

Great Yarmouth and Waveney Quarter 3: October - December 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

This report brings together key business and economic intelligence information over the past quarter to develop a clearer understanding of the economic performance of the Great Yarmouth and Waveney sub-region.

Key indicators

Business confidence	↑
Unemployment	↑
Redundancies	↓
Job vacancies	↓ in Norfolk overall ↑ in Great Yarmouth
House Prices	↓

Summary

Sectors with a strong third quarter include construction as Gardline Shipping has launched its second windfarm transfer vessel, digital with online car accessories dealer Passion Automotive seeing an increase in sales and energy with new inventions and promise of a new windfarm off the coast.

The number of people claiming job seeker allowance has risen across Norfolk, with 300 extra claimants in Great Yarmouth between October and December. The number of claimants rose in Waveney but only by 20, representing 0.7pc.

Job vacancies notified to Great Yarmouth Borough Council rose over the three months, which follows a rise in the previous quarter, but there continues to be a fall in advertised jobs in the local papers.

House prices decreased in both Norfolk and Suffolk this quarter, which for Suffolk represents the first fall within a quarter since Quarter 1, April-June 2009. Although both counties saw a decrease they were both below the UK average.

Conclusion

A positive quarter for many sectors alongside a reduction in redundancies and a rise in job vacancies in the sub-region but with JSA claimants increasing

Trading Climate & Confidence Levels

Key Facts:

A £750,000 investment in new machinery at Blackwells, a printing company, and a £300,000 investment at Scour Prevention Systems to develop a system to protect offshore windfarms and oil rigs. EastPort UK have announced the suspension of its container operation but are reacting to a growing demand from the offshore wind sector.

Agriculture & Food Processing

This quarter has seen positive stories with local breweries Adnams and St Peter's doing well. Adnams was named Brewery of the Year in the 2011 edition of the Good Pub Guide and its small scale distillery producing hand-crafted vodka, gin and whisky officially opened this quarter, while St Peter's products are now being stocked in Asda.

There has been positive progress in two particular cases since previous quarters. Sam Cole Food Group fishing merchants have increased staff numbers by 10pc since the new £2.5m processing plant became operational last quarter and pea growers in East Anglia have signed a contract with Europe's biggest frozen food specialist, Ardo. The contract is worth a total of £3m and also secures 38 jobs at the Norbert Dentressangle freezing plant. It was announced in the last quarter that Birds Eye decided to move pea production out of Norfolk and Suffolk.

Construction

New equipment and projects this quarter as Gardline Shipping, a specialist boat builder, has celebrated the launch of its second windfarm transfer vessel while R G Carter is working in association with Great Yarmouth Borough Council to transform St George's Chapel in to a new arts centre.

Creative

Investment and young entrepreneurial spirit is evident this quarter as Blackwells, a print and marketing company, invested £750k in a new press to help the service to become faster and more efficient while a young entrepreneur who established SHhhh, a logo clothing company, has gone full time and is being based at Great Yarmouth College's Alchemy Centre.

Digital

Lots of positive online business stories with Passion Automotive – online car and motorbike accessories dealer - seeing an increase in sales of 35pc; Internet Workwear – uniforms supplier throughout the UK – is looking to build into a million-pound business following rapid growth with sales currently at more than £500,000 a year; and weconnectstudents.com – a new national website similar to facebook for new university students to meet one another is to launch. In addition Comm-Tech has been awarded Platinum Partner Status by Vodafone UK making it one of only 23 nationwide to be given the status.

Energy

Energy continues to be a strong sector in this sub-region with offshore energy being prominent. There is a proposal for a new offshore wind farm, East Anglia One, off the Suffolk coast by Scottish Power Renewables, it would be the second largest in the UK and could create hundreds of new jobs. Seajacks who operate self propelled jack up platforms for wind-turbines will be building new premises allowing expansion and new jobs and Scour Prevention Systems has invested £300,000 to develop a system to protect offshore windfarms and oil rigs from the effects of being battered by the sea using used tyres.

Engineering

Good news this quarter for SLP Engineering. The company is set to recruit 60 staff after securing its first major contract since being bought out of administration. The company first had trouble in Quarter 3 2009.

Environmental

The sub-region has seen positive and encouraging environmental stories as the RSPB reserve at Minsmere, south of Southwold has been designated as a Natura 2000 site, giving it the status of one of the most important sites in Europe, In addition mental health charity, Minds Work 2 Grow, has been awarded for their use of recycled materials and its role raising awareness of the impact on the environment and there is now the opportunity for thousands of tonnes of food waste collected from homes and schools in Waveney and east Suffolk to be turned into “green” gas for the National Grid. The renewable fuel will be used to produce renewable energy at Adnams new anaerobic digestion plant at Reydon.

