want to retire because they enjoyed work

November – national study by Uswitch.com. Findings include:

- 40 percent of small and medium sized businesses were seeing signs of economic recovery
- More than 80 percent of businesses now think they will get through the downturn, compared with 76 percent that were confident in the first quarter of this year.
- More than a quarter of small businesses say it will take between six months and a year to get back to normal
- 26 percent say it will take them more than a year to get back to normal

November - CreditPal, online business service, report. Findings include:

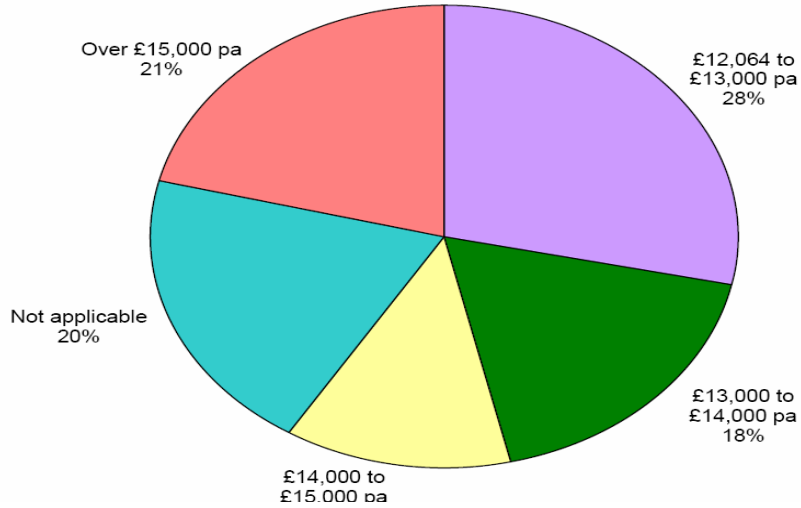
- Around 164,000 workers lost their jobs in the last year after their employers went into liquidation
- Average number of employees at the 15,000 companies going into liquidation in England and Wales was around 11
- Around 40,000 jobs were lost in each of the manufacturing and services sectors, although twice as many services firms went out of business in the year to June.

November – EDP-Larking Gowen business survey of 150 businesses. Findings include:

- Two out of three businesses now expect profits to stay the same or rise over the coming six months
- 16 percent have had dealings with EEDA; six percent have had dealings with the Institute of Directors; eight percent have had dealings with the Federation of Small Businesses and 12 percent have had dealings with the Chamber of Commerce over the last six months.
- Over the last six months, has your business:
increased its workforce – 20 percent
seen people numbers remain the same – 64 percent
reduced its workforce – 15 percent
- Over the coming six months, do you expect your business to:
increase its workforce – 19 percent
maintain numbers at the present level – 70 percent
reduce its workforce – 11 percent

Recruitment

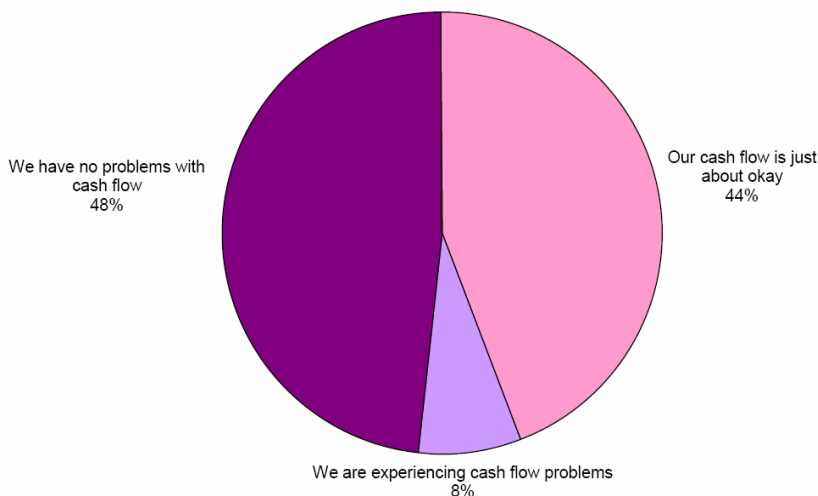
From 1st October 2009 the minimum wage for an adult, based on a 40 hour week, is £12,064 per annum. To what level would it have to increase to have a negative impact on your business?



- Over the last six months, have the profits within your business:
 - increased – 23 percent
 - remained the same – 29 percent
 - decreased - 48 percent
- Over the coming six month, do you expect profits within your business to:
 - increase – 19 percent
 - remain the same – 48 percent
 - decrease – 33 percent
- Has the on-going “credit crunch” had a negative effect on the relationship with your bank in the ast 6 months?
 - Yes – 26 percent
 - No – 74 percent

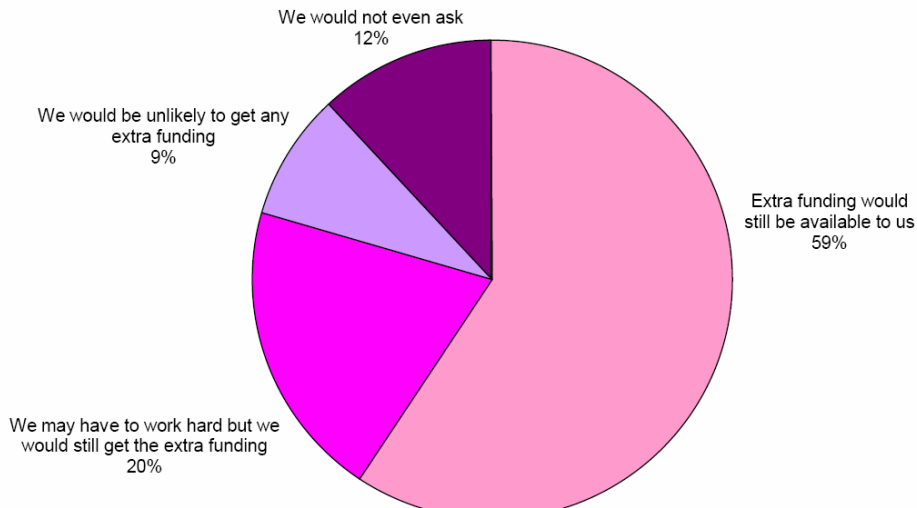
Profitability / Costs

When it comes to cash flow, which statement most accurately reflects your business at this time?



