

### Yarfto Quarter 4: January-March 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 and Suffolk
- 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

## Introduction

This document 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 ↑

House Prices ↑

## Summary

The first three months of 2010 have seen the economy of the Great Yarmouth and Waveney sub-region move out of recession, with most economic indicators positive and a raft of positive business news, although in most sectors there have still been some announcements of closures and job losses.

The numbers claiming jobseekers allowance fell over the period in both Great Yarmouth and Waveney, reversing some of the rises of November and December.

The numbers claiming for less than six months reduced, but those unemployed for more than six months rose in both districts.

Redundancies across Norfolk saw a spike in February, largely due to announced job losses at Bernard Matthews and in the public sector, but in January and March redundancies were down to pre-recession levels.

Job vacancy numbers fell in January and March, but saw a large rise in February. The number of companies going bust has reduced significantly over the three months.

## Sectors

The sub-region's key sectors of agriculture and food processing, energy, manufacturing and tourism all enjoyed positive starts to the year, with a number of new orders for businesses as well as some significant business investments. However there were also some negative headlines.

The agriculture and food processing sector was hit hard by the decision by Birds Eye to move pea production out of East Anglia.

However there was more positive news with expansion plans for Bernard Matthews in Waveney and a £5m investment plan by Hemp Technology.

Within energy, positive news from businesses such as Seajacks, Gardline and Petrofac was overshadowed by the threat by CHC to close its base in Great Yarmouth.

Renewable energy, in particular offshore windfarms, continues to provide opportunities for firms such as 3Sun and CLS Offshore.

Within the tourism sector, Pontins is to invest £10m in its centre at Pakefield, creating 160 jobs, whilst a change of owner at Hoseasons in Lowestoft has put 40 jobs under threat.

Our analysis of business surveys suggests many sectors have started to recover, however many senior managers still remain pessimistic about prospects for the year.

The latest quarterly survey from the Norfolk Chamber of Commerce suggests that the county is more confident than other parts of the country.

There is clear evidence that unemployment and redundancy levels have been kept in check by wage freezes and recruitment freezes.

For example a survey of owner managed businesses showed that a third froze staff wages last year.

Two out of three froze their own pay and many sold or refinanced cars or their own homes to raise money.

Research by the Engineering Employers Federation found half of firms froze pay and wage settlements in general at historically low levels.

There remains compelling evidence amongst small businesses in particular that funds are still too hard to obtain from the banks, either because of prohibitive pricing or need for additional guarantees.

## **Conclusion**

The first three months of 2010 have seen Great Yarmouth and Waveney sub-region return to growth.

Energy and manufacturing businesses are leading the recovery.

Tourism businesses have also enjoyed a strong start to the year.

However, surveys of businesses remain cautiously optimistic at best, and there are still concerns about supplies of credit to SMEs.

On a more positive note redundancies appear to have peaked, whilst vacancy levels are starting to increase.

## Trading Climate & Confidence Levels

### **Key Facts**

Birds Eye announces ending of pea production in East Anglia. Investment by Bernard Matthews in Halesworth. CEFAS to remain in Waveney. Seajacks sold for \$207m. Major contracts for Gardline. CHC considers closing its Gt Yarmouth helicopter base. £10m investment by Pontins at Pakefield

### **Agriculture & Food Processing**

This quarter saw the shock decision by Birds Eye to move pea production out of Norfolk and Suffolk. The region's pea industry is worth more than £5m a year to growers. The 180 members of the Anglia Pea Growers' co-operative have grown about 30,000 tonnes of peas a year for Birds Eye across Broadland, the Waveney Valley and East Suffolk (11,500 acres). The ending of the pea processing business in Norfolk and Suffolk will not have any impact on the Birds Eye factory at Lowestoft, which currently has about 700 employees including agency staff. But about half a dozen specialist agricultural advisers are likely to lose their jobs.

And the Norbert Dentressangle factory, a cold storage factory, at Oulton Broad could see staff facing possible redundancy after the closure of Bird's Eye pea growing and processing operation. The factory would freeze an average of 30,000 tonnes of peas a year while operating 24 hours a day from mid-June.

In more positive news the Centre for Environment, Fisheries and Aquaculture Science (Cefas) in Waveney – government fisheries laboratories, employs 500 people – has confirmed its plans to stay in the town after plans for a Waveney Campus development were scrapped. There are two possible options for its future- investing in the current facilities or building a scaled-down headquarters on the site bought for the Waveney Campus.

Expansion and growth in the sector is evident as Bernard Matthews, Waveney, is to expand two of its buildings to improve efficiency by creating some additional processing capacity and consolidating packing operations, Hemp Technology, which processes hemp and linseed straw – is planning to invest £5m at the end of the year or beginning of next year to boost production of insulation materials and J & H Bunn fertiliser manufacturer reporting a £50m increase in turnover to £11.8m, and a 40 percent increase in sales to £176m in “exceptional” trading last year.

On the reverse side Great Yarmouth's fishing industry has dwindled to just a couple of fulltime fishermen- 100 years ago there were 1,000 trawlers and drifters moored up in the port.

### **Construction**

The pick up in the housing market is good news for Persimmon, parent company of Lowestoft-based regional arm Persimmon Homes Anglia, as it is now planning for new developments in Norfolk and Suffolk this year. The firm sold 8,976 properties in 2009, down from 10,202 the previous year, at an average selling

price of £160,513, compared to £172,994 in 2008. Persimmon Homes Anglia took on additional staff in the later half of 2009 due to the growing demand for homes.

### **Creative**

Marina Theatre, Lowestoft – a meeting will take place this month to consider options for the theatre's future as it continues to pose a serious risk to the council in terms of financial performance, with the council's approved budget not being met for several years. Options include a stand alone option, retaining the theatre within the council's wider leisure option and passing it over to some form of a theatre trust.