Manufacturing

Two businesses having a positive quarter are Starfrost, an engineering company who has completed a project worth £1.4m to supply freezers for a new food processing factory in Thailand and Aerocoat, a specialist powder coating firm, has launched Aeromax, a mirror finish paint which is an alternative to chrome. There is also “Mirror in a Can” which with a big corporation could be developed for the mass market.

Retail

Several stores are planned/have opened this quarter creating 10s of jobs in the sub-region including Poundland, BrightHouse, Dominos Pizza and First Furnishings. Two stores set to benefit from being online are Palmers’ department store, which has already started to see the positive effects of being online as a customer from Australia has been able to use the service to order a gift for her daughter in England, and Books Inside, an independent bookshop in Great Yarmouth which has closed is set to continue in an online form. However, the internet revolution has been blamed for the closure of David Mobbs, a sports shop which saw 45years of trading.

Tourism

A mixed quarter for tourism as Lowestoft based Hoseasons Group won two prestigious awards at the British Travel Awards and Great Yarmouth saw the

launch of the resort's 2011 brochure, and the world premiere of its new television advert targeting 12m people in ITV's Central and Yorkshire areas. Grand UK Hotels has bought the Hotel White Feather on Great Yarmouth's Seafront, taking the chains portfolio up to 11 hotels. Tourism in the Waveney Valley enjoyed a bumper summer, despite disappointing weather and figures show that tourism now brings in £238m into the district and the industry supports 12pc of jobs. Elsewhere Pontin's holiday park company has gone into administration with one of its parks based in Lowestoft and there has been a set back in creating a 'super' casino in Great Yarmouth with the deadline for casino licence applications being moved from January 31 to May 31 and a blunder by the International Casino Review.

Other

A mixture of good and bad stories for the sub-region as CHC Scotia Ltd announced Great Yarmouth's North Denes heliport will be closing next May to allow the focusing of operations at Norwich Airport with the opportunity for jobs to be transferred to the city operations, where as Norse grounds division, the contract and facilities management company, has moved to a new depot on the outskirts of Great Yarmouth to help service contracts in the east of Norfolk. In addition there are major plans to transform large areas of brownfield and waterfront locations around Lowestoft over 15 years which would create a 1000 new jobs for the sub-region if given the go ahead.

Other Information

Opportunities in both the public and private sector this quarter, but at a cost. The Port of Great Yarmouth has announced the suspension of its container operation with the £30m terminals £7m cranes set for removal before being used even once. The move is said to have been made in response to growing demand from the offshore wind sector and the continuing slump in the container business. Eastport UK has already clinched a significant contract that will see the outer harbour used as a base for the construction of a new windfarm off the east coast over a six month period.

Waveney District Council and Suffolk Coastal District Council will be discussing moves which would see the council management teams merge, helping deliver the best possible services and save an estimated £250,000, while Suffolk County Council will see 1,472 jobs go by April 2012 as the authority look to make savings of at least £40m next year as part of £110m and £125m savings over the next four years.

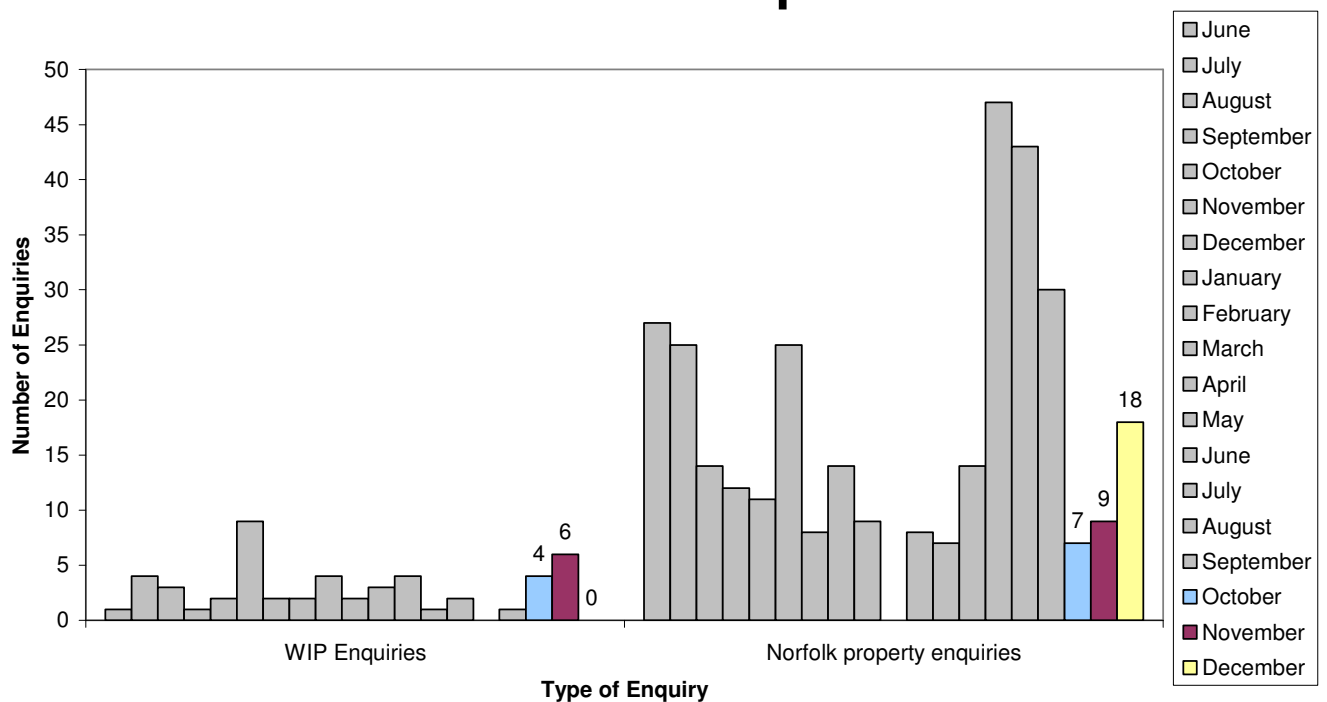
In more positive news a new partnership, Waveney Pre Apprenticeships, has been formed between Enterprise Lowestoft and local businesses. The partnership aims to offer youngsters between 16 and 18 an opportunity to enhance their skills and talents by working within a business for a set period of time.