Profitability / Costs

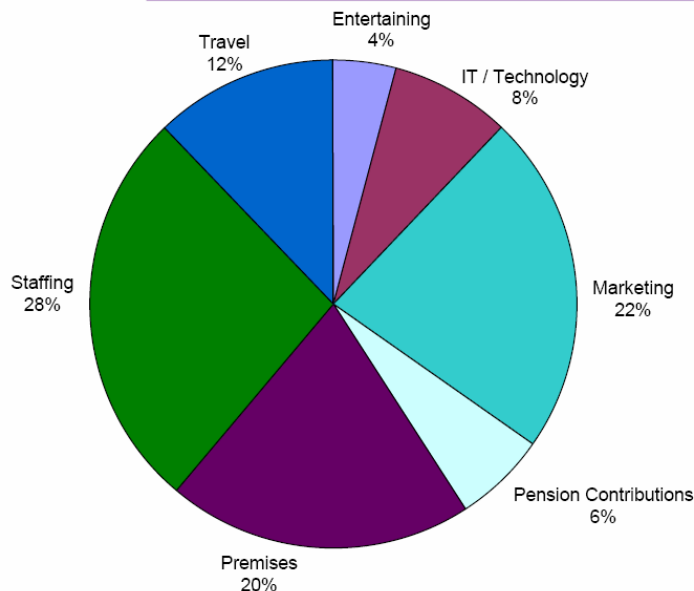
What do you think your bank would say now if you asked for a loan or to extend your overdraft?



- Over the coming months, does your business expect to:
reduce costs: 56 percent
increase costs: 44 percent

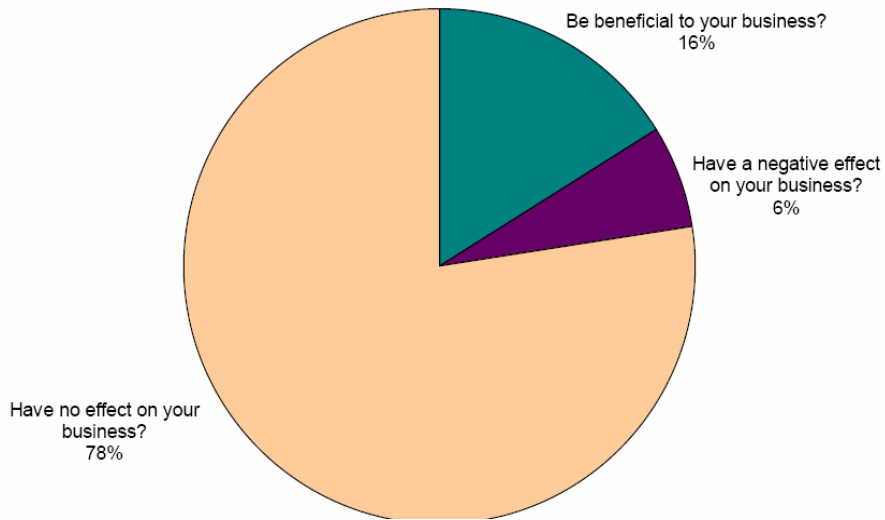
Profitability / Costs

If you are expecting to reduce costs, in what area is it most likely to be?

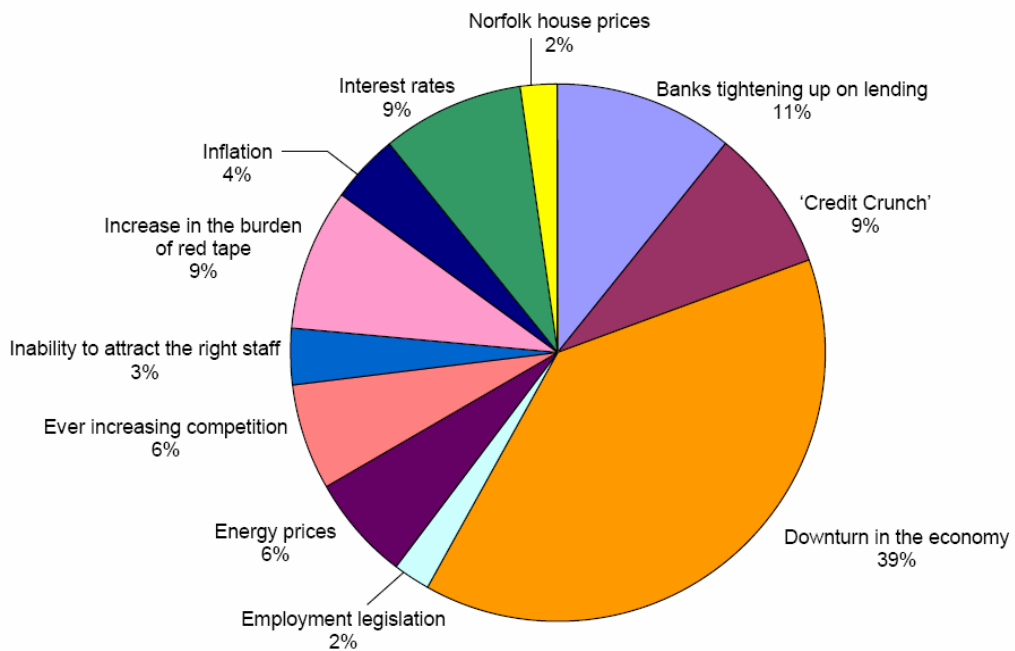


- Do you think anything positive has come out of the recession?
Yes - 55 percent
No - 45 percent

