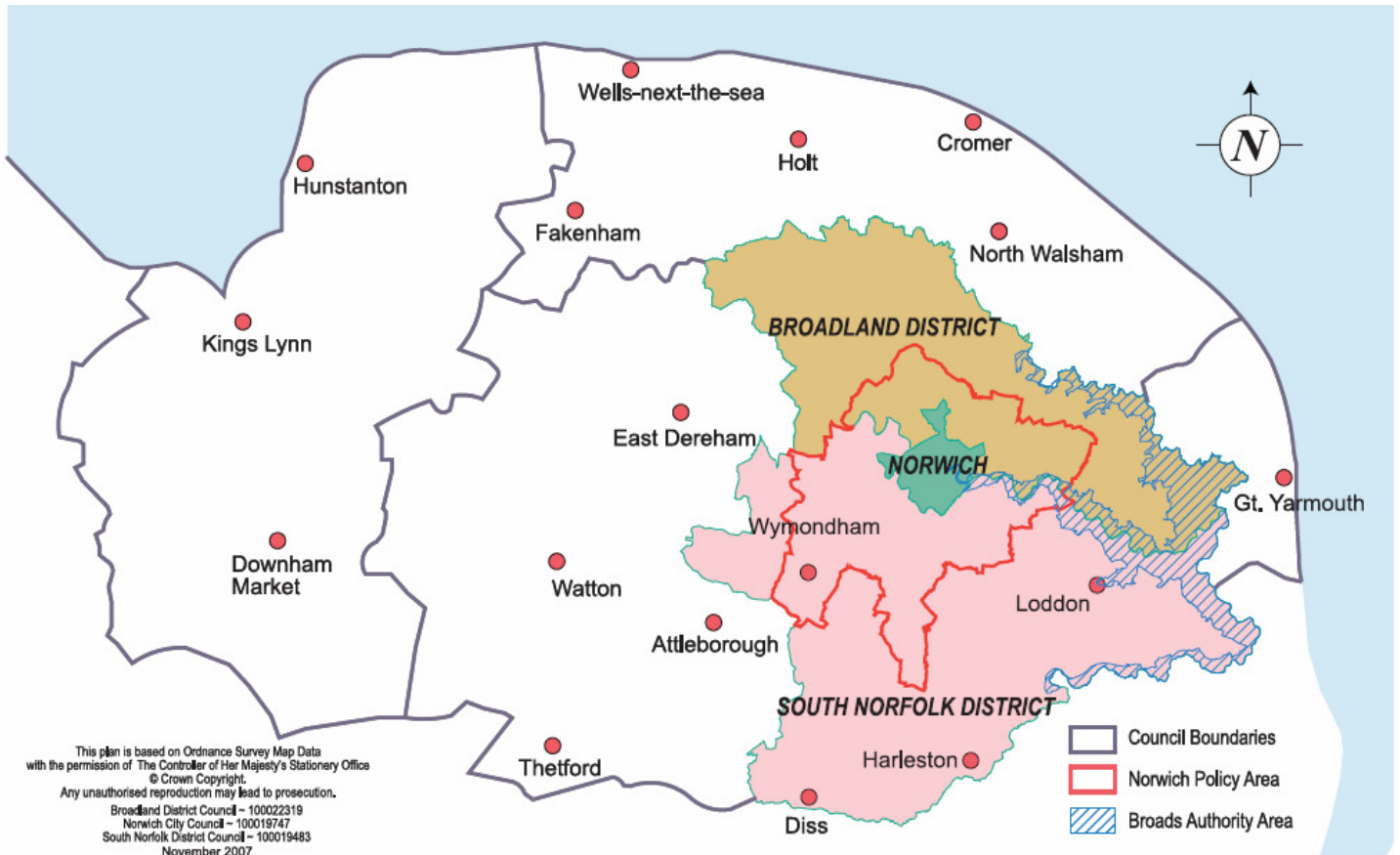


## Quarter 3 October- December 2010



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 report brings together key business and economic intelligence information over the past quarter 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 Breckland, King's Lynn and North Norfolk.

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

## Key indicators

Business confidence	↑
Unemployment	↑
Redundancies	↓
Job vacancies	↓
House Prices	↓

## Summary

Another quarter full of many positive stories with investments, expansions, new initiatives and contracts. A strong quarter for food and agriculture as East Anglian pea growers signed a £3m contract with Europe's biggest frozen food specialist Ardo, Frank Dale Foods predicted a rise in sales with growth in canapés and Virgin Wine sales were up before Christmas alongside a piece of research by Norfolk County Council reporting that Norfolk's natural environment is worth £900m. Despite these good stories Group Lotus has threatened to move production to Europe if their Regional Growth Fund application is turned down.

The numbers claiming jobseeker allowance increased over the quarter by 57 people and was up by 426 on the previous quarter.

The redundancy figure for the quarter was 519, down 526 from the previous quarter with a decrease month on month. Job vacancy notifications also fell month on month in the quarter and the number of job pages in the EDP only decreased by half a page on last quarter.

House prices averaged £148,602 in Norfolk this quarter which is only £6 less than last month with a fall between October and December of 0.84 percent.

## Conclusion

News stories are positive this quarter with redundancy figures decreasing, however JSA is rising at a time when job vacancy notifications are decreasing.

## Trading Climate & Confidence Levels

### Key Facts

**A new £3m contract for East Anglian pea-growers and a construction network, Build Norfolk, announcing the network has led to £40m worth of work contracted to local companies are two of the positive stories this quarter. A possibility Group Lotus may shift production out of Norfolk if a bid to the Regional Growth Fund to expand is not approved is worrying.**

### Agriculture & Food Processing

#### Norfolk

Positive stories as pea growers in East Anglia have signed a contract with Europe's biggest frozen food specialist, Ardo, worth a total of £3m. It was announced in Quarter Four 2010 that Birds Eye had decided to move pea production out of Norfolk and Suffolk. And sales of traditional farmgate turkeys have doubled in the past three years according to the Chairman of the Traditional Farmfresh Turkey Association.

#### Greater Norwich

Realised and projected increases in sales this quarter as a new outdoor pig unit in Caistor St Edmund is aiming to boost pork production in Norfolk, Frank Dale Foods, Bunwell expects sales to rise to £3.5m by the end of this year after a huge increase in trade, specifically canapés and Virgin Wines experiencing sales over the first three weeks of December up by more than 9 percent on last year following the conclusion of the firm's 12 days of Christmas promotional campaign.

