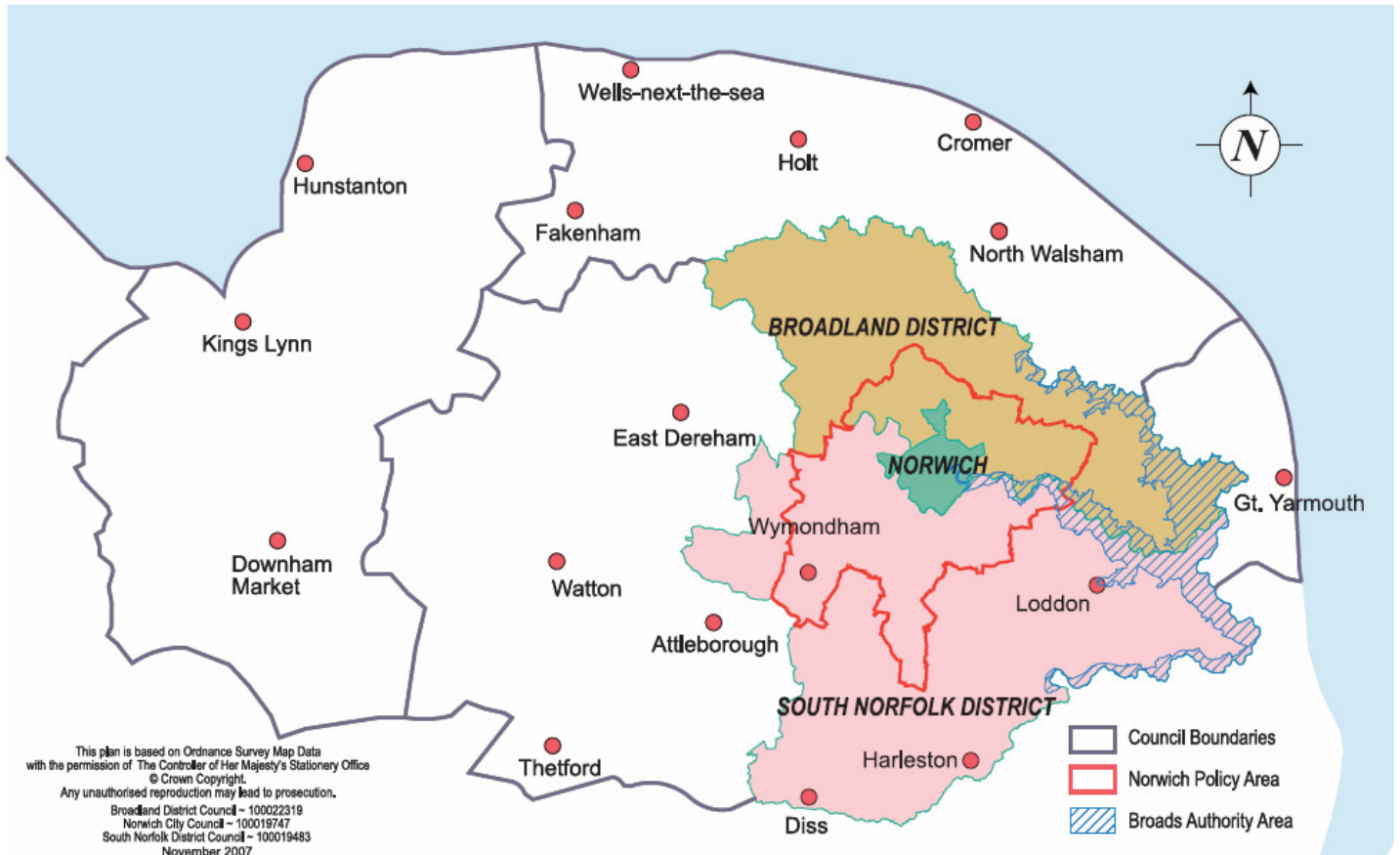


Greater Norwich SEPTEMBER 2009



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

Summary

September saw some continuing negative headlines – with job losses in construction at RG Carter and May Gurney and 90 job losses at King's Lynn based air conditioning business ACR Heat Transfer.

Redundancy notifications were also sharply up – 368 – the highest number since April.

Numbers were very low in July and August, probably partly due to the holiday season. The figure of 368 in September compares with just over 200 in September 2008.