### **Energy**

Very positive announcements this quarter including the creation of a “green investment bank”, announced in the Budget, to stimulate billions of pounds of private finance for low-carbon industries such as offshore windfarms which could create hundreds of new jobs in Suffolk and the second is that the world's second largest (£15bn) offshore windfarm is to be built 14km from the shore, off the north Suffolk and Norfolk coast – known as the East Anglia Array. Construction could start in five years to create at least 1,000 turbines with the potential to provide energy to power the equivalent of five million homes a year.

The energy sector has seen mixed stories with Seajacks, which operates self propelled, dynamically positioned, jack up platforms in the core market of the North Sea, being bought by Riverstone Holdings, a New York based specialist investor in energy industry companies, for \$207m and signing a design deal to double its fleet. The company has commissioned Dutch design group CustoMSC to draw up plans for “two or more” new vessels before selecting a shipyard to build them. Petrofac, an international provider of facilities solutions to the oil & gas production and processing industries saw profits rise by 33 percent to £233.5m last year compared to 2008, while revenues rose by 10 percent to £2.42bn. The company said it had taken in more than £4.6bn of orders in 2009, compared to £1.9bn the year before. Gardline Hydro, a marine surveying company, part of Gardline Marine Sciences – has secured a major contract to map the seabed at the planned wind farm site, the Atlantic Array in the Bristol Channel and Abermed, an occupational health group, giving assistance to North Sea energy workers, has set its sights on growth in the wake of being bought by one of its international clients.

Despite this good news CHC, helicopter company with a fleet of five helicopters which employs 70 staff, based at Great Yarmouth, is considering moving its base of operations to Norwich International Airport. The company which ferries workers from Great Yarmouth to North Sea oil and gas platforms is considering moving due to the cost of building a new runway at North Denes. As well as the loss of jobs, there are fears that the move would mean fewer offshore workers would stay in Great Yarmouth hotels and guest houses if they landed elsewhere in the region. Great Yarmouth Borough Council and partners are working closely with CHC to try to persuade the company to stay, by pointing out that the town

will be at the centre of ambitious plans to expand offshore wind turbines and carbon capture sites.

### **Engineering & Boat Building**

Businesses across Norfolk and Suffolk are being encouraged to make the most of the supply chain opportunities being presented by the expanding renewable and sustainable energy industries through a series of events by the East of England Energy Group and Choose Suffolk. SLP Engineering plan to build nine new windfarms off the British coast which should buoy hopes of finding a buyer for the company after it went into administration last month. One of the new windfarms will be the “East Anglian Array”. 3Sun, Gorleston – specialist engineer in precision instrumentation and control systems – is set to treble its workforce by creating up to 40 jobs to cope with growing demand from the green energy industry – offshore wind farms. CLS Offshore who provide a range of products and services to the oil & gas and renewable energy industry, has installed the first of 100 wind turbines for the £780m Thanet windfarm, off the Kent coast, through a deal with the green power specialists Vestas. The firm has invested £250,000 to train 50 technicians at facilities in the UK and Denmark to meet Vestas’ standards. Icen Marine Services who provide crew transfer and associated services, have invested £800,000 in a new service boat in the hope to capitalise on the boom in the offshore windfarm industry. The company have increased their staff to five and expect their turnover to rise.

Meanwhile Goodchild Marine, boatbuilding and repairs, has landed two contracts, one of which is its biggest contract in its 32-year history. The biggest contract is for two 17 metre pilot boats placed by Estuary Services, which runs pilotage services at ports across the South-East – which amounts to three years work in total. The second contract is to build two pilot launches worth £17m for use on the Thames Estuary. The vessels will provide three years of work for Goodchild and will be the first launches of their type built in Britain.

### **Financial**

Lovewell Blake – chartered accountants with branches across Norfolk – has acquired Lowestoft firm Hartley & Co. All 10 Hartley’s staff have moved into Lovewell Blake’s Oulton Broad premises.

### **ICT**

Great Yarmouth is about to welcome Prosper Online, a group of nine internet stores selling products ranging from energy saving devices and pet accessories to fencing, employs three people. The group are moving out of the Hethel Engineering Centre after coming to the end of a year’s free rent it won through the South Norfolk Council-sponsored Launchpad competition. Meanwhile Spring, a digital marketing agency has been appointed by Champagne house Bollinger to handle its digital marketing via a series of campaigns during the course of 2010.

### **Manufacturing**

New investments have allowed two companies to win new contracts and create more jobs as Harrod in Lowestoft, a sports equipment manufacturing, has

erected the new rugby posts at Cardiff's Millennium Stadium with just three men in half an hour thanks to a new assembly system designed by the company – a new “hinged post assembly roller” and Aeropak at Great Yarmouth, which manufactures medical products, is set for continued growth following a £300,000 investment in a new testing laboratory. The company now makes five million products a year, up from two million four years ago will see four new jobs created as part of the investment.

There may be further investment into the region as German manufacturing giant Siemens has visited Lowestoft after revealing that it is going to develop an £80m offshore wind turbine facility in the UK to meet future demand, which could create up to 700 jobs.

### **Tourism**

The region has seen positive stories relating to the previous holiday season and plans for this coming one. Recent figures show that last year's Lowestoft Seafront Air Festival boosted the local economy by an additional £11.5m and created 180 jobs, and the launch of the Strategy for Seaside Success: Securing the Future of Seaside Economies would allow Great Yarmouth to flourish all year round through a £200,000 job creation scheme. The launch also saw the announcement that measures will be brought in to bring unused properties and coastal land back into use, support for non-seasonal festivals and the extension of the Sea Change funding programme. Great Yarmouth's tourism department is planning to turn the town's 600-strong army of taxi drivers turned into “front line ambassadors” for the resort to strengthen this opportunity. Great Yarmouth will have an additional attraction as HMS Dauntless, air defence destroyer which is the Royal Navy's newest and most powerful warship is setting course for the resort to cement the relationship with Great Yarmouth's maritime rich resort. Social events and pageantry are planned to cement the relationship.