#### Other Areas

Sale increases and new contracts this quarter as the Norfolk division of Cranswick pork product producer, Cranswick Country Foods (Norfolk), has contributed to a £28.7m rise in sales in six months with an expansion in the Norfolk operation and parent company, Zetar, of Fakenham based Kinnerton chocolate manufacturer – has said sales in the past six months rose by 5.4 percent to £60.2m. A local cake firm, Sponge, has successfully secured a deal with Selfridges this quarter to add to its existing clientele of Jarrold, the University of East Anglia, the Eelveden Estate and Bewilderwood Adventure Park.

### Construction

A positive output of networking events is evident in this sector as it was announced this quarter that more than £40m of work was contracted to local companies through the Build Norfolk network in the 12 months to the end of September 2010.

#### Greater Norwich

May Gurney in Trowse has had a predominantly positive quarter with solid growth in the first half of the 2010/11 financial year, 21pc increase in sales

£49.8m to £288.9m in the six months to September 30, with a forward order book standing at £1.4bn and sales opportunities in its core markets in excess of £4bn. The company agreed to purchase Nordis Signs, which makes signs for Northamptonshire County Council, securing its future, has been named preferred bidder for three new long term highways maintenance contracts for Surrey County Council, with a combined value of up to £93m and announced a new maintenance contract worth up to £62m with Severn Trent Water – Severn's Sewerage Services East Region. Despite all these positive stories more than 40 jobs are at risk as May Gurney Geotechnical operations, based in Wymondham, will be shut with 28 jobs at risk, while the manufacture and installation of fencing, barriers and railings operations closure at Trowse would see 15 jobs at risk. Elsewhere, more than 30 of the Connaught workers who lost their jobs when the company went into administration have been taken on by Lovell, based in Thorpe Road. Lovell is part of UK construction and regeneration group, Morgan Sindall.

### **Creative Norfolk**

Across the county cuts in spending are being felt by the largest cultural organisations as funding is slashed by 7pc from the Arts Council England. The reductions will see funding for the Norfolk and Norwich Festival down by £28,535 and the Writers Centre Norwich losing £14,132 to name only two. There are also fears that the money could be lost entirely from 2012.

### **Greater Norwich**

Despite the cuts in cultural spending, private sector design and marketing firms in Greater Norwich are flourishing with new clients, contracts, offices and staff taken on with Tribe PR firm agreeing a deal to look after East Anglian brewing giant Greene King; GGS photography company reporting a 50pc rise in orders, leading to a 15pc rise in sales; Brand Experience seeing turnover increase by 49pc to £1m with their digital work fuelling this growth with an increase of 187pc in that area. Shorthose Russell marketing agency won a contract with £500m turnover Vestey Foods Group, The Click Design Consultants saw turnover double to £500,000 and Plain Speaking PR have moved new offices and taken on an additional member of staff.

Despite the good news with individual firms, the future of television studio and enterprise hub Epic, which is often seen as a hub for the sector, remains unclear after owner Norfolk County Council said it was 'exploring every option' – including its sale. Since its formation in 2007 Epic has helped establish 15 businesses and created more than 60 jobs in the creative sector.

### **Other Areas**

Two West Norfolk theatres are at different stages of securing their futures as while C & R Cinemas has taken over the Princess Theatre in Hunstanton securing its future, the friend's of King's Lynn Arts Centre are still putting forward sustainable proposals to oppose the loss of the venue after the council announced its closure as part of cost-cutting measures.

## **Digital**

Great news for the sector as a new digital 'community' has been established called Hot Source, which sees those people involved in the digital sector meet up once a month to nurture creativity and share ideas and experiences.

### **Greater Norwich**

As with Creative, many positive stories of accomplishments and opportunities in this sector for Quarter 3.

StreamExchange who create branded internet television channels and webcasts for commercial clients have reached six figure revenues in its first year of trading; Snellings who produce audio visual equipment has been accepted into the Southern Universities Purchasing Consortium allowing the firm to tender for some of the biggest higher and further education AV installations in the south of England and nationally while Service Tick, a customer feedback company, has won its first international contract in the US with global insurers Hiscox Direct. Two new types of software have been unveiled this quarter with Food Contents & Allergies, a pioneering mobile phone service to make shopping easier and safer for people with food allergies, has signed an exclusive agreement with Sainsbury's. The Food Angel software allows shoppers with smartphones with autofocus cameras to scan the barcodes of any product in the store, or allow other phone-users to text the barcode, warning of the presence of ingredients that may be dangerous for them and research from the UEA has helped create a technology to correct digital photographs. The company responsible, Imsense, has been bought by Apple and unconfirmed reports suggest that Imsense technology has been used to support Apples iOS 4.1 for iPhone 4 users.

### **Other Areas**

Taking hold of new opportunities has seen SwainsPlc officially opening its new headquarters allowing them to grow and expand, retaining all 25 staff with an option to employ more now space allows and Liftshare launched a new website this quarter, ShareMy4x4.com, to help commuters hit by snowy weather which impacted across the UK.

## **Energy**

Good news for businesses in the energy sector and supply chain as the East of England Energy Group (Eeegr) suggest that proposed offshore windfarming schemes will provide the jobs and markets of tomorrow, meaning the energy industry in the area is set to boom over the coming years with the number of jobs in the sector expected to double.

### **Greater Norwich**

With the energy sector growing in Norfolk there are calls in the Commons for the government to back the establishment of a university technical college in Norwich. This would help the East Anglian energy industry avoid a 'skills gap' especially as companies such as EV, who are based in Norwich and develop pioneering cameras for use in the oil and gas industry, has embarked on a global expansion after securing new investment with Norwich remain as the company's

research and development base, which is set to benefit from significant new investment to develop new products.

#### **Other Areas**

The job opportunities from windfarms are beginning to emerge as the first 10 wind turbine technicians have been appointed at the offshore Sheringham Shoal Wind Farm and all are from Norfolk. Approx. 65 members of staff will be needed to work at the farm and Access Inspection Development (AID), who currently offer training, equipment supply and rope access operations, is planning to expand into the wind market by providing specialist work at height training for wind turbines.

#### **Engineering**

Engineering is a key sector in Norfolk and can be carried out through a big or small firm, openly or discreetly. This quarter it was announced that a team of engineers has spent two years and £750,000 designing and building a new supercar prototype, Nemesis, at a secret location in the county. It can reach 170mps and accelerate from a standing start to 100mps in just 8.5 seconds. It is powered entirely by wind – through electricity generated by its own turbines. The car is the brainchild of the man behind Ecotricity.

#### **Greater Norwich**

Worrying news this quarter as Group Lotus based at Hethel announced production would shift to Europe if an application for a £40m to expand from the Regional Growth Fund is turned down. A cash injection is needed if five new models are to be manufactured at the firm's Norfolk home. At a time when the company announce they will compete against Hingham's Team Lotus at next year's Formula One after agreeing to sign a seven-year deal to buy a "major" stake in one of the sport's teams, Renault. Meanwhile the Hingham based Lotus Formula 1 Team is set to begin construction of a dedicated wind tunnel at its Norfolk factory. The new wind tunnel will help the team to develop further testing abilities and improve the car for next season.