Negative trends were outweighed by positive news – with strengthening order books, new jobs and some signs of increased business investment.

Business investment in particular has been noticeable by its absence in recent months.

September also saw the launch of the World Class Norfolk campaign to promote businesses in the county to a wider audience.

September is traditionally a busy month for company announcements after the summer break.

There had been fears the autumn might bring further job cuts and negative announcements.

But in reality September and the early part of October have been largely positive.

The Norfolk jobless figure has reduced again, although the strong tourism season may have been a factor, and house prices have continued their gradual rise.

As far as orders are concerned, May Gurney for example, despite the previously mentioned job losses, has won some significant new orders.

And important Norwich engineering business KLM Engineering, based at Norwich Airport, won a significant contract with EasyJet.

Around 250 jobs are also to be created at Hingham near Norwich with the return of Lotus to Formula One.

In the service sector call centre business Open Contact has picked up significant new business with Norwich insurance business TPS and insurance broker Swinton is continuing to recruit for its Norwich office.

Trading Climate & Confidence Levels

Key Facts

September has been a largely positive month – with confidence levels amongst businesses growing. There are still concerns about future trends. Whilst many businesses are now seeing fuller order books and beginning to invest in their businesses again, many remain cautious. Public sector cuts are also starting to become an issue.

Agriculture & Food Processing

Farmers have seen their costs rise by more than a quarter over the past three years in the face of fluctuating fuel and fertiliser prices. Since October 2006, when Anglia Farmers launched its agricultural inflation index, total costs based on a basket of 95 core products have risen by 26 percent. However, the most recent data shows the industry's overall costs have fallen by 6.32 percent over the past 12 months, thanks in part to falling fertiliser prices and bank interest charges.

Booja Booja, South Norfolk – produces vegan chocolates – received an award from a vegetarian campaign group Viva! for creating the vest vegan chocolate for its champagne truffles.

Moves to put out to tender the management of Norfolk's 16,000 acres of council owned farms look set to be put on hold in the wake of the recession.

RS Baker & Son, owners of a "food park" on the outskirts of Norwich (Little Melton Food Park) – have invested more than £30,000 in new high-tech cold storage facilities. The new cold stores range from small rooms to a 50,000 sq ft store designed to run at -25oC.

Construction

R G Carter, Drayton – building firm – "the recession wiped more than £6m from the pre-tax profits of the firm in 2008 – and led to a 286 job cut in the group's workforce.

May Gurney, Norwich – integrated support and construction services – 21 jobs will be made redundant following a review of staff levels in its highway department. Five of the redundancies were voluntary and staff have been redeployed in other parts of the company where possible.

The company has secured a £350m, 10 year highways maintenance contract with Lincolnshire County Council. It will run for an initial five years with a further five years of extensions available.

Creative

Hudson Architects, Norwich – architect firm – has won the Building of the Year Award from the Royal Institute of British Architects for the Salvation Army headquarters in Chelmsford.

Engineering

Group Lotus, Hethel, Norwich – manufacturer of sports cars – saw the first Lotus Evora rolled out of the factory to the first paying customer, marking the beginning of earnings from years of development.

Lotus F1, Racing Technologies Norfolk facility, Hingham – manufacturer of sports cars – will see up to 250 new jobs being created in the next six months as the Lotus brand is poised for a return to Formula One.

Exhibition of Advanced Manufacturing and Engineering 2009 (EAME), Hethel Engineering Centre – saw a significant increase in attendance over last year, with 539 registered guests on the first day alone up from about 350 last year. It featured demonstrations and stands from companies including HAAS, the world's largest manufacturer of computer numerical controlled (CNC) machines, ABB Robots, Neuteq, Renishaw and Ransomes Jacobsen. Smiths Aerospace, Lotus Cars and Global TCT also hosted displays.

Broom Boats, Brundall – country's oldest powerboat builder and Haines Marine Construction, based in Catfield, North Norfolk both exhibited at the Southampton Boat Show. Both companies sold two boats at the show and secured further demonstrations.

Financial

Swinton, Norwich – insurance – announced plans for 30 new jobs at its call centre, and these are in addition to more than 250 announced in April.

Moore Stephens, Norwich – accountancy firm – has opened up a new corporate finance arm in Norwich with M+A Partners. Moore Stephens was ranked 11th in this year's league of the top 50 UK accountancy firms by the industry magazine Accountancy Age, with fee income in excess of £126m in 2008.