In terms of the large holiday parks in the area, Hoseasons and Pontins, there have and will be some fundamental changes. Wyndham Worldwide – American travel giant – has brought Hoseasons (headquarters at Lowestoft) for £51m. Taking the company out of private equity will mean they are more able to invest in expanding the company and improving it. However, up to 40 jobs are at risk nationally as the company is integrated into the new owner's own business, Holiday Cottages Group (HCG), the country's biggest holiday cottage company. Only a small number of the redundancies are expected to be in Lowestoft – 10 or fewer. Meanwhile holiday centre Pontin's at Waveney looks poised to undergo a £10m upgrade that should create 160 full-time jobs. Proposals announced include:

- Creating up to 400 new self-catering apartments
- Upgrading existing accommodation
- Creating a new Ocean Spa
- Improving the centre's swimming and leisure facilities, restaurants and landscaping. If the proposals get the go ahead, the work could start as early as the autumn.

Despite all the good news surrounding the tourism sector, the future for Great Yarmouth's pubs looked bleak after up to half (about 30) of the town's pubs, bars and clubs closed in the last five years. The smoking ban is believed to have had a major affect.

### **Other**

Retail has been hit in the region recently. Great Yarmouth ranked fifth in a study of the vacancy rates of all the towns and cities surveyed in the East by The Local Data Company, with 11.4 percent of shops empty, but the town centre manager said the figure was 8 percent. Lowestoft ranked eleventh with vacancies at 7 percent. Closures and uncertainty surround Ethel Austin (fashion chain) and Au Naturelle (homeware chain), Comet electrical store in Lowestoft with 12 staff being made redundant. The loss of retail jobs is emphasised by the fact that when fashion concession store The Quiz opened in Great Yarmouth and Lowestoft , more than 300 applicants were chasing jobs.

Other industries in the area are seeing success. Gardline Environmental, a subsidiary company of Gardline Marine Sciences providing range of services including hydrographic and topographic surveys, marine mammal observations and small boat services, has won a two year contract to survey bird life at a site earmarked for a major offshore windfarm – Dogger Bank, about 150 miles north east of Norfolk. The company turned over £9.6m for the year ending April 30 2009 with profits of £737,910. Silverton Aggregates, a material supplies business in Great Yarmouth has opened in the town and are optimistic that more jobs will be created in the next few months.

### **Other Information**

Great Yarmouth's outer harbour is getting set to welcome its first container ship. The port has budgeted for 31,000 containers in 2010 and has slowed down its expansion plan in favour of a phased approach.

PSA International – global port operator – has established its first UK container terminal in Great Yarmouth. The investment is a joint venture between PSA International, which operates 28 ports in 16 countries, and International Port Holdings, a global investment company.

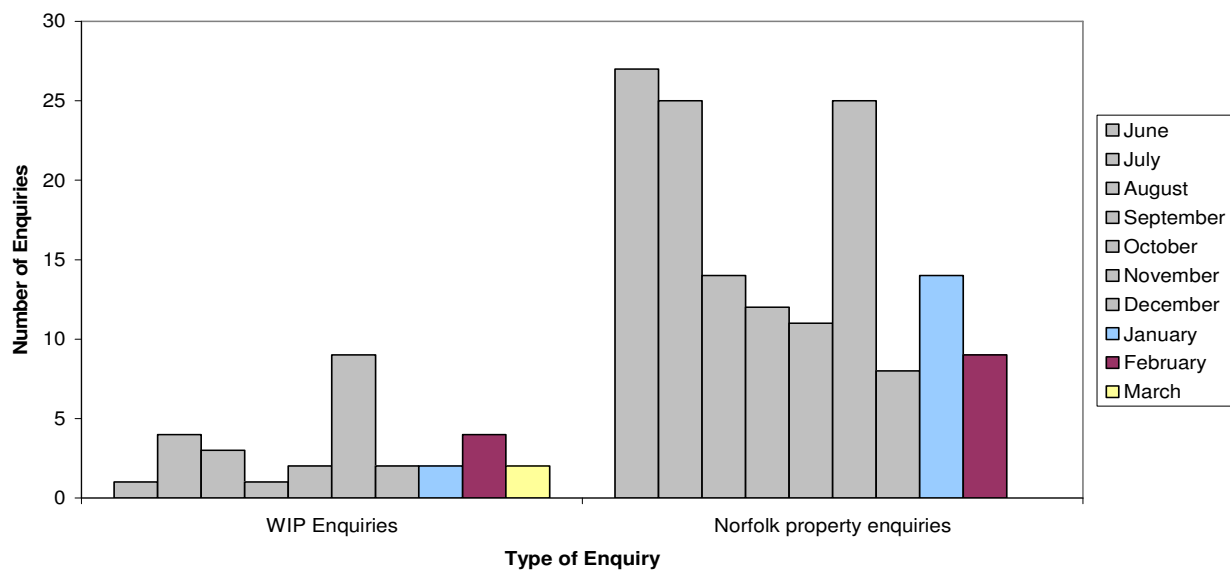
Alchemy Centre, Great Yarmouth College – launched two years ago to inspire young entrepreneurs – is to expand with a second centre. The £1m centre offers fledgling enterprises 12 months free accommodation and a package of support including business advice and computer access. Alchemy 2 will target workshop-based enterprises and has already had interest.