Profits, expansions and new proposals as Rackheath based Milltech Precision Engineering has seen a 20pc rise on orders from last year; ATB Laurence Scott has seen profits more than double to £5.05m with sales up £1.3m to £22.4m; Brian Ward Marine Equipment at Brundall has seen the workforce rise from five to seven, a new online shop, a £50,000 extension and the launch of new products; and FenderCare Marine Solutions has confirmed proposals for a multi-million-pound service and supply site for a £31bn wave and tidal energy project in Orkney.

#### **Environmental Norfolk**

Results from a key piece of research by Norfolk County Council this quarter has shown that Norfolk's natural environment is found to be worth more than £900m a year to the county. The figure includes £320m from visitors to the broads, £17m from drinking water and £129m from the Weybourne-Snettisham area from

tourism and income for local producers/suppliers. This sort of research and NCC agreeing to set up a feasibility study to decide whether the council should set up a company to produce renewable energy demonstrates the council's environmental awareness.

#### **Greater Norwich**

According to a report by the RSPB, a shortfall in public funding for conservation means that the future of the Broads and other important British Landscapes are under threat. To help reduce impacts on the environment councils and businesses alike are trying to do their bit as Norwich City Council has arranged for a fleet of 14 more recycling and waste collection lorries to patrol the streets of Norwich and Liftshare has instigated a nationwide week designed to encourage people to share car journeys.

#### **Other Areas**

Two proposals to capture energy, at different stages of realisation, in this quarter as Wissington Sugar announce there would be an £8.5m investment which would make it one of the greenest plants in the world by capturing 70,000 tonnes of CO<sub>2</sub> produced by the refining process and proposals for an incinerator on the edge of Kings Lynn which would be able to burn 260,000 tonnes of rubbish and collect energy from the process.

### **Financial & Professional**

#### **Greater Norwich**

Positive and negative stories this quarter. On the positive side Virgin Money Group's turnover increased by £11m to £109.5m at the end of 2009, with operating profit up with the groups credit card programme being credited for the increases. On top of this the financial services group is set to open four high-street bank branches in 2011 in Norwich, London, Manchester and Edinburgh. While the Norwich and Peterborough Building Society could be taken over after talks are rumoured to have taken place with mortgage lender Coventry Building Society and mutual lenders Yorkshire and Nationwide.

Business trips have been announced this quarter by Aviva, who joined business secretary Vince Cable as part of a UK business delegation to Russia, and Franchise Development Services who went to Delhi to address delegates at the Franchise India International Conference.

Two law firms using different methods to increase their clientele are Howes Percival, who opened two new satellite offices in Manchester and London, and Hatch Brenner, who recorded a "Motowny" pop song and created a video for YouTube to promote the use of their mediation service.

A negative story this quarter, which by the end of December had started to prove slightly more positive, was that subsidiaries of Norwich based Targetflow Group, Targetfollow Property Holdings and Targetfollow Property Investment, had gone into administration, with four former assets being offered at auction. However Targetfollow Estates, which was unaffected by administration, has been

reappointed to manage its former portfolio of buildings by administrators while buyers are sought.

#### **Other Areas**

Training is high on the agenda as Mint Consulting have developed a new training course specifically designed to deliver finance skills to non-finance managers in SME's. The course outline includes training on basic finance terminology, budgets, KPI's, the P&L, the balance sheet and ratios.

### **Health & Life Sciences**

#### **Greater Norwich**

This quarter has been very positive for the health & life sciences sector with breakthroughs, research, discoveries and new medical instruments. Norwich scientists have made an important breakthrough in the way anti-cancer drugs are tested. The study has been instrumental in the way that tumours are dealt with; Procarta Biosystems based in the John Innes Centre is working on a novel class of DNA based antibiotics capable of overcoming drug-resistant infections such as MRSA; scientists at the John Innes Centre and University of East Anglia (UEA) have discovered that plants have 'compasses' to grow the right shape of leaves; and an international team of researchers led by the UEA have developed a new kind of endoscope to aid the early detection and diagnosis of inflammatory bowel disease.

#### **Other Areas**

A rebuild and proposal could see health services improve as Cromer Hospital is due to benefit from a new MRI scanner, part of its £15m rebuild benefiting about 4-5000 patients a year and an 80-bed £6.6m dementia care home is being planned on a three-acre site half-a-mile from Hoveton village centre. The complex will also include a neurological care unit and could create 100 jobs.

### **Manufacturing**

#### **Greater Norwich**

New factories and expansions are high on the agenda this quarter with Orchard Toys announcing plans to increase its factory space by 50pc; Multi-Fab Ltd opening a new £2.5m factory at Bunns Bank near Attleborough with the hope to take on more staff; Glazing Vision Ltd, currently based in Brandon, has bought Hamlin Electronics 64,000 sq ft premises in Diss in what is believed to be the largest factory sale of the year in Norfolk, possibly in East Anglia; and P&R Hydraulics who is set for 15pc growth is due to expand taking on additional floor space for its manufacturing and repair operations.

Despite all these premise expansions, Jeyes Group who manufacture household cleaning products, is moving its head office to near Cambridge because its current offices were not fit for purpose. However, the firm has confirmed investment in the Thetford site, meaning more job opportunities, as the research and development would remain in the town. Another negative story for the Thetford area is that helmet manufacturer Centurion Safety Products has seen a dip in sales and profits as turnover has fallen 8.1pc as distributors reduced their stocks and demand fell.

Good news elsewhere with sale increases as AC Leigh door handle and ironmongery is considering acquisitions to expand the business after record sales expected to exceed £5m up from £4.9m last year; and Eco Fence & Doors who make fencing and garden furniture from recycled polystyrene has secured more than £500,000 in its first 10 months of trading.

#### **Other Areas**

This sector has seen investment, acquisition, increased orders and revenue versus closure and job losses this quarter. Trend Marine has invested £500,000 in new machinery that will allow it to produce large complex sections of glass for luxury super-yachts; PSS, hydraulics and steering column manufacturer, is set for continued growth after taking over a former operation from Danish steering giant Saeur Danfoss; Porvair, a specialist filtration and environmental technologies group expect revenues for the year ended November 30 will be 15pc higher than in the previous year and Kings Lynn based Sealskinz reported a 30pc rise in orders on last year.

Elsewhere Henman Green, a conservatory, window and door company, ceased trading this quarter due to the economic climate with six staff made redundant and Partner Tech has shed 40 of its staff as part of a restructuring plan. The firm currently has two sites in the town but will move to one site by early 2011.