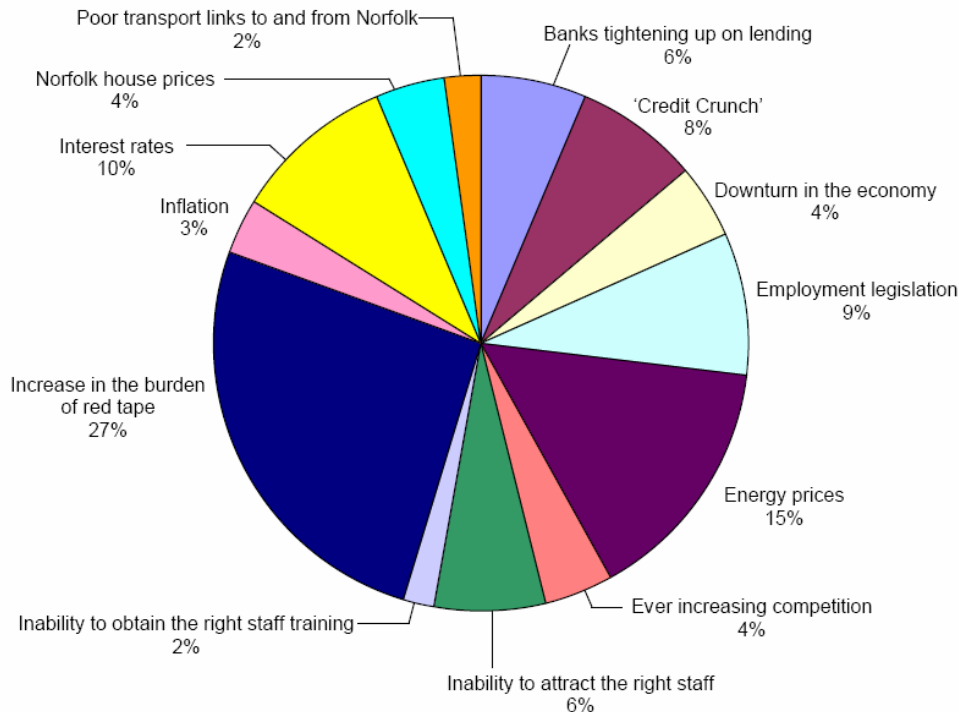
General The London 2012 Olympics are only 3 years away. Do you think they will:



Threats Which of the following is the most significant threat to your business?



Threats Which of the following is the second most significant threat to your business?



December – Federation of Small Businesses surveying 10,000 firms. Findings include:

- Half of small businesses survived the worst of the recession by creating new products and services
- One in four businesses increased its profits during the worst of the recession
- Half planned to continue innovating in the coming months
- Third reported increased sales over the past financial year
- Third of businesses which had borrowed money this year had been charged more, mainly by more than one percent.
- Half of businesses decided not to take out any loans, which the FSB believed was a sign they were put off by the prohibitive cost of finance
- Half of businesses expecting to expand their client base
- One in five intending to employ more staff in the coming year

December – Chartered Institute of Purchasing & Supply's (CIPS) - manufacturing. Findings include:

- Manufacturing's recent recovery slowed during November
- Headline activity index – score over 50 registers growth – stood at 51.8, weaker than expected and down on the figure of 53.4 seen in October.
- Fourth time in five months that the reading has shown growth
- Output rose for the sixth consecutive month

- New export business rose at the fastest pace for almost two years as the weak sterling exchange rate boosted competitiveness overseas

December – Chartered Institute of Purchasing & Supply's (CIPS) – services sector. Findings include:

- Growth weakened during November
- CIPS activity index was 56.6, slightly lower reading than October's more-than-two-year high
- Activity in the sector was supported by the steepest rise in new business for over two years, as confidence continued to improve.
- Output prices lowered to combat fierce competition, despite rising input costs from fuel and the weak pound.

December – Norwich Council Transportation Survey. Findings and Chamber of Commerce interpretations include:

- Top four reasons for businesses choosing their current location
 - 49% Of respondents stated suitability of premises
 - 40% Proximity to customers
 - 27% Proximity to workforce
 - 26% Cost of premises
- Top four weaknesses of their current location
 - 54% Accessibility by road
 - 45% Public transport links
 - 13% Availability of land for expansion
 - 12% Proximity to customers
- This significantly demonstrates that improved road infrastructure is a distinct priority and one that needs to be quickly addressed to not only attract inward investment but also deliver economic sustainable growth. Especially when over 56% of surveyed businesses are considering expanding their business
- However business performance also relies on reliable and efficient transport links within and outside the region. The survey reports that the current transport problems that are affecting business performance are
 - Delays 71%
 - Unreliable journey times 71%
 - Congestion 63%
 - Poor public transport links 57%
 - Lack of alternative options 55%
- This illustrates that the cost of doing business can also be improved not only from a performance perspective but also equally importantly by ensuring journey times become more realistic.

December – Chartered Institute of Personnel and Development (CIPD) survey of 2,5000 employees. Findings include:

- Two out of five workers had no pay rise in 2009
- Workers who did receive a pay rise expressed satisfaction with their rise, especially if they worked for a private firm rather than the public sector.

December – Recruitment and Employment Confederation survey of 400 firms.

Findings include:

- Employers in all sectors were lifting recruitment freezes
- Increase in permanent jobs last month was the fastest in two years, especially in the nursing, medical and care sectors
- Most sought after temporary workers were in engineering and construction
- Pay of permanent workers increased for the first time in 15 months, albeit only modestly
- Employment has declined by 2 percent (UK output has shrunk by 5.9%)

December – report by Insight East. Findings include:

East of England:

- Has had the highest population growth of anywhere in the UK outside London since the mid-1990s
- Has double the EU average level of investment in research and development
- Has only 20 percent of adults with higher level qualifications, ranking the region below several of its global peers and beneath the UK average
- People are on average, a quarter of an hour further away from what is classed as “a major economic centre” than people elsewhere in the UK (59 minutes compared to 44 minutes) – Norfolk figure is 109 minutes.
- Norfolk has 56 percent of adults aged 16 and older in employment compared with 62 percent in Suffolk, 65 percent in Cambridgeshire and 62 percent across the east of England.