## 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](http://www.investinnorfolk.com)

## Insolvencies

### Key Facts

There are mixed signals surrounding insolvencies and business failures depending on the source, however, all demonstrate that there have been fewer at the end of 2009 and early 2010 than the same time last year.

According to McTear, Williams & Wood, at the end of 2009 there were hopes for a revival in East Anglia's economic fortunes as it emerged that the number of companies going bust has halved. The figures revealed corporate insolvencies fell for a third consecutive quarter in the last three months of 2009, with the rate in Norfolk down by 50pc compared to the end of 2008.

While the rate of corporate insolvencies nationally was 69pc higher at the end of 2009 than before the start of the recession in 2007 - the number of companies failing was only 27pc higher in Norfolk and 26pc in Cambridgeshire. But business leaders issued a note of caution, warning that the East Anglian economy remained "fragile" and Equifax Business Failures Report for the first quarter of 2010 supported this.

The report states there had been a two percent rise in failures in the East of England in the first three months of 2010 compared to the last quarter of 2009. However, compared to the same period last year, there had been a drop of 12 percent. In the UK as a whole, there had been a drop in the number of companies going bust of just 0.5 percent compared to the last quarter of 2009.

## Surveys

### Key Facts

**Responses to surveys have been mixed, with some businesses pessimistic, seeing falls in sales and having to implement pay cuts/freezes while others are optimistic about the recovery, seeing increases in sales, demand and performance**

January – survey of company bosses by Bowmark Capital (mid market equity firm). Findings include:

- Most smaller companies expect the UK economy to make a sustained recovery this year
- 44 percent of companies believed the banks had tightened their terms for working capital facilities in the past six months
- Most of those surveyed called for continuing low interest rates, cuts in red tape and simplified employment law as top priorities after the general election.

January – federation of small businesses on the impact of snow. Findings include:

- The bad weather cost the economy £600m a day

January - 2009 Kleinwort Benson UK Entrepreneurs Survey. Findings include:

- 76 percent of businesses intend to increase the use of e-marketing in 2010 over 40 percent said LinkedIn and Twitter would be used to grow their businesses
- Over 35 percent said they planned to make marketing use of Facebook and YouTube
- Nearly half of those questioned did not think an online presence was critical to the success of their businesses.

January – Chartered Institute of Personnel and Development (CIPD) survey of 2,000 workers. Findings include:

- Fewer than one in ten people believes their standard of living has improved in recent months
- Job satisfaction levels have hit an all-time low, with younger workers particularly unhappy at work
- If the economy does officially emerge from the recession soon, employers are going to have to continue to work hard to rebuild motivation and commitment among employees bruised by job insecurity, lack of consultation over change, pay freezes or cuts, as well as increases in stress and conflict.
- The lack of opportunities to learn new skills or make their first steps up the career ladder is likely to be grinding them down.

- Most workers surveyed believed it would be difficult to find another job if they were made redundant
- One in five thought it was likely they would be laid off
- Half of respondents reported an increase in stress
- A fifth said there had been a rise in sick leave
- Around 14 percent said bullying by managers had got worse

January – Roland Berger Strategy Consultants survey of 100 bosses from some of the UK's biggest companies. Findings include:

- Senior managers are deeply pessimistic about the chances of a sustained economic recovery this year
- One in three feared sales and profits would be worse than in 2009
- Fewer than one in five expects a sustained economic recovery this year
- More than a quarter saying the recovery will not happen before 2012.

January – Close Invoice Finance (CIF) on payments. Findings include:

- Nearly half of the SMEs in the east of England are having to wait for payment for 31 days over the agreed payment terms

January – CBI survey of retailers at the height of the snow. Findings include:

- 36 percent of retailers saw sales fall
- 28 percent reported a rise in sales leaving a balance of minus eight
- It is the first negative figure for four months and marks a disappointing setback for retailers after they previously forecast flat sales in January
- Retailers are expecting sales to be flat on a year ago next month as the effect of the VAT rise subsides after many shoppers rushed to make their purchases in December

January – Santander Business Banking survey of small business owners.

Findings include:

- Two out of three owners froze their own pay last year
- One third decided not to increase wages of their employees
- More than one in four owners cut their own pay in the face of the recession
- Some owners sold or refinanced their cars or houses to raise money for their businesses

January – Construction Skills Network report. Findings include:

- Construction industry will see only a slow return to growth over the next few years after a severe contraction which will hit hundreds of thousands of jobs.
- Output in the industry is expected to have been cut by 13 percent last year
- Forecast that 375,000 jobs would be lost between 2008 and 2010, with just 100,000 being recouped by 2014.
- Marginal decline in output is predicted for this year, with consistent recovery not expected until 2011, with a slow and steady return to moderate levels of growth.
- Construction output in the next few years is forecast to be strongest in the east of England and the East Midlands, as well as Wales and Scotland.

February – Engineering Employers Federation study of 250 pay settlements.

Findings include:

- Pay deals in manufacturing firms remain at historically low levels, with no sign of wage inflationary pressures building up
- There were average rises of 0.8 percent in the three months to January, a 0.3 percent increase on the previous quarter
- Just over half of manufacturing firms froze pay, compared with over two thirds in the previous period
- One in five firms deferred increases

February – Chambers of Commerce Q4 2009 Economic Survey. Findings include:

- Improvements in most key national indicators and a particular boost for manufacturing.
- Survey suggests that the service sector performed worse than manufacturing
- Service balances are negative for home sales and orders, employment, cash flow and investment in plant and machinery.
- Norfolk bucked the trend against many indicators and it showed increased confidence in both manufacturing and service industries.