#### **Retail**

##### **Norfolk**

According to the CBI, the high street has enjoyed its strongest sales growth in eight years as shoppers look to beat January's VAT rise. A balance of 56pc of retailers said volumes were stronger than a year ago in early December, contributing to the survey's highest reading since April 2002. While certain shops prosper from the highstreet, second hand book stores are under threat of the e-book and charity shops who can sell books for much cheaper prices which has led to the Independent bookshop owners across Norfolk forming the Campaign for Real Books (Cambo).

##### **Greater Norwich**

Increase in sales and staff for the Christmas season, new markets, acquisitions this quarter and uncertainty over a major shopping centre in the city. Shops are reporting an increase in trade as John Lewis' Norwich department store had its best pre-Christmas Saturday trading for eight years; local recruitment agencies have reported an increase of business by about 30pc as companies bolster their workforce with short term staff; Start-Rite Shoes is set to begin exporting to China and the Middle East; Norwich based online catalogue furniture firm, Cotswold Company, has bought New Heights furniture; and Mattressman has launched 10 new online retail stores leading to a steep growth in trade. Elsewhere Norwich's Chapelfield shopping centre could fall under US ownership (Simon Property Group) after a deadline was set for possible takeover of its parent company (Capital Shopping Centres).

### **Other**

In King's Lynn, supermarket giant Tesco has been given the go-ahead for a multi-million pound project that it says could create more than 1000 jobs for the area. This comes in addition to a new Sainsbury's store being approved, also off the Hardwick roundabout.

### **Tourism**

#### **Norfolk**

Great news to kick-start the tourism sector as audiences for this year's Norfolk and Norwich Festival surged by nearly 400pc following the introduction of more free events.

#### **Greater Norwich**

This quarter has seen the reopening of old favourites, new festival proposals alongside job losses and fears for the Broads. The Hollywood Bowl reopened on Norwich Riverside after being closed for more than three years which was welcome news for neighbouring businesses who have suffered from poor trade since its closure, and plans have been unveiled for a major new beer festival in Norwich next summer with the hope of attracting people from across the country and beyond giving a boost to trade.

Passenger numbers fell at Norwich International Airport in 2009 by 30pc, and restructuring at the airport has led to eight job losses and there are fears that toll increases on the Broads for 2011 will drive more boat owners off the waterway.

#### **Other Areas**

The Future's Tourism in North Norfolk saw more than 60 delegates agree that the area needs to promote itself in terms of tourism with the increase in staycations, and with the success of Cromer and Sheringham's 2010's crab and lobster festival a proposed trail of decorated canvas deck chairs next summer should help. Elsewhere in North Norfolk the RAF Air Defence Radar Museum at Neatishead is to reopen after it was forced to close suddenly after failing a fire safety inspection in August.

### **Other**

#### **Norfolk**

Good news nationally for several Norfolk businesses this quarter as two businesses beat hundreds of entrepreneurs to reach the national finals of HSBC's start-Up Stars Awards, while five companies have been listed in a table of Britain's leading mid-market companies. More good news nationally and internationally was the announcement that 10 sites across Norfolk and North Suffolk have been chosen as part of the 2012 Olympic Pre-games Training programme and are set to be used by athletes from around the world to prepare for the London games.

#### **Greater Norwich**

Positive stories this quarter with the UEA internship project, Project Evolve, helping its 100<sup>th</sup> graduate/business; Norse Group posting a 5pc sales rise in 2010

along with an increase in turnover, and a profit of £174.6m compared to a £730,000 loss the previous year. Another company recovering from 2009 was leaflet distributor, Wright Distribution, who was put on ice last year due to the housing market crash but has now re-launched, taking on 5 staff in the city and another 2 staff in Cambridge with plans to expand further to Great Yarmouth and Kings Lynn. Book wholesaler Bertram has also seen profits rise to £4m in its first full year since being taken over by Smiths News, down to rising export and internet orders.

#### **Other Areas**

This quarter has seen investment, funding withdrawn, expansion overseas, new initiatives, diversification and partnership between Norfolk firms. Structure-Flex who specialises in heavy duty fabrics has invested £150,000 in a digital printer making it the only one in the county to run such a printer with the hope it will help them “stay ahead of the game”. Elsewhere plans to create one of the largest business parks in Norfolk, alongside the A11 near Thetford, have been dealt a large blow after £1.5m of funding was withdrawn.

Cromer based Maretts Chariots whose aim is to reduce the amount of wasted bus journeys for coaching companies has now seen large success with the site expanding into Europe and Africa; while Jordan Burr salon, a London salon and US hair care company, has expanded into Norfolk by opening its first salon in Holt. A new initiative has been launched called U Drink I Drive enabling customers who hadn't planned on drinking to get their car back home while TMO Traffic, who provide a traffic control and management service, is looking to strengthen its service in the region by providing the service to councils. Jack Richards & Son, a haulage firm, have invested in tracking technology through local P1 Technology Partners to improve efficiency after a dip in profits before tax.

#### **Other Information**

##### **Norfolk**

Some very positive news this quarter including the government announcement that there is funding available for the regeneration and full dualling of the A11; the EDP's Future50 2010 were unveiled and it was calculated they contributed £286m to the region's economy in 2009/10 and employ nearly 2,500 between them. In addition Norfolk firms gave time and expertise worth nearly £300,000 in the last year, according to ProHelp. The Tour of Britain was hailed a success with more than 9 out of 10 people supporting it's return next year. A total of 130,000 people are thought to have watched the race and the report states that 81pc of the generated cash came from people coming from outside Norfolk.

Two schemes, one announcing its success and another launching this quarter as Understanding Finance, a free scheme funded by EEDA aimed at helping companies identify the right source of finance, reached a major milestone by helping about 400 firms in the region raise £1m and Outset Norfolk, a new programme launched aiming to increase the number of start-up businesses in Norfolk. The programme is looking to help more than 500 people across the

county to learn more about enterprise and support them to establish firms through coaching.

Despite positive stories this quarter, it was a quarter also dominated by proposed cuts, uncertainty and initiatives to save money in the public sector. Eric Pickles, communities secretary, announced the plan to slash £6.5bn from local government funding which could mean that Norfolk County Council (NCC) and local district councils will need to find more ways to save money. As part of their savings NCC approved £1.5m cuts in fire cover as part of a new safety plan aimed at boosting cover in rural areas and King's Lynn; there are proposals for road repairs and the provision of public transport services in Norfolk and Suffolk to be carried out by a single team at the same time the Government funding for local road schemes in Norfolk is to be cut. There are also fears that a proposal to cut college transport subsidies could disadvantage those students in rural areas.