Investment Enquiries

Key Facts

In this quarter WIP enquiries rose, with November being the highest month since November 2009, this may be in relation to the current economy with Norfolk being viewed as a cheap location. However, property searches have dramatically decreased which could be attributed to the current uncertainty in the economy and the run up to Christmas. Ongoing research and action is taking place in terms of increasing visitors to the websites and converting the visits in to enquiries.

Investment Enquiries



WIP Enquiries – foreign company property investment enquiries

Norfolk property enquiries – enquiries via www.investinnorfolk.com

Insolvencies

Key Facts

There has been a sharp drop in corporate failures but companies are not out of the woods as public sector cuts start to bite. In this quarter 3,605 companies in the UK became insolvent – a 6pc decline on last quarter and 19pc lower than a year earlier.

Source: PricewaterhouseCoopers

Insolvency rose from 21 to 36 in Norfolk between the third and fourth quarter of 2010.

Source: McTear Williams & Wood

There were 565 corporate failures in construction this quarter, making it the UK's worst affected sector ahead of manufacturing with 410 and retail with 399. However all sectors showed a marked improvement when compared with the same quarter of 2009.

15,804 firms in the UK became insolvent in 2010, a fall of 18.5pc in the previous year after economic conditions improved and more businesses were able to pursue options other than insolvency.

Surveys

Key Facts

A mixture of surveys this quarter regarding response to changes in the economy including one predicting the number of public sector jobs which would become available in the future.

November – [Norfolk Business Life report](#) by Larking Gowen regarding the government's spending review. Findings include:

- 49pc of businesses surveyed said measures introduced by the coalition would help businesses, 51pc said they would not help
- 80pc of businesses believe the coalition government will last the full five years
- 44pc of businesses believe the cuts in public spending will have a neutral effect on their business, 42pc negative and 14pc positive.
- The three biggest threats to businesses were listed as
 1. increase in the burden of red tape (22pc)
 2. ever increasing competition (15pc)
 3. interest rates (11pc)
- 60 pc of businesses think something positive has come out of the recession
- 93 pc of businesses anticipate that current staffing levels will be maintained or increased
- 41pc expect profits to increase in the coming 12 months

November – business survey by insurance specialist QBE. Findings include:

- 68 pc of businesses felt the economy's recovery would take two years or more
- 32pc of businesses felt it could take more than three years
- 38pc felt the increase in VAT to 20pc in January would have a negative impact on businesses

- 16pc of SMEs expect to recruit in 2011
- 60pc said their business was more efficient than before the recession, with 40pc saying they are more competitive

December – Markit/CIPS Purchasing Managers' Index (PMI) survey, where reading over 50 indicates growth. Findings include:

- Services sector registered a slight decline from 53.2 in October to 53 in November
- Sector made job losses for the second month in a row
- Businesses warned of a worrying lack of consumer demand before the key Christmas trading period
- Sector has now grown for 19 months in a row, but the rate has slowed after it had been above 55 for consecutive months in the middle of the year

December – CBI response to proposed changes in retirement ages. Findings include:

- Scrapping the default retirement age (DRA) from next April would create 'unintended consequences' as employers will not be able to dismiss staff because they reach the age of 65, but the CBI said the rules around retirement would become less clear for employers and their staff.