February – CBI industrial trends survey. Findings include:

- Manufacturers are the most positive about output prospects in almost two years despite “feeble” demand
- 7 percent balance of firms expected output to rise in the next three months – strongest figure since March 2008
- Total order books remained low and a balance of 36 percent reported below normal levels, although this was the least negative since December 2008
- Exports continue to be supported by the weakness of the sterling
- Balance of 23 percent of companies said exporters were lower than normal, the best figure since August 2008

February – Federation of Small Businesses survey of almost 10,000 firms.

Findings include:

- Taxes have prevented almost three out of five small firms recruiting more staff, but in the South East this rose to two thirds

February – BT survey of over 1,000 mums. Findings include:

- approximately 15% of all UK mums are already engaged in enterprise activity
- and a further 10% have strong aspirations to do the same.
- Prediction that enterprising mums have potential to become an increasingly important force in the UK economy over the course of the next decade
- 62 percent said choosing the hours they work was the reason they wanted to start-up their own venture
- 50 percent wanted a better work/life balance
- 38 percent strongly value the idea of being their own boss

- 44 percent felt that the emergence of online social networks has created more opportunities for women in business today
- a quarter said that they will focus their efforts on selling goods or services purely online.

February – eBay survey of more than 700 businesses which trade online.

Findings include:

- 7 out of 10 met their sales targets last year
- 1 in 10 said they found it difficult to cope with the effects of the economic downturn
- Number of firms struggling with access to finance has halved, and fears of inflation have eased over the past year
- Almost half expressed concerns about consumer demand
- 55 percent complained that supply costs were a barrier to growth

March – Manufacturing Outlook report. Findings include:

- Two year high in the number of businesses reporting increased output since the start of the year in the east of England
- First months of 2010 had seen a 13 percent increase in new orders received by the region's manufacturers
- 32 percent of respondents expected an increase in orders over the coming three months – most positive figure since early 2008

March – The Recruitment and Employment Confederation study of 400 recruitment consultants. Findings include:

- Demand for staff has grown for five consecutive months
- Increasing employer confidence has resulted in the best performance seen in permanent employment for two and a half years
- High-end sectors such as IT are showing particularly strong growth
- Significant increases in demand for admin and back-office support
- There are indicators that recruitment in the public sector could drop off fast

March – Independent Centre for Families in Business and the Praxity alliance of accountancy firms research. Findings from the 'Taking the family business seriously' report include:

- Only about 30 percent of businesses make it through to the second generation
- Fewer than one in 10 make it beyond that stage
- Specialist support is required to maximise the chance of longer-term survival

March – Manpower recruitment group research. Findings include:

- Proportion of employers who say they are likely to take on staff has risen by six percent compared to the end of 2009 – and by 12 percent compared to a year ago
- The 12 percent far outstrips the national average of 1 percent - and comes as employers in other regions, particularly in the West Midlands, told Manpower they were still likely to shed jobs

March – The National Business Survey of 449 firms in the East of England. Findings include:

- Nearly three quarters of company chiefs expect economic conditions to improve in the year to November 2010
- 53 percent said their performance had got better or stayed the same over the past 12 months

March – insolvency practitioners R3 study. Findings include:

- One in four businesses fear they will face insolvency if the economy suffers a “double dip”
- The hotel and catering sector was the least positive about its survival with 49 percent of those surveyed in the sector saying they were concerned about survival

March – Chartered Institute of Purchasing and Supply survey. Findings include:

- March saw the fastest rate of expansion since October 1994 with the headline activity index at 57.2 – up from 56.5 in February.
- Exports are helping to drive growth

March – British Chambers of Commerce Quarterly Economic Survey, for January-March. Findings include:

- Surge in demand from UK customers at the start of the year
- Among East of England manufacturers, the figure for UK sales was plus 40 – up from plus 10 at the end of 2009.
- Export sales figure was plus 8, down from plus 34 the previous quarter.
- Future employment expectations was minus 30, down from plus 28 in the previous quarter
- In the service sector for East of England, UK sales was plus 10, down from plus 18
- Export sales were up two percentage points at plus 17.

## Support & Government Initiatives

### Key Facts

The National Audit Office (NAO) reports that take-up of the government's £20bn business support package launched at the height of the recession has been lower than expected. Young Norfolk people continue to benefit from the Future Jobs Fund. The Budget announcement includes several schemes to support SMEs.

### Initiatives Released/ Promoted:

January – Future Jobs Fund (£1bn pot to provide 18-24 year olds struggling to find work with six month training placements at various community groups) – has enabled 331 new jobs in Norfolk to go ahead and begin in April. 156 will go to Great Yarmouth, 86 to Norwich and 43 to King's Lynn. Staff are paid by the Future Jobs Fund, and put with the 965 similar jobs already created in Norfolk by the scheme, the total number of positions created is 1,296.

The Breckland Local Strategic Partnership has secured £123,500 funding from a Future Jobs Fund to provide 19 new posts in the district.

February - £13.6m graduate internship programme is expected to secure 7,000 internships in small businesses, including 100 graduates from the University of East Anglia. Graduates will receive practical assistance before, during and after their internship including mentoring, pre-employment and interview training and CV workshops. The university is one of more than 50 to take up the scheme, which offers assistance with wages averaging £1,300 per intern to small businesses that take them on.

March - All Trades Training, Rackheath Industrial Estate – construction training company – has seen rapid growth after securing a government contract under the Future Jobs Fund, which will see it help 165 unemployed young people into work. In addition to training, participants are found work for six months, working 25 hours a week at £5.80 an hour, which will involve working on social housing projects and other building sites.

The National Audit Office (NAO) reports that take-up of the government's £20bn business support package launched at the height of the recession has been lower than expected. The six schemes announced by the Department for Innovation, Business and Skills in autumn 2008 had provided just over £3bn in subsidies, loans and guarantees as of the end of 2009.