#### **Greater Norwich**

Norwich City Council gave the go-ahead for £3m in budget cuts, with a warning that there is still "a long way to go" this quarter while South Norfolk District Council and Great Yarmouth Borough Council have engaged in early talks to discuss the possibility of sharing services which would see a sharing of staff between the largely rural district and seaside borough to cut costs.

On a more positive note Norwich has won an award at the annual UN-backed International Awards for Liveable Communities in Chicago. Norwich was judged as one of the worlds most liveable communities in the population category of up to 200,000 people and Norfolk and Suffolk's proposal to form a joint local enterprise partnership called New Anglia was agreed by government this quarter. New Anglia will now have an important role over the coming years as the public sector look to the private sector to ease job losses and in terms of the two sectors working closely together in order for Norfolk's economy to remain strong.

#### **Other Areas**

Again public sector budget cuts and plans to save money were evident this month with Breckland Council and its partner authority South Holland District Council potentially halving their managers to save £700,000 and frontline services from being hit. North Norfolk District Council (NNDC) has hinted that increased prices and possible sports centre cuts could be on the cards in order to maintain support for "quality of life" sports over the next 5 years but may also push through a Compulsory Purchase Order on the Grays Arcade and adjoining shop which have remained boarded up since they were severely damaged by fire in January 2005.

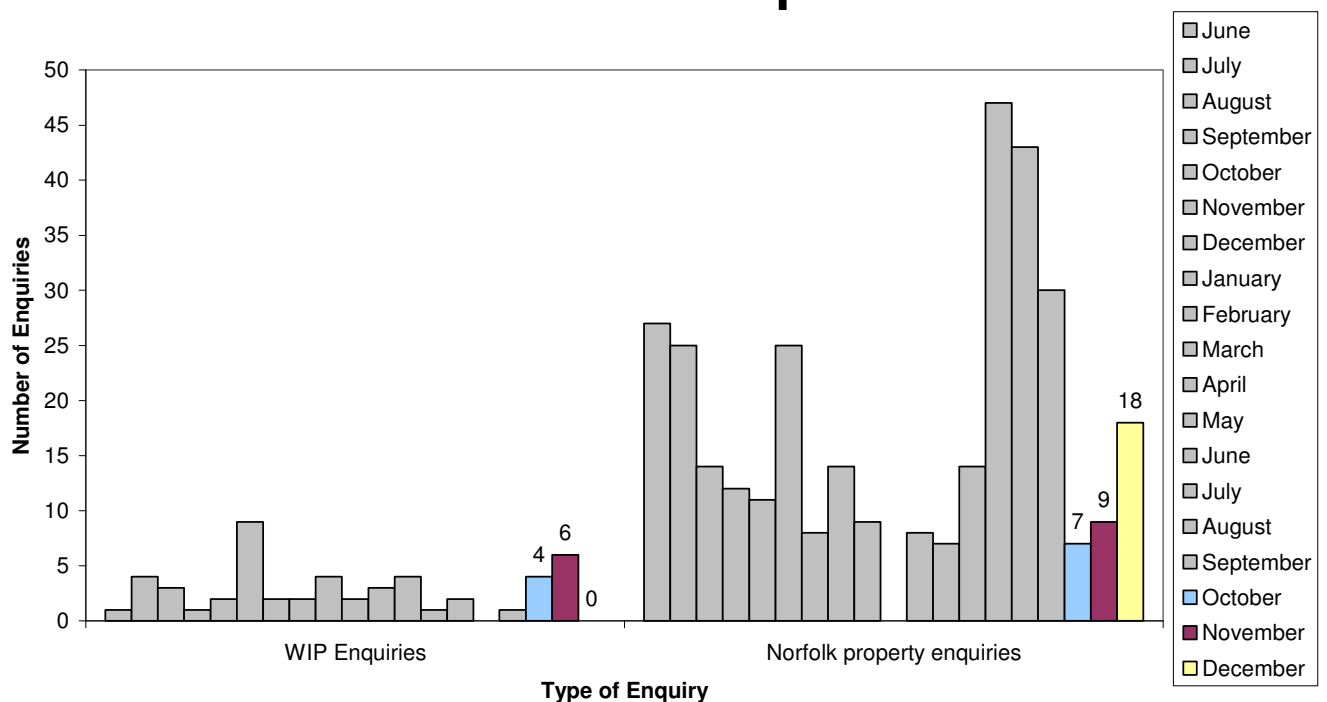
A big campaign this quarter has been for the retainment of RAF Marham. It is feared that more than 5000 jobs at RAF Marham along with its £100m contribution to the regions economy could be under threat after defence spending cuts will see the number of RAF bases decrease.

## 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](http://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**

Our House initiative, Broadland District Council Training Services – has taken teams of ten 19-24year olds through a six month eco-friendly programme to learn skills such as bricklaying, plastering etc to transform their lives and make them ready for work. 80pc of those taken on have been in prison and all are unemployed. The scheme has now completed its first phase of the work.

## Business Link Engagement

### Key Facts

The figures below demonstrate the enquiries for the first three quarters from April 2010 to December 2010. Engagement with established businesses remains high with the main urban areas of Norwich and King's Lynn & West Norfolk registering over 2,000 each. Start ups are highest in Norwich and North Norfolk, both with over 80 engagements. Broadband businesses have the second lowest total engagement after Great Yarmouth and may be due to the presence of Broadland Training Council Services.

### 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
Broadland	4,595	166	57	1.2	1,678	36.5	1,901	41.4	80
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
<b>TOTAL for Greater Norwich</b>	<b>14,110</b>	<b>722</b>	<b>209</b>	<b>1.5</b>	<b>5,803</b>	<b>41.1</b>	<b>6,734</b>	<b>47.7</b>	<b>298</b>
Breckland	5,045	201	68	1.3	1,880	37.3	2,149	42.6	98
Great Yarmouth	3,025	180	29	1.0	1,343	44.4	1,552	51.3	53
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
<b>TOTAL</b>	<b>32,075</b>	<b>1,524</b>	<b>453</b>	<b>1.4</b>	<b>12,834</b>	<b>40.0</b>	<b>14,811</b>	<b>46.2</b>	<b>736</b>