December - research from insolvency body R3 and Corpfm, part of financial data business Experian. Findings include:

- More and more East Anglian businesses with cash to invest are expanding their market share by buying rivals in distress
- One in six mergers and acquisitions taking place in the east of England now involves a business struggling to survive.
- Of the 39 mergers and acquisitions in East Anglia during the past three months, seven (18pc) involved companies bought out of administration or other formal insolvency procedures.
- In the same period in 2008, just one out of 62 deals involved distressed businesses.
- During the whole of 2008, insolvency deals accounted for just three out of a total of 266 while in the first three-quarters of this year there have been 19 insolvency transactions out of a total of 126.

December – survey by O2 of 3,000 small business owners. Findings include:

- One in four small firms is financially stronger than a year ago
- One third felt more confident than a year ago
- Measures taken this year to make savings included freezing pay, offering unpaid holidays, reducing stock levels and renegotiating payment terms with suppliers.

December – survey of 2,500 workers by the Chartered Institute of Personnel and Development (CIPD). Findings include:

- Workers in private firms predicted that their pay will rise three percent next year
- Workers in the public sector predict that their pay will rise two percent next year
- One in four private sector workers and one in five public sector workers do not think that they will get a pay rise in 2010

December – The Centre for Economics and Business Research (CEBR).

Predictions include:

- Professional firms will face a fight for survival in 2010 as government spending is cut to reduce debts
- Further job cuts across the business services sector with employment expected to be 3.4 percent lower in 2011 than 2009 – the equivalent to 120,000 jobs.
- Worst hit area will be research and development where the state accounts for nearly 40 percent of business. Lawyers and property agents are next in line.

December –Chartered Institute of Purchasing and Supply (CIPS). Findings include:

- December was the 22nd consecutive month of recession for the construction sector
- Construction Purchasing Managers' Index (PMI) stood at 47.1
- Index last rose above 50, indicating growth, in February 2008.
- Construction and civil engineering continue to shrink
- Residential construction was the one boom sector, growing for the fourth consecutive month – and at the fastest rate since August 2007.

December – Nationwide consumer confidence survey of 1,014 people. Findings include:

- Consumer confidence index dropped by five points to 69 during December, the biggest slide since November 2008.
- People have become more pessimistic about the future economic situation, with only 34 percent of people expecting it to be better in six months time, down from 41 percent in November
- Expectation index fell by eight points during the month, although at 101 it remained well up on the record low of 58 which it fell to in January last year.
- Proportion of consumers who think the current economic situation is bad rose slightly to 73 percent during December, while those who think there are not many jobs available increased by 3 percent to 70 percent.

Support & Government Initiatives

Key Facts

Organisations are still providing workshops and funding to help businesses with the recession. New funding for apprenticeships and trainees in engineering construction has been announced and a Norfolk exporter's club has been launched.

Initiatives Released/Promoted:

The Norfolk Exporters Club, created by East of England International (EEI) – new business club launched at supporting Norfolk businesses looking to start exporting. It is free to join and aims to support firms of all sectors and sizes looking at overseas markets, and for those already exporting to increase their trade abroad.

October – Sustainable Tourism East - an £800,000 project to support tourism businesses looking to develop a more sustainable approach. STE will provide practical training for businesses with information guides and web content. Supported by EEDA, Defra and the EU, the project will involve a range of activities until March 2013.

November – ‘Does your Business Need Help Through the Recession?’ - a series of workshops aiming to support small businesses through the downturn are being funded by Breckland Council and delivered by business support organisation NWES. The free day-long workshops will guide business-owners through strategies to improve performance and profitability.

North Norfolk District Council – proposed £1.1m recession recovery package for the district. Between £150,000 and £200,000 of council cash and officers' time, along with at least £400,000 from partner organisations, will form part of a funding bid to Interreg, an organisation which promotes inter-regional cooperation between regions in the EU.

The council is pushing to create an environment where entrepreneurial spirit can thrive and business start ups are encouraged, bring leaner, more sustainable companies into the economy. It is also encouraging inward investment in large projects such as the country's commitment to offshore wind farms including the Sheringham Shoal and a large skills school planned in Wells which could provide training and education specifically for energy sector workers, bringing mass investment into the district's 45mile coastline.

December 1 – government announced a £4.5m increase in funding for apprenticeships and trainees in engineering construction, doubling opportunities for young people to train for skilled jobs to 1,200 by 2011.

Other initiatives:

The Work Academy - a project which helps young people on interview techniques and prepares them for employment - has been given more than £7,500 of lottery funding.

A total of £302,597 is being distributed to 42 groups across the east of England in the latest round of awards from the Big Lottery Fund's Awards for All programme.

Evolve project, drawing together City College Norwich, Norwich University College of the Arts and the University of East Anglia with support from Norfolk County Council and district local authorities, to offer help, free of charge, to those who fall outside traditional business support scheme.

The scheme includes graduate internships – where businesses can benefit from a skilled worker whose pay is subsidised and a series of short courses in anything from advanced IT, leadership and management, masterclasses in customer service and selling skills to energy use and making the most of reducing carbon emissions and energy use.

So far about 450 people and 125 companies have already signed up to the Evolve project, which has funding until September 2010.

www.evolvernorfolk.co.uk

Business Link Engagement

Key Facts

Overall the third quarter has seen Business Link engage with more businesses in nearly all categories. In total Business Link has engaged with 2,992 businesses during this second quarter, a rise of 197 (7%) businesses from quarter one. 872 enquiries were from people considering starting a new business, a fall of 401 (31.5%). Recently started businesses engagement rose by 24% from last quarter. The number of established business enquiries rose by 569 from 1,401 last quarter to 1,970 this quarter – a 40.6% increase. However, those intensively assisted customers fell by 6.7%.

The rise in enquiries may be because people now want advice on how to make the most of the recovery stage of the recession or conversely may only be starting to feel the effects of the recession on their businesses.