Open Contact, Norwich – outsource call centre – has doubled its staff numbers after clinching a three-year contract with insurance company TPS (Insurance Admin Services) by beating national competition for the work. As a result all those employed in the city by TPS – part of niche specialist the Longhawk Insurance Group- have transferred to open Contact's employment.

Alan Boswell, Norwich – insurance group, increased staff numbers from 145 to 156 people during the year – given an upbeat verdict on trading through the financial turmoil of the last 12 months – and is on track to increase turnover and profits in 2010. Turnover rose by 7 percent to £9.3m in the year to March, while pre-tax profits dipped by 12 percent to £2m. However costs had increased by

about 11 percent during the year including setting up new ventures and investments.

Health & Life Sciences

Dianna Princess of Wales centre, in the old Mudesley Hospital, North Norfolk – went on the market for £750,000 earlier this year after the charity running the clinic collapsed. Four offers have already been placed with interest from the healthcare and leisure industries.

ICT

Swains, Hunstanton – telecoms – announced a 25 percent growth in staff (six new members) following booming demand for internet phone services. The firm provides telephone and broadband services to more than 5,000 businesses nationally. Rapid expansion in Voice over Internet Protocol (VoIP) services have partly driven the growth. Turnover at the company was £7.5m in the 12 months to 31 March, 2009, after growing at a rate of about £1m a year over the past five years, and the projection for the current financial year was £7.9m.

Manufacturing

Structure-flex, North Norfolk – one of the UK's market leaders in bulk packaging as well as vehicle tension curtains and lifting products, employs more than 130 people and manufactures and supplies over 35 different products in more than 20 countries – has designed and built a flexible 10,000 litre open-topped water storage tank, for the British Antarctic Survey, to take to the ice shelves next year to assist in its work looking at ocean beneath the ice and help predict changes in sea levels.

ACR Heat Transfer, King's Lynn – produce air conditioning equipment –80 workers have been made redundant. This follows news that workers had not been paid for a fortnight and had been sent home from the factory three times in as many working days. A bid for its assets had been won by Newmarket-based competitor Beehive Coils who, at this stage, had decided to close the company.

Tourism

The region's family tourist attractions, which normally experience a pronounced dip in visitor numbers at the end of the school holidays, are still reporting booming trade.

The director and owner of Africa Alive!, near Lowestoft, Banham Zoo and Dinosaur Adventure, near Norwich, reported that all three attractions had an increase in visitors this summer and the parks were still busy.

Fairhaven Woodland and Water Gardens, South Walsham – reporting buoyant late summer trade.

Visit Norwich – tourism body – is confident of a strong and stable future for the organisation despite a deficit of more than £30,000. Turnover for the organisation fell from about £459,000 in 2007/08 to £353,000 in 2008/09 in part due to

reduction in public-sector support from Broadland district and South Norfolk councils and new advertising restrictions.

UK Holiday Group, Norwich – tourism firm, employs about 400 nationally including 60 at its city centre headquarters – in line for an 11 percent rise in bookings partly due to a boom in demand for domestic travel. They expect to carry 100,000 holidaymakers in the year ending October 31, up from 90,000 last year. The company recently recruited two new members.

Thursford Christmas Spectacular, North Norfolk – Christmas show – will be creating 100 temporary jobs to help with preparations including costume ironers and pressers, front of house stewards, cleaners and bar staff. The show consists of 86 afternoon and evening performances, with a total of 127,000 people from all over the country set to see it.

Strattons, Swaffham – boutique eco-hotel – set to expand with two new rooms, two new eco-lodges and a deli opening in the coming months.

Sea Life Centre, Hunstanton - Merlin Entertainments, the firm behind the attraction has dismissed reports it was preparing to float on the stock market as pure speculation.

Other

Aquaterra Energy, an offshore engineering company, Norwich; Syne Qua Non, a Diss-based research company; and PPI Engineering, a Norwich business that specialises in rotating electrical machines were awarded the Queen's Award for Enterprise.

Java, Norwich – furniture and interior shop – will be opening this month in the Chapelfield shopping centre. It is the first retail outlet for the company, although the wholesale business, which is based outside Dereham, has supplied hundreds of shops across the UK and Europe and hotels worldwide. The store will create a dozen jobs for local people in-store and on the delivery team.