## Unemployment

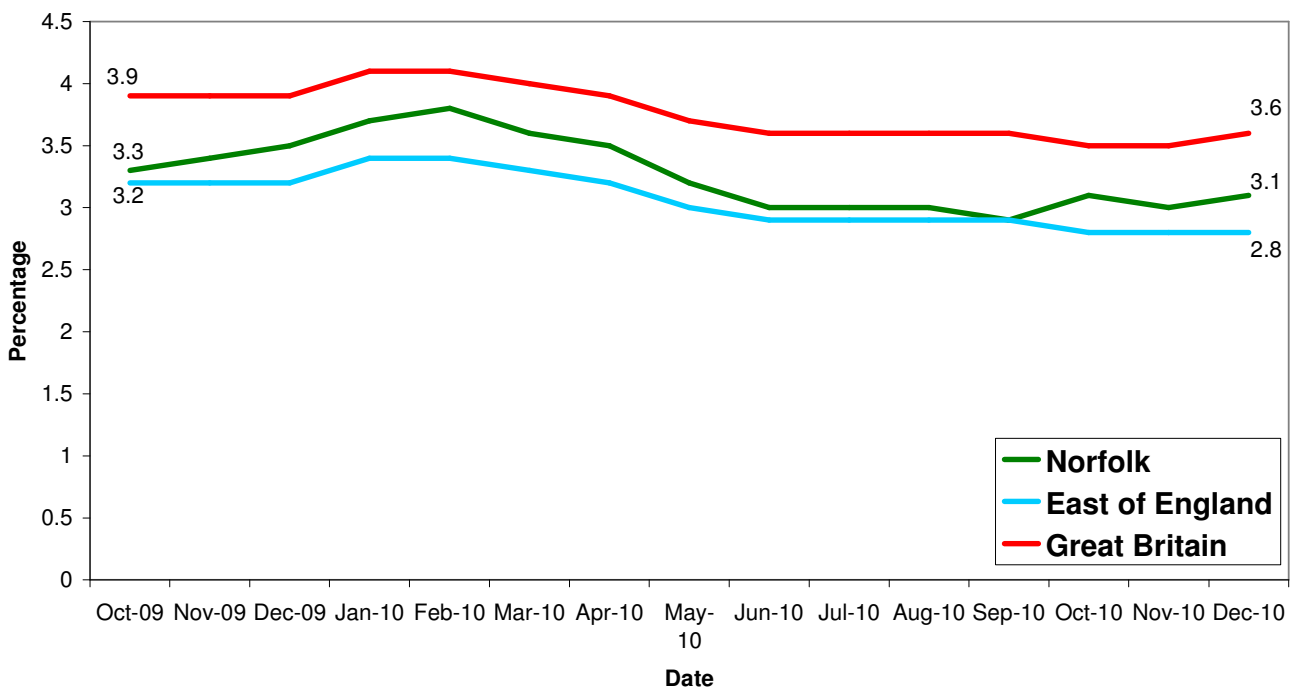
### Key Facts

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.

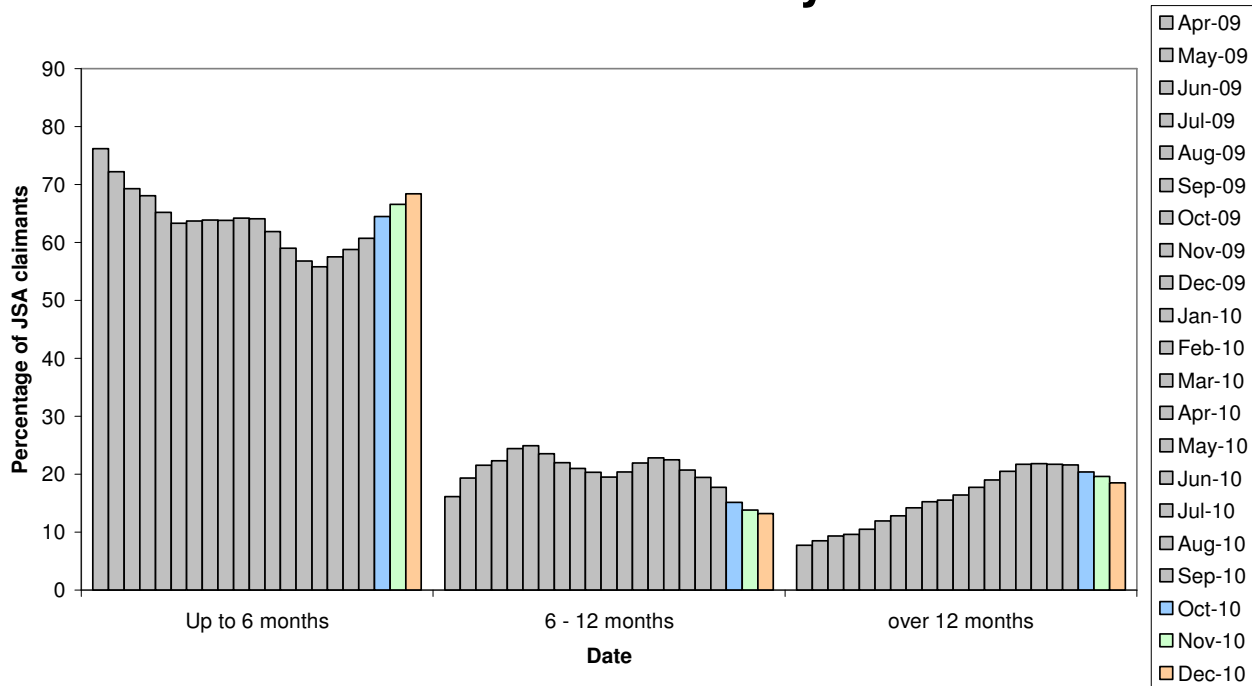
This quarter has seen the proportion of people claiming JSA for less than 6 months rise to its highest level since June 2009, and the number claiming between 6 and 12 months fall to its lowest level since February 2009. The number of people who have been claiming JSA for over a year has started to fall. 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.