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

Area	IDBR	Pre-Start	Start Up	A %	Established Businesses	B %	Total	C %	Intensive Assisted Customers
Broadland	4,595	41	15	0.3	293	6.4	349	7.6	29
Norwich	4,235	99	45	1.1	337	8	481	11.4	39
South Norfolk	5,280	142	30	0.6	267	5.1	439	8.3	42
TOTAL for Greater Norwich	14,110	282	90	0.6	897	6.4	1,269	9	110
Breckland	5,045	91	11	0.2	305	6	407	8	47
Great Yarmouth	3,025	39	7	0.2	207	6.8	253	8.4	23
King's Lynn & West Norfolk	5,410	398	24	0.4	283	5.2	705	13	37
North Norfolk	4,485	62	18	0.4	278	6.2	358	8	34
TOTAL	32,075	872	150	0.5	1,970	6.1	2,992	9.3	251

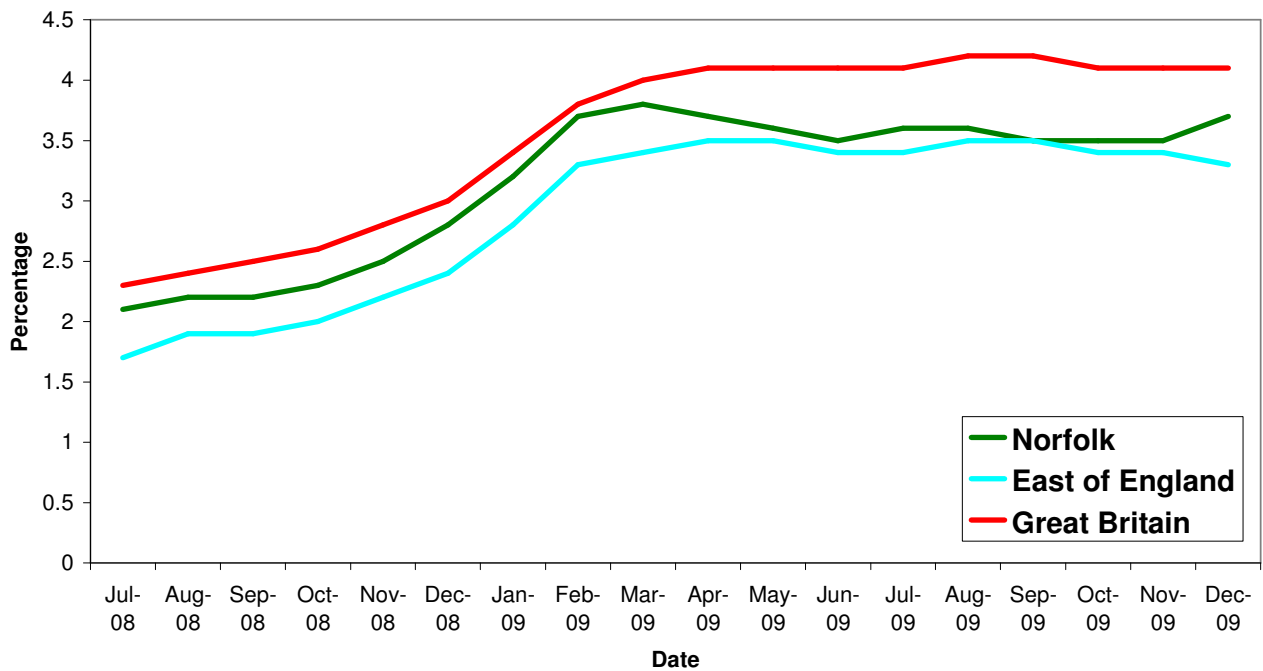
Source: Business Link East

Unemployment

Key Facts

Norfolk saw an average of 18,014 people claiming JSA in this third quarter, with a rise of 733 people, 4.15% between October and December. The percentage of people claiming in Great Britain has remained level at 4.1 percent during this quarter, while the East of England has decreased from 3.4% to 3.3%.