The measures included the car scrappage scheme, as well as working capital guarantees and enterprise finance schemes to ensure that viable small businesses could gain access to loans.

The department estimates that 6,200 firms had received direct support as a result of the package although it does not know how many have indirectly benefited.

### **Other Initiatives**

January - Royal Bank of Scotland has unveiled a £1bn finance fund to support embattled manufacturers hit hard by the recession. The bank is offering manufacturers loans of between £250,000 and £25m at discounted rates and with discounted arrangement fees, with the option to defer capital payments and pay interest only for up to three years.

Norwich City College has been helping people back into jobs through a project with Job Centre Plus, aimed at people who have been unemployed for six months or more. The scheme started with retail and hospitality and has expanded to health and social care, business finance and electronics.

As well as short training courses, all participants receive training in employability skills from the college's BusinessFirst team. At the end of the training period the college tries to find a local job for the trainee. Employers are given an incentive to take them on with a £500 payment and further £500 after they have been in the job for six months.

## The Budget, Wednesday 24<sup>th</sup> March

Measures aimed at SMEs were:

- A 12-month increase in the level of small business rate relief – more than 500,000 small businesses occupying properties with rateable values up to £6,000 in England will not pay business rates from October
- Small businesses' annual tax-free allowance will increase in £100,000
- An extra 15 percent of central government contracts to go to smaller firms
- An extension to the Entrepreneurs' Relief fund to the first £2m of gains made over a lifetime (it was £1m)
- RBS and Lloyds to be asked to offer £94bn in new business loans with nearly half going to SMEs
- No increase in the minimum rate of capital gains tax
- An extension of the Time to Pay scheme, giving firms longer to pay tax bills
- A new service to fast track credit complaints from SMEs
- The launch of UK Finance for Growth, a body responsible for overseeing the government's £4bn range of SME finance products
- 80 percent of bills from government departments to be paid in five days.

## Business Link Engagement

### Key Facts

Overall the fourth quarter has seen Business Link's engagement fall by almost 50 percent in all categories apart from pre-starts and intensive assisted customers. In total Business Link engaged with 1,561 businesses, a fall of 1,431 (47.83%) since quarter three. 805 enquiries were from people considering starting a new business, a fall of 17 (6%).

Recently started businesses engagement fell by 58% from last quarter. The number of established business enquiries fell by 538 from 897 last quarter to 359 this quarter – a 60% decrease. However, those intensively assisted customers rose by 13.6%.

Reasons for the decrease in engagement in many categories but the rise in intensively assisted customers reflects the new focus for Business Link – spending more time with customers.

It must be remembered that figures are not cumulative, they relate to customers with a particular status at the time the stat was taken which is at the end of the quarter, which is why the figure for Norwich start ups is negative as some businesses may have moved up to established by the time the stat was taken.

### 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

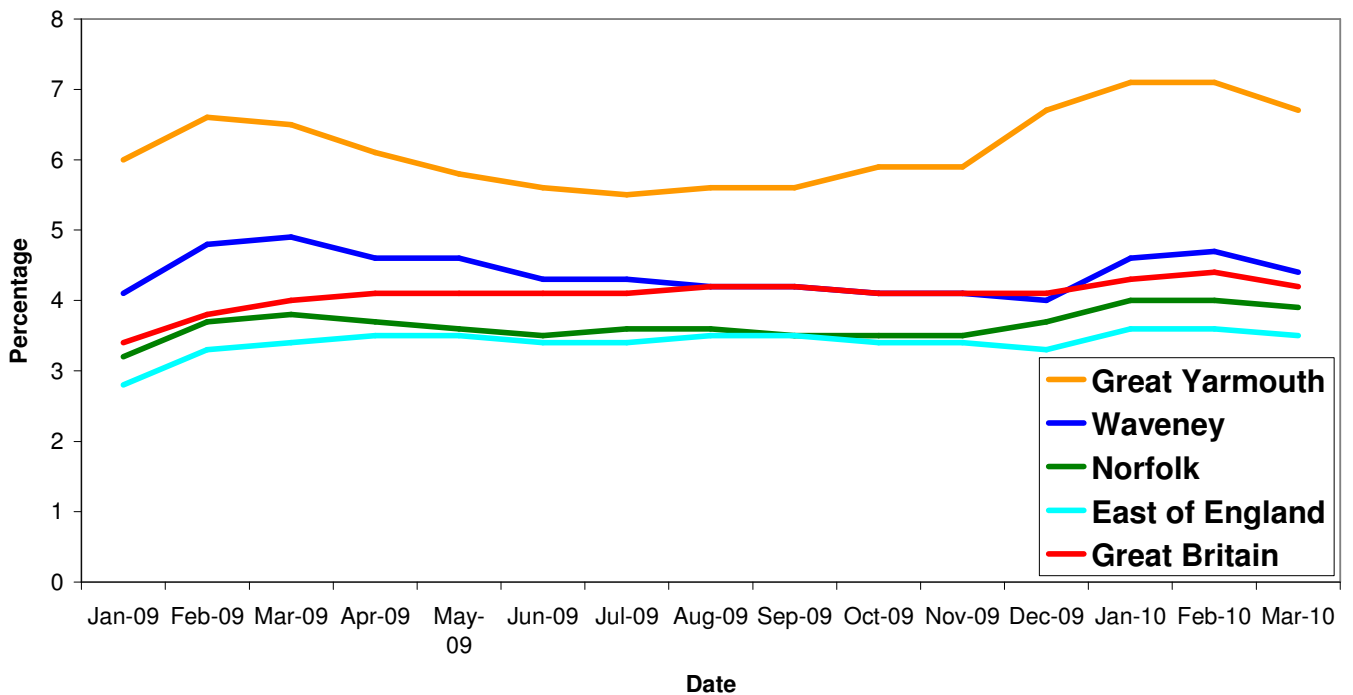
Area	IDBR	Pre-Start	Start Up	A %	Established Businesses	B %	Total	C %	Intensive Assisted Customers
<b>Great Yarmouth</b>	<b>3,025</b>	<b>64</b>	<b>7</b>	<b>0.23</b>	<b>59</b>	<b>1.95</b>	<b>130</b>	<b>4.3</b>	<b>27</b>
Breckland	5,045	189	12	0.24	102	2.02	303	6	42
Broadland	4,595	40	2	0.04	98	2.13	140	3.05	34
King's Lynn & West Norfolk	5,410	227	10	0.18	112	2.07	349	6.45	26
Norwich	4,235	117	-4	0	147	3.47	260	6.14	46
North Norfolk	4,485	60	19	0.42	65	1.45	144	3.21	28
South Norfolk	5,280	108	13	0.25	114	2.16	235	4.45	45
<b>TOTAL</b>	<b>32,075</b>	<b>805</b>	<b>19</b>	<b>0.42</b>	<b>697</b>	<b>2.17</b>	<b>1,561</b>	<b>4.8</b>	<b>248</b>