December – Centre for Economics and Business Research and totaljobs.com on public sector jobs. Findings include:

- More than two million job vacancies will need to be filled in the public sector by 2015-16 despite the cuts in Government spending
- Positions are likely to come from people retiring, illness and workers moving to other jobs
- Huge savings could be made if public sector organisations changed employment practices, such as advertising vacancies more widely than just internally.

Support & Government Initiatives

Initiatives Released/Promoted:

The Response to Redundancy (R2R) programme, which works in tandem with support services including Jobcentre Plus to ensure people made redundant get the right support to meet their individual needs has been given a £2.8m boost. The East of England Development Agency has secured the funding from the European Social Fund which will allow the programme to continue in 2011.

A specialist advice service for firms with up to five staff has been extended by Business Link in the east of England. The phone-based service hopes to provide busy, time-poor business owners and support during weekday evenings and on Saturdays as well as weekdays. Specialisms include sales, marketing, including social media, technology, operations, financial and business planning, product development, HR and training.

Other initiatives

The loan fund, established by Waveney Local Strategic Partnership and Waveney District Council, will target individuals looking to set up in business and to help established businesses survive and grow.

Business Link Engagement

Key Facts

The figures below demonstrate the enquiries for the first three quarters from April 2010 to December 2010. Great Yarmouth has had the lowest total engagement with Business Link and this may be due to the presence of EnterpriseGY.

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	180	29	1.0	1,343	44.4	1,552	51.3	53
Breckland	5,045	201	68	1.3	1,880	37.3	2,149	42.6	98
Broadland	4,595	166	57	1.2	1,678	36.5	1,901	41.4	80
King's Lynn & West Norfolk	5,410	244	67	1.2	2,060	38.1	2,371	43.8	134
North Norfolk	4,485	177	80	1.8	1,748	39.0	2,005	44.7	153
Norwich	4,235	344	84	2.0	2,236	52.8	2,664	62.9	117
South Norfolk	5,280	212	68	1.3	1,889	35.8	2,169	41.1	101
TOTAL	32,075	1,524	453	1.4	12,834	40.0	14,811	46.2	736