Source: Job Centre Plus

## All people claiming JSA



## Norfolk JSA claimants by duration



### Redundancies

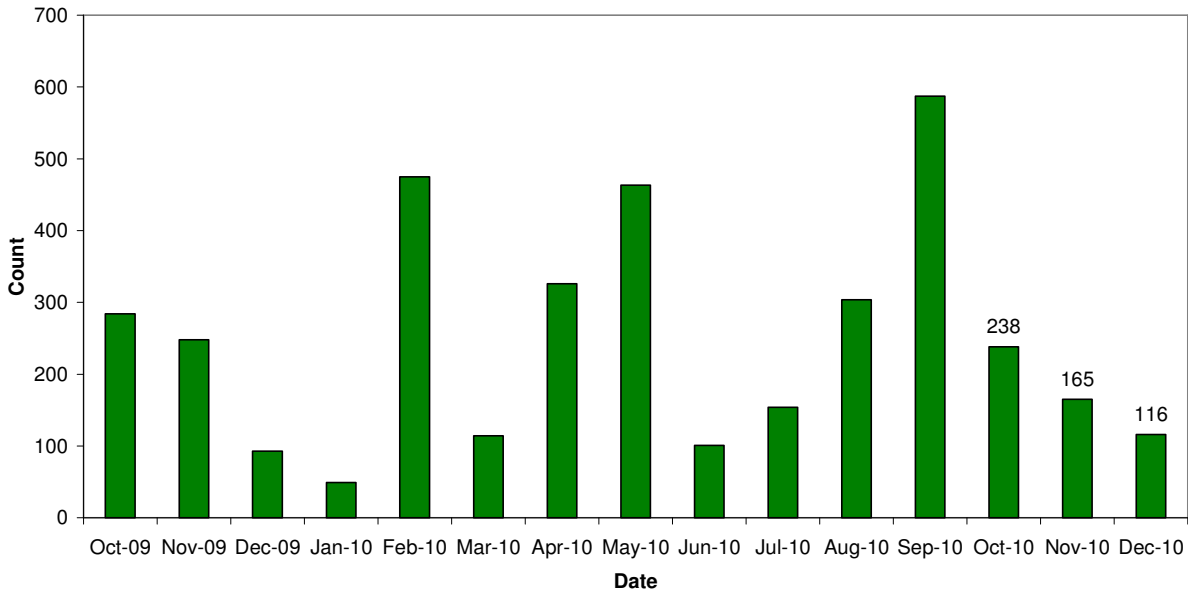
#### Key Facts

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 2010	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 accounts for a fall of just over half a page since last quarter.

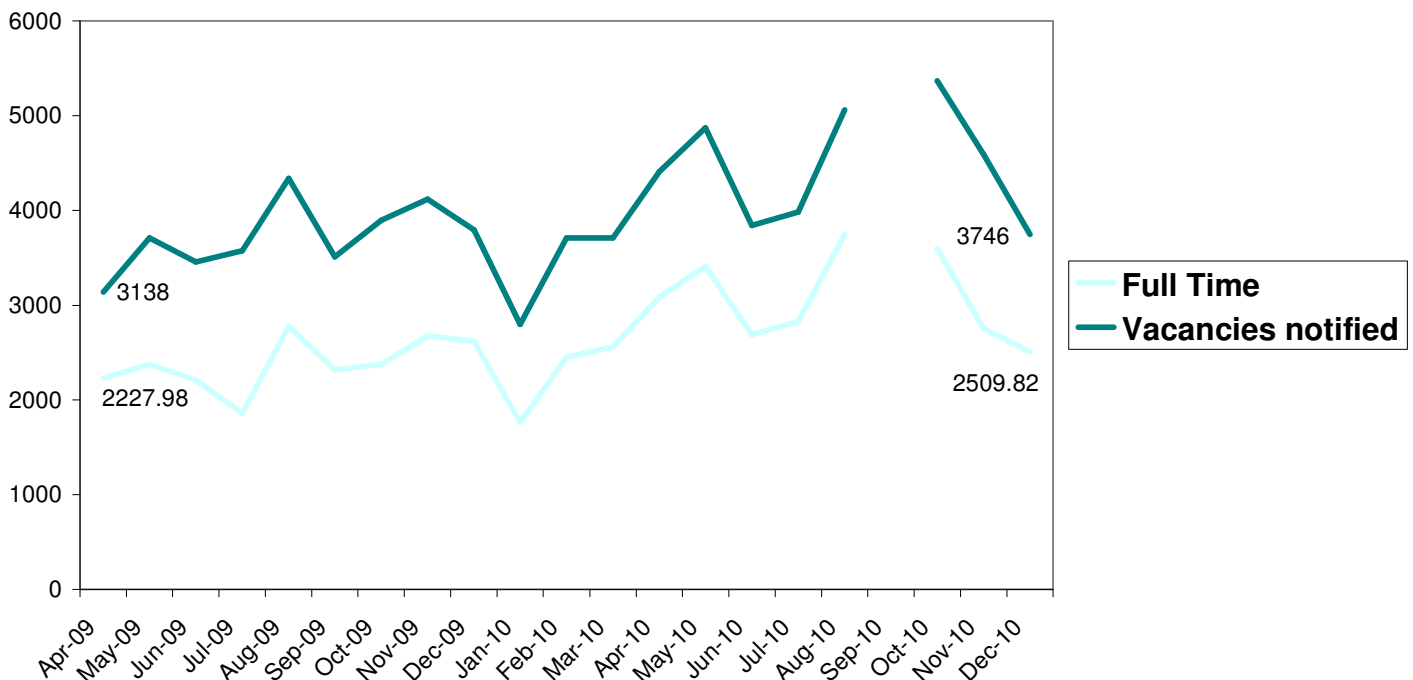
In the months leading up to Christmas there are often seasonal jobs and November had 180 temporary jobs, however, there did not seem to be great quantity of seasonal positions in October or December.

Private sector jobs are still more dominant, however, in November there was evidence of a more even spread with the public sector.

## 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



Note September's data is not available

## 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.**

City College Norwich and the University of East Anglia have joined forces to put forward a bid to set up one of the UK's first university technical colleges (UTCs) in Norwich with backing from local and national companies.

The UTC for up to 600 14-19year olds would provide a mixture of academic and vocational qualifications during normal office hours to fill a gap in the skills market.

The bid is still at an early stage but received a boost when Lord Baker, the former Conservative cabinet minister behind a plan to develop up to 40 UTCs across England, mentioned the Norwich plan in a keynote speech.

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.

Notre Dame School, Norwich – has seen a planning application for a £500,000 science block to provide state-of-the-art teaching facilities submitted to Norfolk County Council.

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.

Work is to start in January 2011 to build a £21.4m Norwich academy to replace the old complex of Earlham High which has housed City Academy Norwich since it opened in September 2009. The academy is expected to move into the new building from summer 2012.