All people claiming JSA

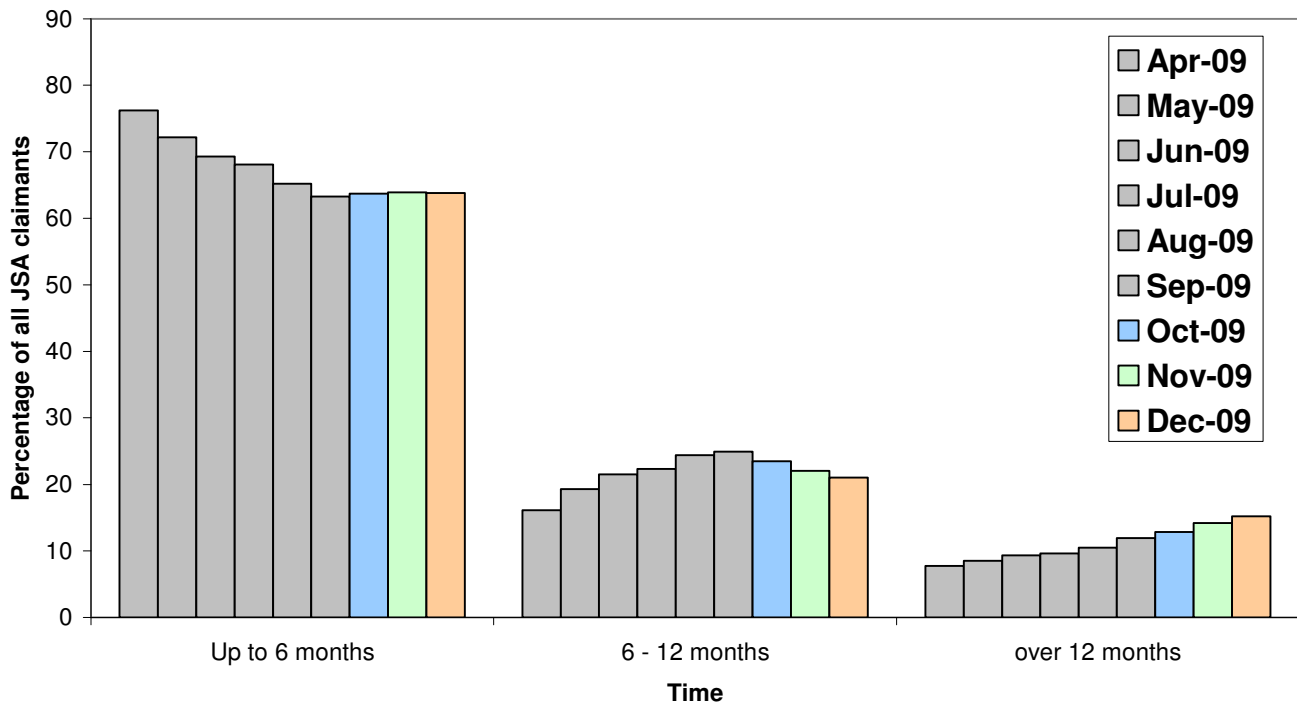


Source: Nomis, Crown copyright

Key Facts

This quarter has seen the proportion of people who have been claiming JSA for between 6 and 12 months fall with a corresponding rise in those claiming over 12 months, suggesting there are proportionately more people who are longer term unemployed with fewer people moving from less than 6 months to 6-12months unemployed.

Norfolk JSA claimants by duration



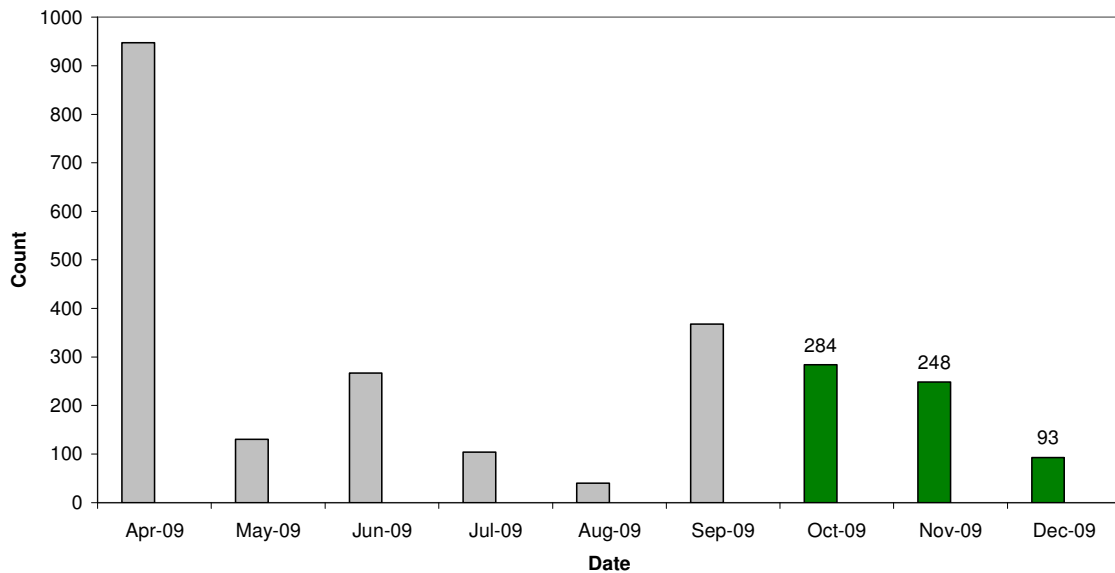
Source: Nomis, Crown copyright

Redundancies

Key Facts

This quarter has seen redundancy figures slowly decrease to begin with before a sudden drop of 155, 62.5% in December. *Source: Job Centre Plus*

Norfolk redundancy notifications



Total Redundancies between July 2008 and 31 December 2009	Sector
6298	All
1100	Manufacturing
811	Construction
1095	Insurance & Financial Services
741	Retail
491	Haulage & distribution
482	Food Processing
212	Tourism & Leisure
222	Publishing
139	Public Transport
101	Boat building
115	Media
229	Mechanical/electrical engineering
79	Further Education
90	Service
167	Health & Social Care
44	Wholesale
42	Real Estate
41	Printing
40	Science / Research
18	Architecture
19	Public service

Job Adverts (EDP)

Key Facts

From the available data for this quarter it is evident that the public sector is still offering the largest amount of positions, accounting for between 50 and 68% of the jobs in the paper. Although there were some weeks where the public sector only accounted for between 30 and 38% Third sector jobs have accounted for between 3 and 8%, which is slightly higher than the previous quarter.

Vacancies notified to JCP			
	Number	% Full Time Positions	Monthly Change %
October	3, 896	61	+10
November	4, 118	65	+2.5
December	3, 796	69	- 7.8

Skills

Key Facts

Statistics released this quarter regarding A-Levels, GCSEs and SATs show that Norfolk is falling behind the national results with an emphasis on the low achievement of primary school leavers which has a knock on effect later in their education.

Easton College is however leading the country in providing skilled workers in land-based qualifications and Wayland has just opened up a £1.9m centre which aims to encourage more youngsters to stay in education and teach them practical trades.

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.

Norfolk's future skills and competitiveness were in doubt this month as the county's teenagers took a tumble down the table at both GCSE and A-level (falling from 76th to 91st out of the 150 English local authorities). See table.

GCSE and A-level results		
Percentage of pupils getting five or more A*-C GCSEs, including English and maths		
	2008	2009
Norfolk	47.9	49.6
England	47.6	49.7
Percentage getting five or more A*-C GCSEs		
	2008	2009
Norfolk	60.1	62.8
England	65.3	69.7
Average A-level pts score per candidate		
	2008	2009
Norfolk	701.9	687.6
England	721.0	713.0

Figures from the Department for Children, Schools and Families show how each county has fared in National Curriculum assessments, known as SATs, taken by both 11 year olds (key stage two) and 14 year olds (key stage three). Norfolk scored below the national average in English and Maths at key stage two. At key stage three the county fared better, beating the national average in science and maths.

In August the provisional results for the key stage two tests revealed almost half of 11 year olds in Norfolk are leaving primary school without grasping the finer points of the three Rs. Just 56 percent of pupils reached Level 4, the standard required of the age group in reading, writing and arithmetic, markedly below the national average of 61 percent.