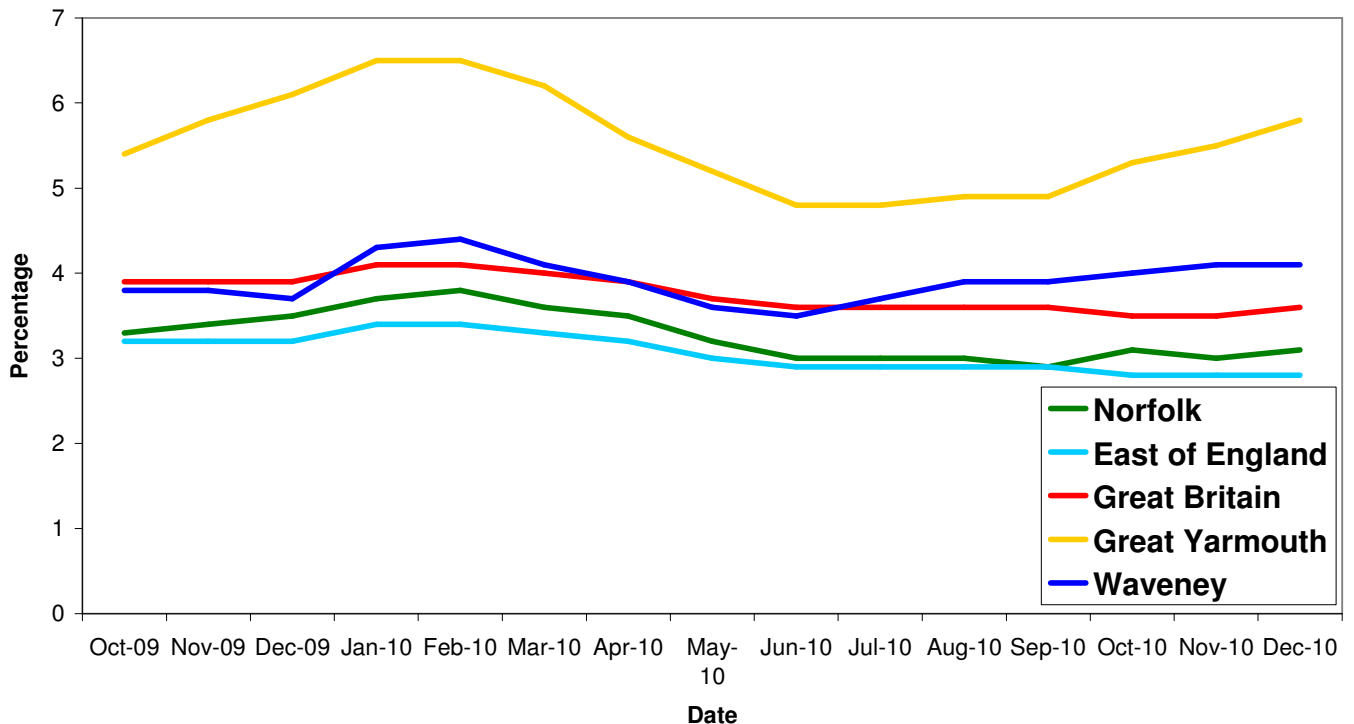
Unemployment

Key Facts

- Norfolk saw an average of 16,147 people claiming JSA in this third quarter, with an increase of 57 people, 0.35% between October and December.
- Great Yarmouth saw an average of 3,297 people claiming JSA in this third quarter, with a rise of 300 people, 9.48% between October and December
- Waveney saw an average of 2,862 people claiming JSA in this third quarter, with a rise of 20 people, 0.7% between October and December.

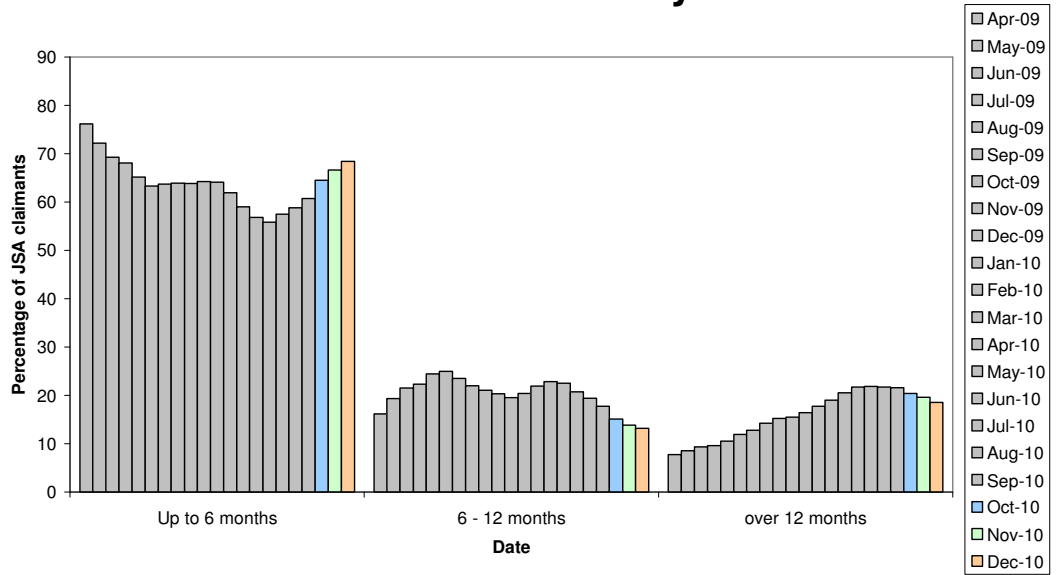
This quarter has seen the proportion of people claiming JSA for less than 6 months rise to its highest level since June 2009, and the number claiming between 6 and 12 months fall to its lowest level since February 2009. The number of people who have been claiming JSA for over a year has started to fall. These figures may indicate that people recently made redundant are claiming, where as those who have been unemployed for longer than 6 months are beginning to find work or alternative means to come off the allowance.