John Lewis, Norwich – department store – saw sales fall by 6.5 percent in the first six months of the year, compared to a decline of 6.8 percent for the partnership's other established stores around the country.

Norwich City Council – significant job losses are set to be rolled out as civic leaders confront the reality of the recession and battle to stem an £8m black hole in the public purse. Jobs will be lost at City Hall and there will be a shake up in services to get finances back under control and ride out the downturn.

Breckland Council - leaders ordered 10 percent cuts in spending in the next year.
South Norfolk Council - unveiled a £2m cuts package after shedding 40 jobs and cutting services.

Norfolk County Council - ordered a review of 600 managers' jobs, as the first wave of an overhaul aimed at saving £140m in the next three years.

A couple from Broadland has invented a new baby blanket called the Grow Blanket. Their design has been taken on by East Coast Nurseries in North Walsham, and is set to be sold in Toys R Us and Sainsbury's online, as well as on the couple's own website. It is believed it could go global.

Homeserve, Broadland Business Park – emergency repair group, employs about 200 people – forecast rising profits for 2009 on the back of increasing policy sales in the UK. In the first six months of the year there have been 750,000 new policy sales compared with 770,000 in the first half of 2008. Customer retention remained high at 83 percent. But the company said the service they provide continues to suffer from reduced volumes.

The company has now sold its emergency services division in a multi-million pound deal to a newly incorporated company backed by Lloyds TSB Development Capital and management. The sale includes the Homeserve Blass and Locks business, which employs 200 at the Broadland Business Park and the company's Contents Services and Chem-Dry arms.

Samphire locally produced food shop and a home brewing supply shop called 'You Can Brew It', South Norfolk – have opened in two market towns. Both companies said they were well placed to weather the credit crunch thanks to their choice of products, although their approaches are entirely different. Samphire believes the ability for customers to understand where their food comes from and demand for premium food produce remaining high; while 'You Can Brew It' believe that home brewing will help save customers money.

October Headlines:

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.

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.

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.

Unemployment

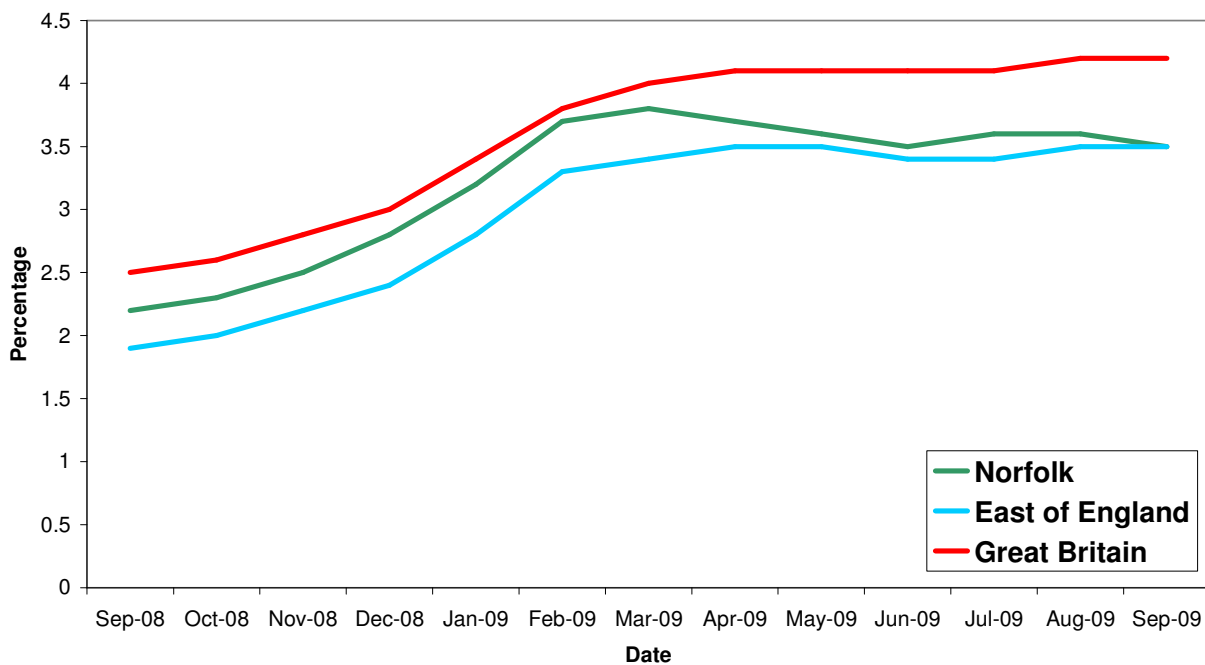
Key Facts

Norfolk JSA claimant count was 17,399 in September, down 457 or 2.6% since August 2009 but up by 6,604 on the year, a 61.2% increase since September 2008.