Key stage three, percentage gaining level five, the required level	
Norfolk	English 74%, maths 80%, science 80%
National	English 77%, maths 83%, science 82%
Key stage two, percentage gaining level four, the required level	
Norfolk	English 77%, maths 77%, science 82%
National	English 79%, maths 80%, science 86%

People in East Anglia are trailing the rest of the country when it comes to having a degree, according to the Universities and Colleges Union (UCU).

Hotspots Great Yarmouth and South-West Norfolk are in the bottom ten of 628 parliamentary constituencies across the country, with fewer than one in eight educated to degree level. Great Yarmouth also has a high proportion of adults with no qualifications at all – at one in five.

The rest of the region fails to shine, with Norwich South the best for degrees at fewer than three in ten.

Easton College have invested in a new £4.5m equestrian centre. The facilities include an Olympic-sized indoor arena with a viewing area, an outdoor arena,

internal and external stabling, a horse-walker and a solarium, all of which will boost the education of about 300 equestrian students.

Easton College is leading the country in providing skilled workers in land-based qualifications with a series of local training initiatives, which have already helped more than 100 students gain land-based qualifications this year. The college have worked with local employers to create the Easton College Technical Diploma which is a new style of apprenticeship and fulltime learning over two and a half or three years. The pilot project involves two full time terms at college, then working on employers' farms between April and October and eventually getting Level 111+ qualifications.

The Sector Skills Council has high-lighted findings that 31 percent of vacancies in agriculture are hard to fill, and especially at farm manager level.

Vocational Skills Centre, Wayland – a £1.9m centre which aims to encourage more youngsters to stay in education and teach them practical trades was opened this month. Built on the Wayland Community High School site the VSC is already teaching students aged 14 and over skills including bricklaying, carpentry, electrics and plumbing on the diploma in construction and the built environment course. From next September, it will also offer a diploma in engineering, and year 10 and 11 students from local schools will also be able to take part in practical courses there.

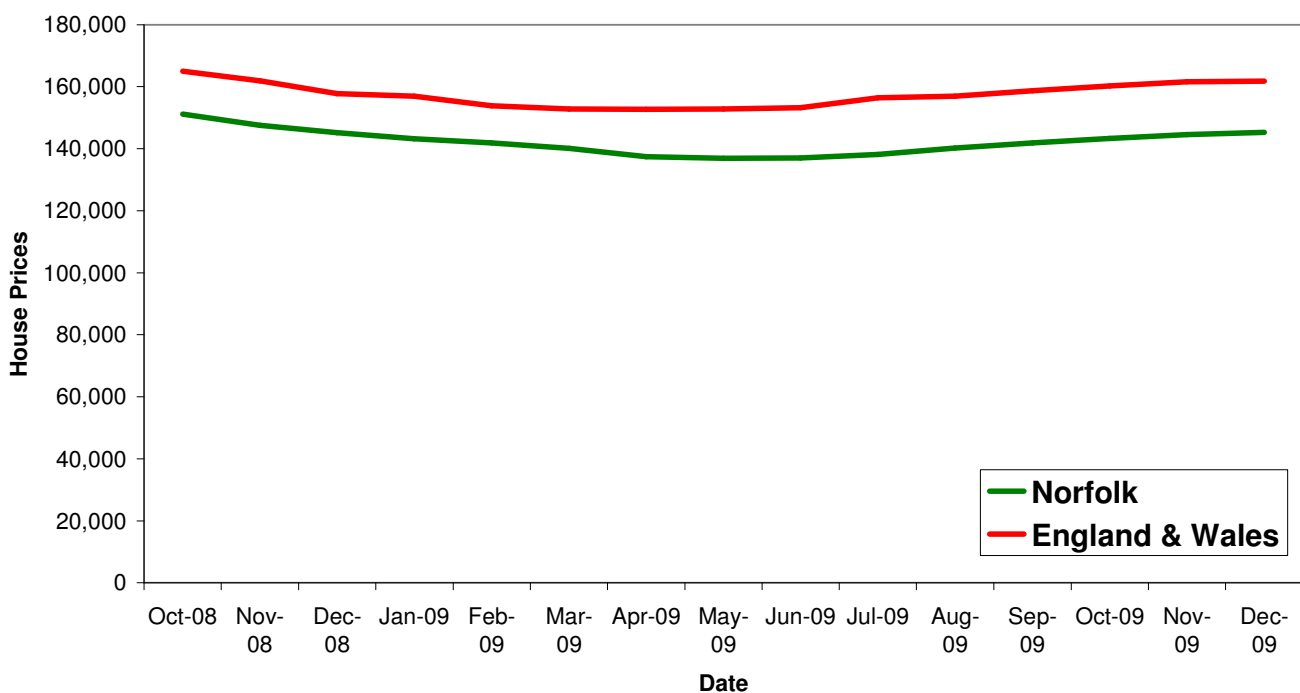
Housing

Key Facts

UK house prices have averaged £167, 411 in this third quarter with a rise in prices of 2.12% between October and December (Halifax)

Norfolk house prices have averaged £144,415 in this third quarter with a rise in prices of 1.42% between October and December (Land registry which changes monthly)