All people claiming JSA



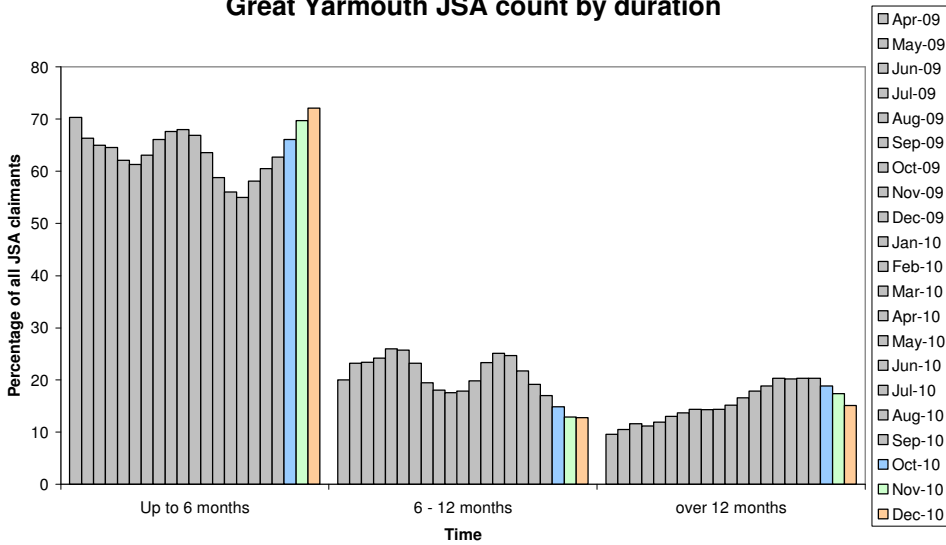
Source: Job Centre Plus

Norfolk JSA claimants by duration

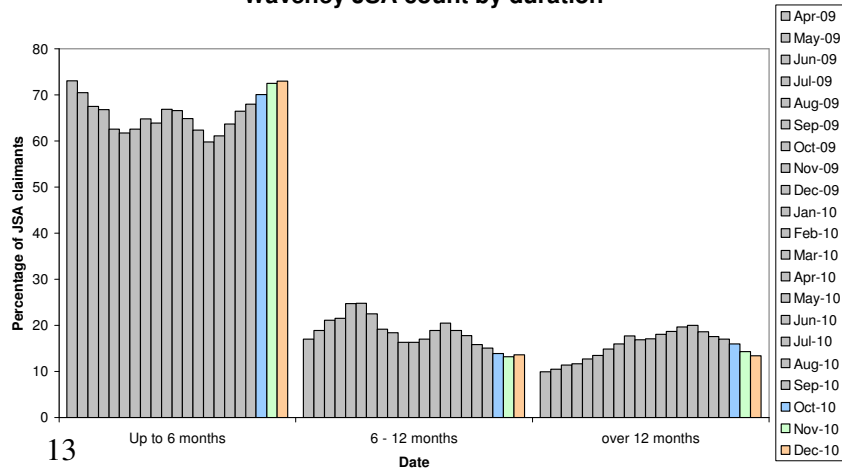


Source: Nomis, Crown copyright

Great Yarmouth JSA count by duration



Waveney JSA count by duration



Redundancies

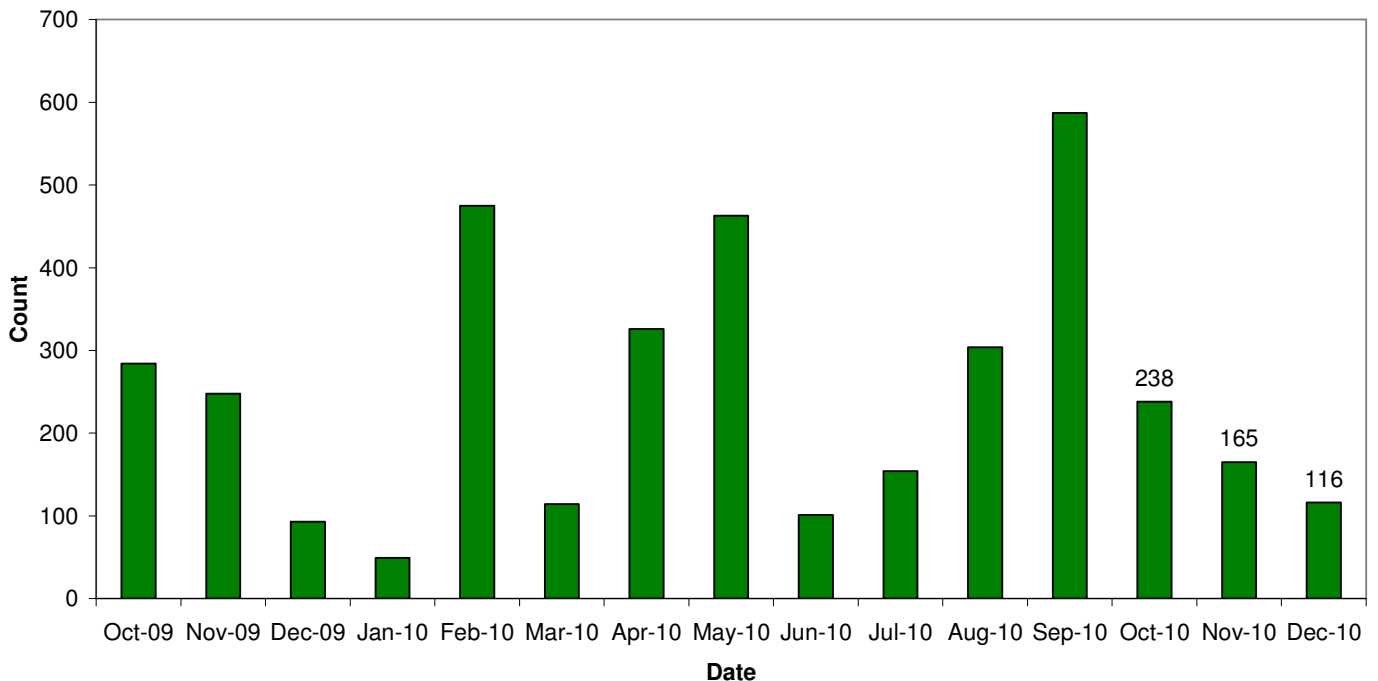
Key Facts

There were 519 redundancy notifications in Norfolk this quarter, with a month on month decrease since the September peak. Sectors with greatest redundancies this quarter were public service, tourism and leisure and construction. The trend for redundancies is peaks and troughs and with recent public sector losses this quarter's downward trend may well rise in to another peak over the next two quarters.