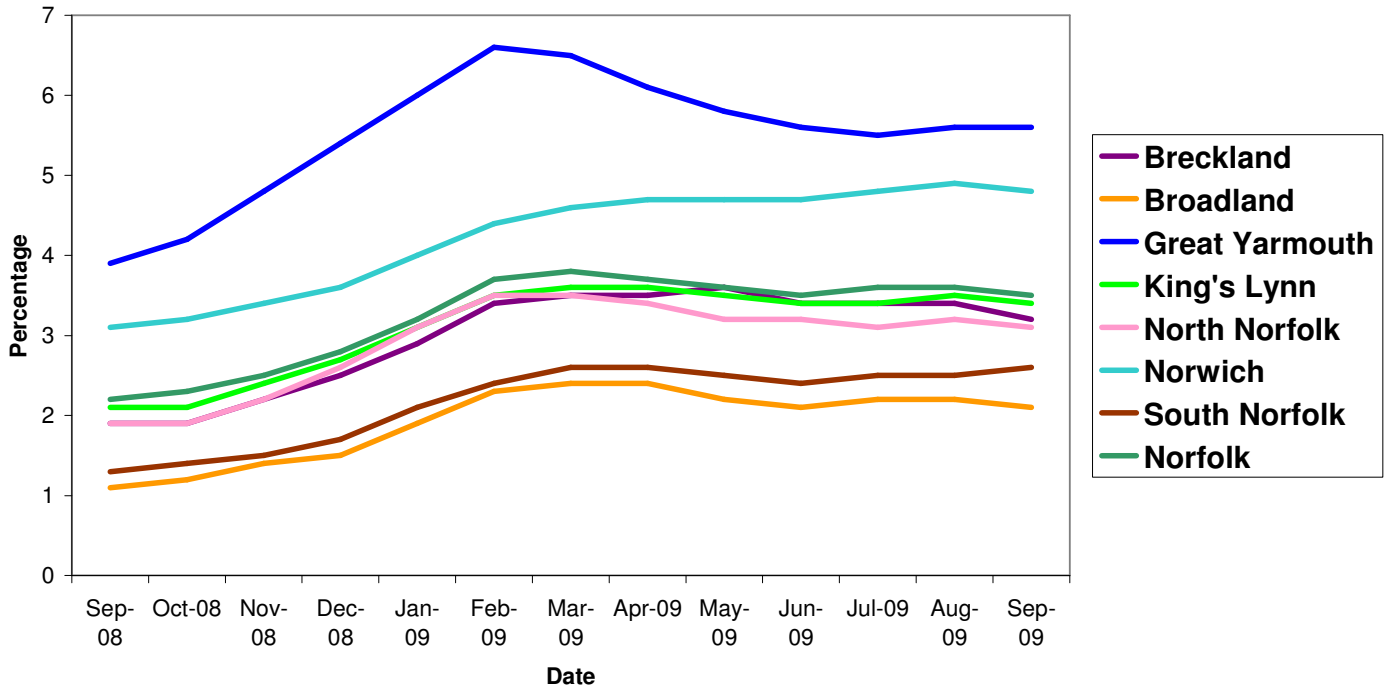
Norwich continues to be over the Norfolk average by at least one percent, while Broadland and South Norfolk remain below Norfolk's average by one percent.