## Unemployment

### Key Facts

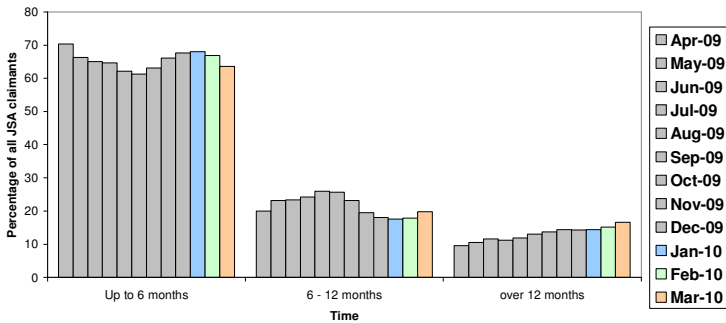
- Norfolk saw an average of 19,644 people claiming JSA in this fourth quarter, with a fall of 390 people, 1.98% between January and March.
  - Great Yarmouth saw an average of 3,805 people claiming JSA in this fourth quarter, with a fall of 210 people, 5.41% between January and March.
  - Waveney saw an average of 9,016 people claiming JSA in this fourth quarter, with a fall of 121 people, 4% between January and March.
- This quarter continues the trend of seeing the proportion of people who have been claiming JSA for less than 6 months fall, suggesting there are proportionately more people who are longer term unemployed than recently unemployed.

## All people claiming JSA

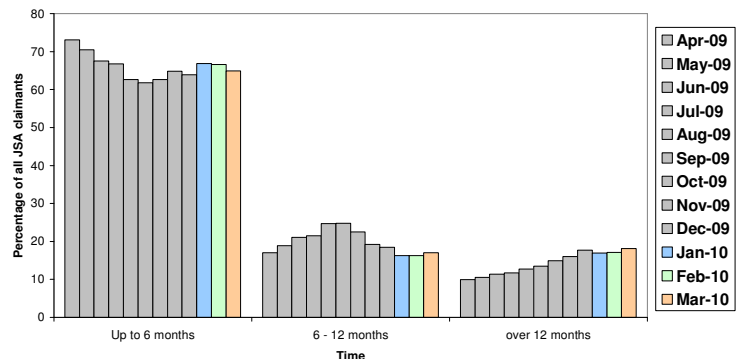


Source: Nomis, Crown Copyright

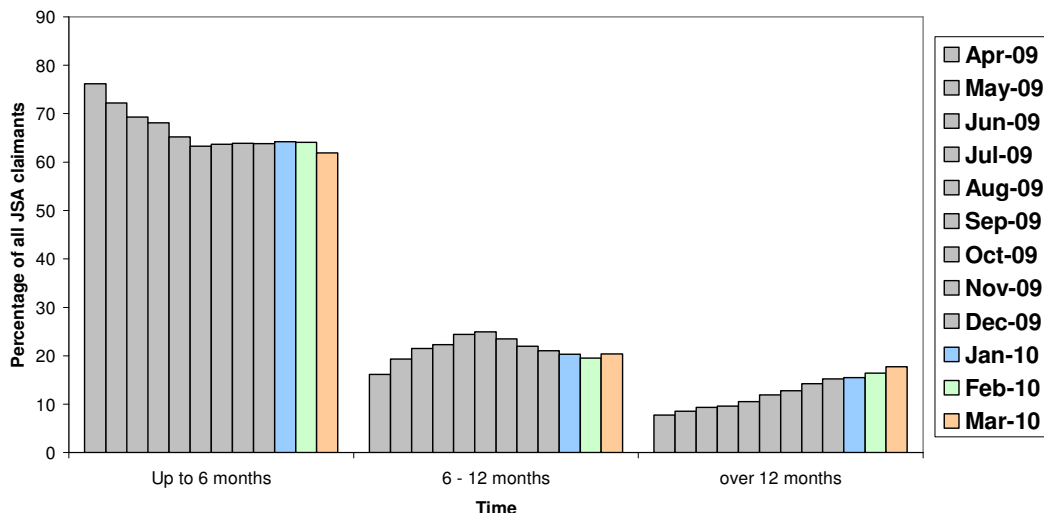
### Great Yarmouth JSA claimant by duration



### Waveney JSA claimants by duration



### Norfolk JSA claimants by duration



Source: Nomis

Norfolk is below the national average for the number of young people not in education, employment or training (Neet) and has fewer Neets than before the recession took hold. Prior to the recession, in November 2006, 8.2 percent of young people aged 16 to 18 were Neet – more than 2,000 youngsters. But from November 2009 to January this year, 5.4 percent of young people in that age bracket were classified as Neets – about 1,420 youngsters. The Norfolk average was 6.4 percent between last November and January while the East of England average was 5.9 percent.