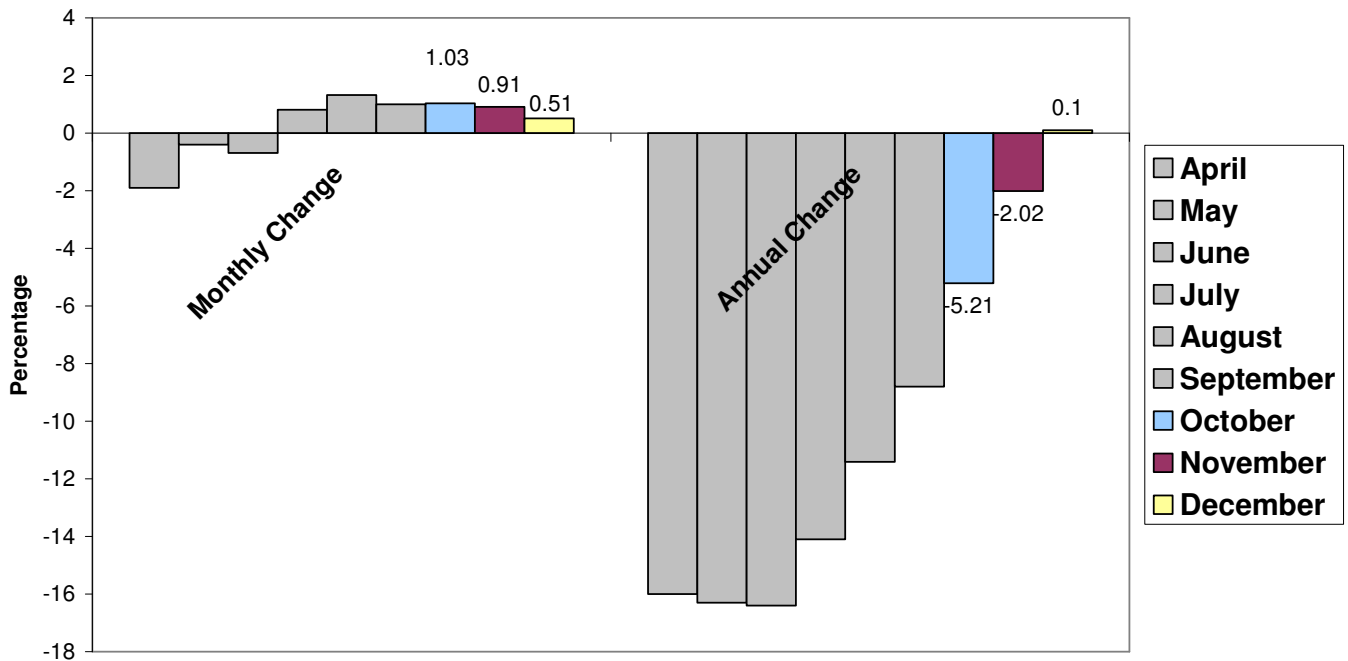
House Price Trends



Source: Land Registry, Crown copyright

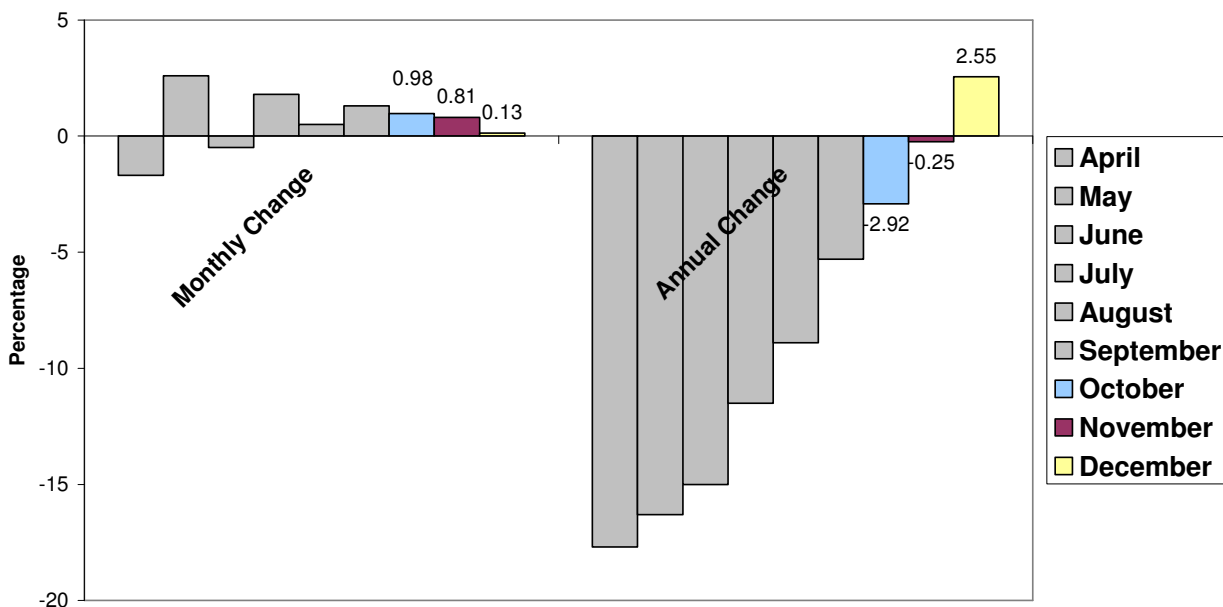
Norfolk's monthly change in house prices are consistent with the general trend in England and Wales, with October being the best month and then progressively decreasing. Norfolk broke into positive annual change in December, although this was only 0.1 percent compared to 2.55 percent seen in England and Wales.

Norfolk House Price Trends



Source: Land Registry, Crown copyright

England & Wales House Price Trends



Source: Land Registry, Crown copyright

A draft consultation document has been released revealing where hundreds of homes and other developments could be built in Norwich in the future. The document outlines 170 potential sites.

- The former Woolworths site at Riverside could be turned into a concert hall or sports centre
- The Norwich Community Hospital site in Bowthorpe Road could make way for new homes
- Twenty of the city's car parks could make way for housing
- Bethel Street Fire Station could be used for shops, flats and offices
- Part of Eaton Golf Club could be used for housing

Commercial Properties

Key Facts

Extensions to business parks and large establishments such as Norfolk Constabulary may indicate that confidence is returning in the commercial property sector.

Gateway 11 business park, Wymondham – unveiled in 1996, the business park occupies a 50-acre site along the A11 - work is set to start on two new office developments in the Gateway 11 business park in a sign that confidence could be returning in the commercial property sector.

Developers Wrenbridge and Harber Commercial Properties have announced plans for an 8,500sq ft unit on the Apex section of the business park, which will be built to Grade A environmental standards. The announcement comes as construction is due to start on a 12,000sq ft building, also on the Apex, which will be used by a Norfolk health trust, and follows planning approval for an office village on the site.

Both developments, which are due for completion next summer, follow news that Norfolk Constabulary, which has its headquarters on Gateway 11, has acquired two further buildings (10,400 and 5,600sq ft) as offices for Norfolk Police Authority and other backroom services in addition to the purchase of two acres of land for expansion.