Month	Number of Redundancies
October	238
November	165
December	116

Source: Job Centre Plus

Norfolk redundancy notifications



Total Redundancies since July 2008	Increase between October and December	Sector
9,152		All
1,556	0	Manufacturing
1,306	43	Construction
1,358	0	Insurance & Financial Services
920	9	Retail
569	0	Haulage & distribution
735	0	Food Processing
317	90	Tourism & Leisure
296	0	Publishing
139	0	Public Transport
101	0	Boat building
134	0	Media
242	0	Mechanical/electrical engineering
306	0	Further Education
132	0	Service
271	0	Health & Social Care
64	0	Wholesale
42	0	Real Estate
41	0	Printing
40	0	Science/Research
24	0	Architecture
532	189	Public service
8	0	IT
140	0	Energy

Job Adverts (EDP)

Key Facts

- On average there were 4.27 pages of jobs in the EDP during this quarter with the two weeks around Christmas not having the job sections. This account for a fall of just over half a page since last quarter.
- In the months leading up to Christmas there are often seasonal jobs and November had 180 temporary jobs, however, there did not seem to be great quantity of seasonal positions in October or December.
- Private sector jobs are still more dominant, however, in November there was evidence of a more even spread with the public sector.
- The Great Yarmouth Mercury and Lowestoft Journal had a page or less of jobs each week.

Job Vacancies

Vacancies notified to JCP			
	Number	% Full Time Positions	Monthly Change %
October	5,371	67	6.13 (from August)
November	4,590	60	-14.54
December	3,746	67	-18.39

Job vacancies notified to job centre plus with number of full time positions



Vacancies notified for the Borough of Great Yarmouth		
	Number	Monthly Change %
October	363	-17
November	351	-3
December	405	15

Skills

Key Facts

Positive news for the energy sector as there are plans to create an £11m skills hub for energy in the east of the county/Waveney area, funds have been allocated to four of the newest academies in the county but Aim Higher and the education maintenance allowance have been scrapped leading to fears people will not continue into higher and further education.

Aim Higher – helping people in to higher education, and education maintenance allowance (EMA) – grants to lower income teenagers are both being scrapped by the government. It is feared this could put people off from progressing through education.

A future merger was not being ruled out as two of Norfolk's largest colleges, City College Norwich and Great Yarmouth College, announced that they would be joining forces to offer some services. The partnership is driven in part by the need to save money during tight times for further education.

Energy sector bodies from the region have joined forces to create an £11m skills hub, they say, could be built in under two years and would supply training to tens of thousands of people a year. East Anglia is seen as sitting on an “energy gold mine” but lacks the necessary skills levels to cash in on the boom.

A new centre, provisionally called the EpisCentre would act as a hub, bringing together and plugging the gaps between training providers. The two-acre site would include offices and workshops that could support training for 20,000 people a year.

Four potential sites have been identified:

- Gas Works Road, at Lowestoft
- Beacon Park, at Gorleston
- Riverside, near Asda at Lowestoft
- South Denes, at Great Yarmouth

One is to be picked by the Skills for Energy Partnership before a bid for cash is submitted to the government's regional growth fund.

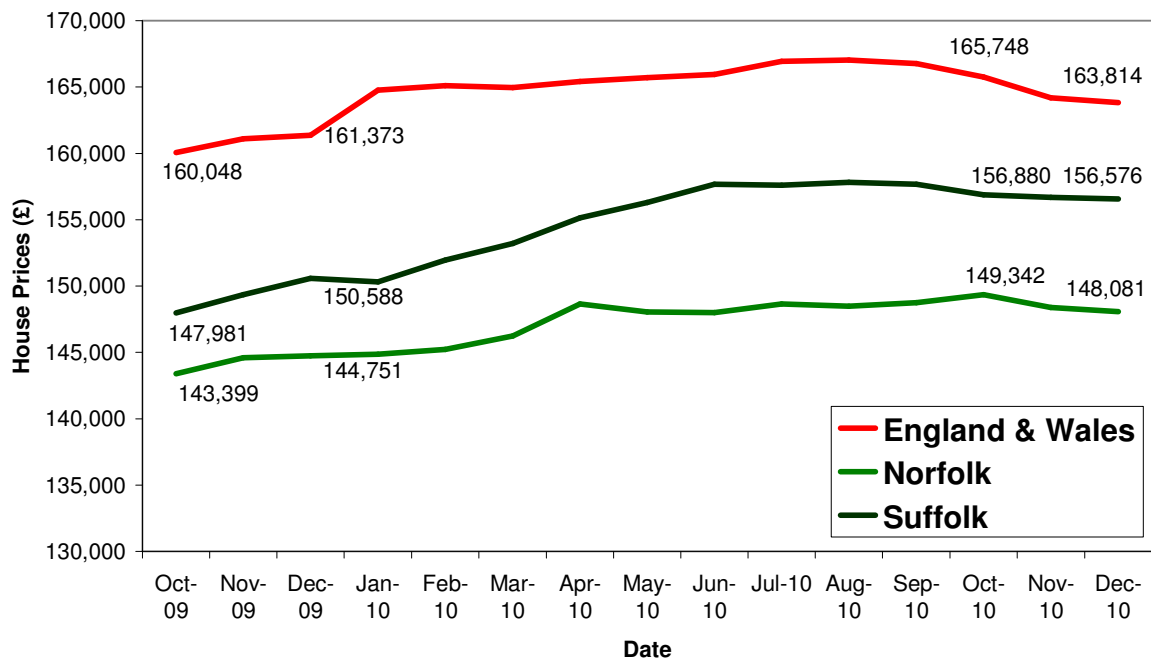
The government have promised more than £50m for major schemes to transform the county's four newest academies – Thetford Academy (£18.2m), Ormiston Victory Academy, Costessey (£15m), King's Lynn Academy (£10.5m) and Ormiston Venture Academy, Gorleston (£8m). The sums are lower than what was initially expected for complete rebuilds.