Source: Nomis, Official Labour Market Statistics

All people claiming JSA



All people claiming JSA



Source: Nomis, Official Labour Market Statistics

Area	Count	%age of working age population	Change in count year on year	%age change in count year on year
Norfolk	17,399	3.5	6,604	61.2%
Breckland	2,422	3.2	985	68.5%
Broadland	1,506	2.1	711	89.4%
Great Yarmouth	3,046	5.6	929	43.9%
King's Lynn & West Norfolk	2,773	3.4	1,050	60.9%
North Norfolk	1,640	3.1	636	63.3%
Norwich	4,275	4.8	1,466	52.2%
South Norfolk	1,737	2.6	827	90.9%

Source: Job Centre Plus

6,391 claimants in September 2009 were from the Norwich Job Centre Plus office, a 63 percent rise from 2008, an increase of 147 percent since August 2009.

Redundancies

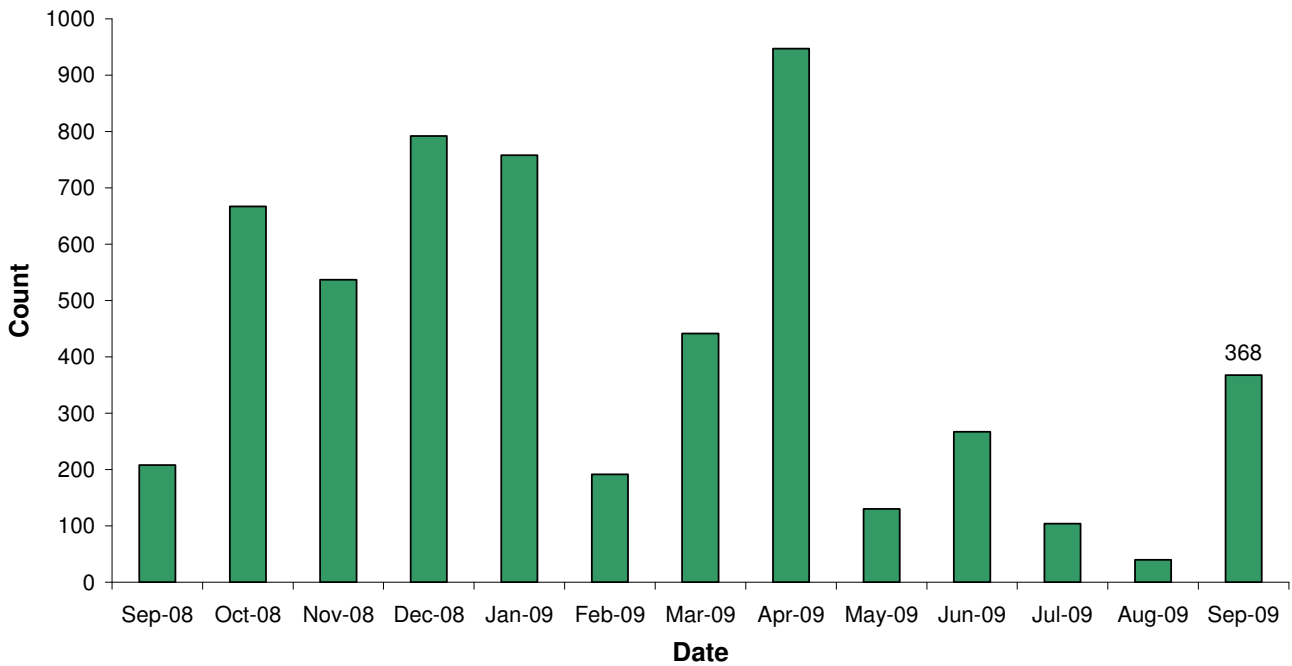
Key Facts

There have been 5,661 redundancies notified to Job Centre Plus between July 2008 and 30 September 2009, with an increase of 6.95% since August 2009. Of these 54% have been in Norwich, 2% in Broadland and 2% in South Norfolk.

The hardest hit sectors still continue to be manufacturing (955), construction (811) and insurance and financial services (998).

Source: Job Centre Plus

Norfolk redundancy notifications



Retrospective data included which has altered previous entries

Job Adverts (EDP)

Date	Pages	Public Sector Jobs (council, education, NHS, healthcare)	Private Sector Jobs	Third Sector Jobs
3 rd Sept	6	68 (54.4%)	45 (36%)	12 (9.6%)
10 th Sept	9	94 (47.96%)	95 (48.47%)	7 (3.57%)
17 th Sept	No data			
24 th Sept	11	111 (59.36%)	66 (35.3%)	10 (5.35%)


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

3,511 jobs in Norfolk were notified to Job Centre Plus. Of these 66 percent were full time positions. Notified vacancies were down 19 percent from August's total.