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

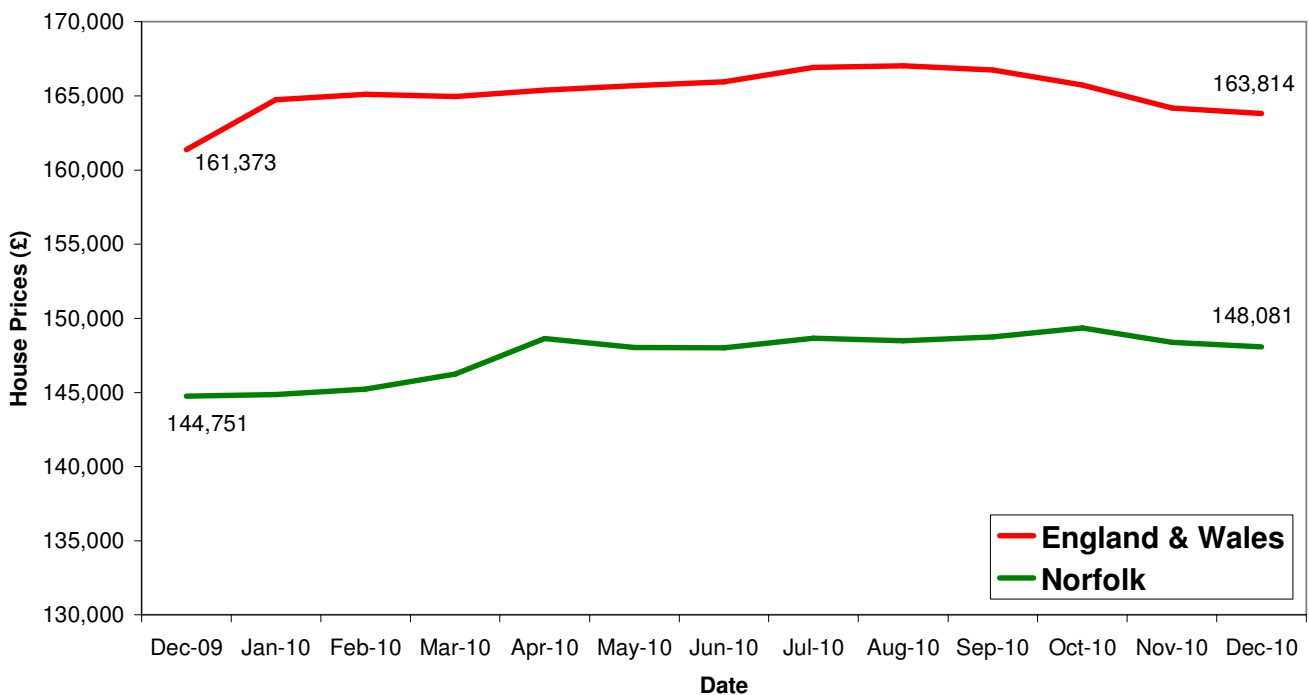
**UK house prices have averaged £164,580.67 in this third quarter with a fall in prices of 1.17% between October and December.**

**Norfolk house prices have averaged £148,602.30 in this third quarter with a fall in prices of 0.84% between October and December**

*Source: Land Registry*

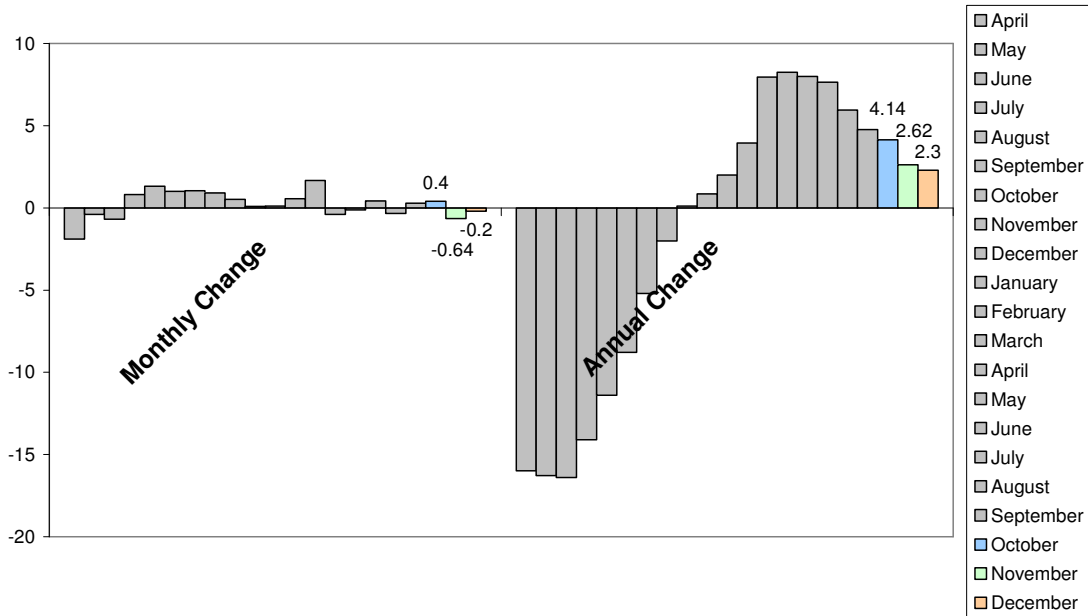
Average house sales per surveyor in the East of England were at their lowest since November 2008 in the three months to January according to the Royal Institution of Chartered Surveyors.

## House Price Trends

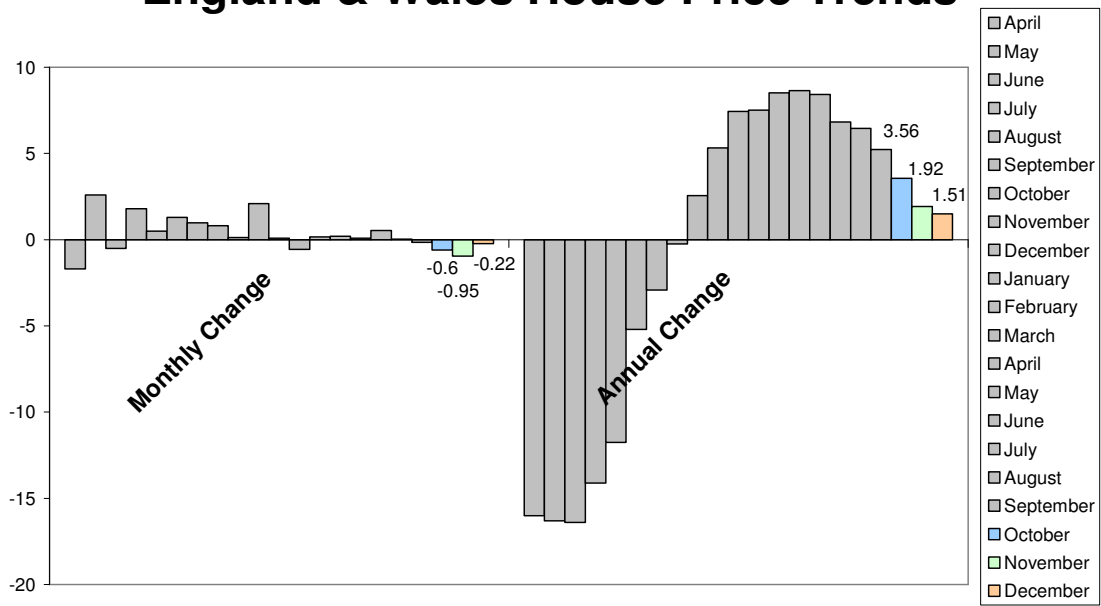


*Source: Land Registry*

## Norfolk House Price Trends



## England & Wales House Price Trends



Source: Land Registry