Housing

Key Facts

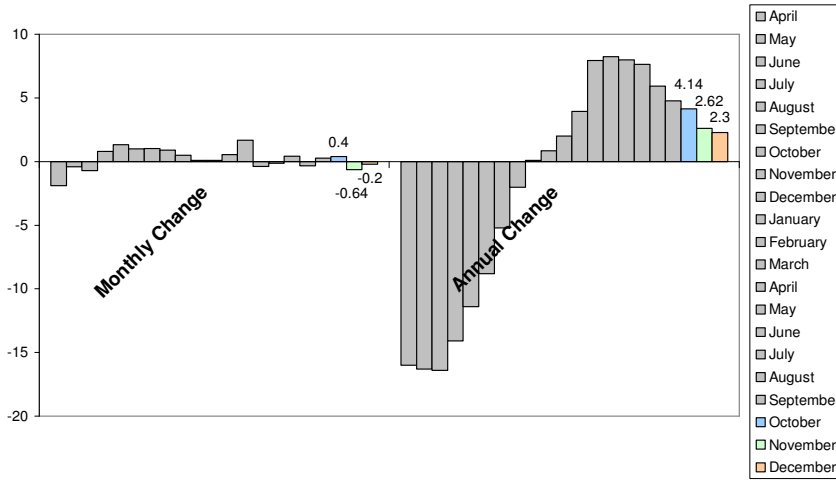
- UK house prices have averaged £164,580.67 in this third quarter with a fall in prices of 1.17% between October and December.
- Norfolk house prices have averaged £148,602.30 in this third quarter with a fall in prices of 0.84% between October and December.
- Suffolk house prices have averaged £156,709 in this third quarter with a fall in prices of 0.19% between October and December.

House Price Trends

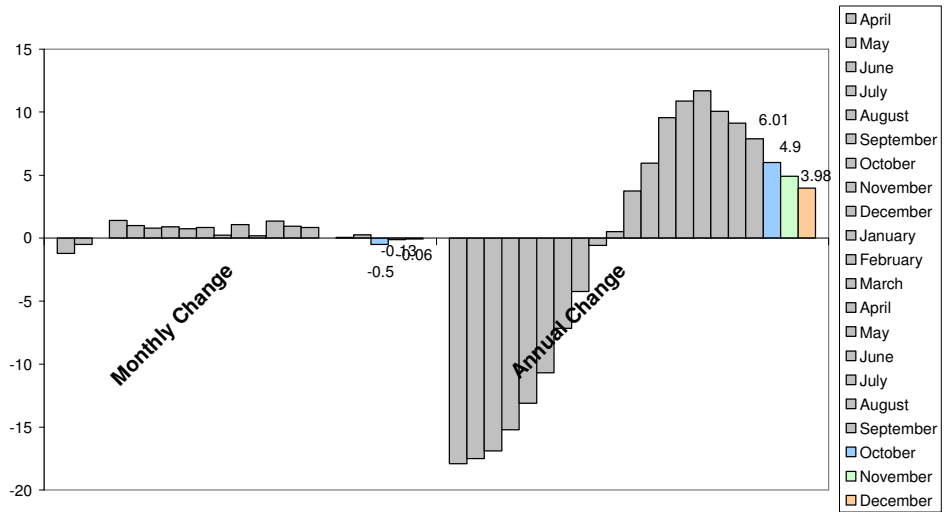


Source: Land Registry

Norfolk House Price Trends



Suffolk House Price Trends



England & Wales House Price Trends