In terms of district vacancy notifications:

- Broadland had 454, a drop of 29 percent since last year and a 3 percent increase from August.
- Norwich had 930, a drop of 4 percent since last year and a 38 percent decrease from August.
- South Norfolk had 351, an increase of 10 percent since last year but a 15 percent decrease from August

Industry	Norfolk	
	September 08	September 09
Agriculture, hunting and forestry	29	38
Manufacturing	94	99
Construction	102	83
Wholesale and retail trade	486	431
Hotels and restaurants	288	369
Transport, storage and communication	47	40
Financial intermediation	58	58
Real estate, renting and business activities	1,770	1,534
Public administration/defence/compulsory social security	164	97
Education	39	71
Health and social work	376	507
Other community, social and personal service activities	106	163
Column Total	3,559	3,490

 Industry sectors with job vacancy losses

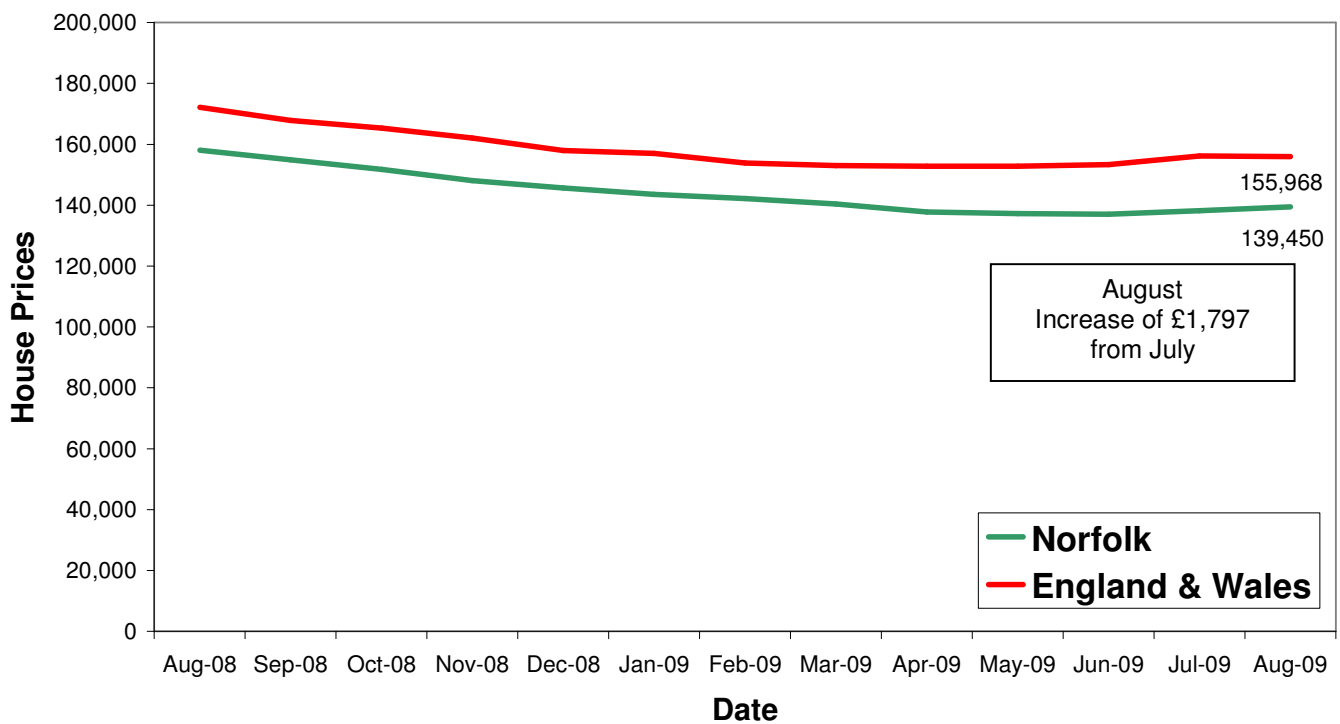
Housing

Key Facts

- **UK house prices increased by 1.6% in September.** This is the third consecutive month which has seen an increase in prices. House prices nationally have risen by 1.7% since the end of 2008.
- **Average House price £163, 533**

Source: Halifax House Price Index

House Price Trends



Source: Land Registry