Recruitment firm Cooper Lomaz reported a 20 percent rise in vacancies in January, particularly in IT and web development, sales and procurement. Procurement roles had risen after being at a “standstill” for the past six to eight months, while jobs in food production had remained “quite buoyant” throughout recent months. Vacancies are also up in the region’s financial services sector, with more senior and middle management posts becoming available. Oil and gas and specialist engineering jobs had also increased, while the company has seen more permanent positions coming up rather than temporary or short-term contracts.

## Redundancies

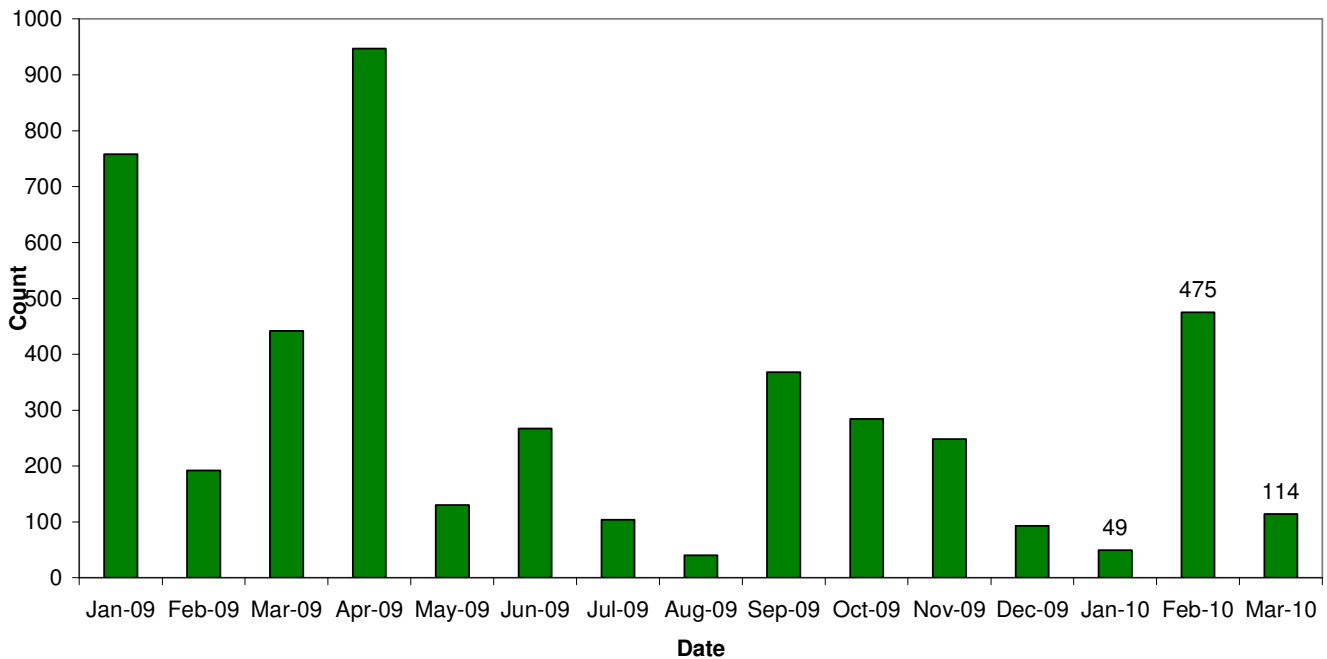
### Key Facts

**Redundancies in January dropped to their second lowest but then shot up in February by 869.4% before falling in March. This sharp increase is partly due to redundancy notifications at Bernard Matthews and job losses in the public sector**

Month	Number of Redundancies
January	49
February	475
March	114

Source: Job Centre Plus

## Norfolk Redundancy Notifications



Total Redundancies since July 2008	Increase since January	Sector
6936	638	All
1135	13	Manufacturing
838	27	Construction
1135	40	Insurance & Financial Services
777	9	Retail
536	45	Haulage & distribution
670	188	Food Processing
212	0	Tourism & Leisure
296	74	Publishing
139	0	Public Transport
101	0	Boat building
115	0	Media
229	0	Mechanical/electrical engineering
79	0	Further Education
90	0	Service
167	0	Health & Social Care
64	20	Wholesale
42	0	Real Estate
41	0	Printing
40	0	Science / Research
18	0	Architecture
192	173	Public service

### Job Adverts (EDP, Great Yarmouth Mercury and Lowestoft Journal)

#### Key Facts

- On average there were 8 pages of jobs in the EDP during this quarter, however, January saw a high of 12 pages. Unlike last quarter, where public sector jobs were more prominent, this quarter has seen public and private jobs having similar numbers each week. With news of job losses announced in district councils and private companies starting to recover, these results are not surprising. Third sector jobs have accounted for between 3 and 13 percent, which is a 5 percent increase from last quarter.
- The Great Yarmouth Mercury and Lowestoft Journal only had one to two pages of jobs each week, with the majority of jobs private sector.

Vacancies notified to JCP			
	Number	% Full Time Positions	Monthly Change %
January	2,800	63	-26.2
February	3,710	66	32.5
March	3,712	69	2

Vacancies notified by Great Yarmouth Borough Council		
	Number	Monthly Change %
January	257	-29
February	625	143
March	401	-36

## Skills

### Key Facts

**Despite the UEA potentially making cuts due to a fall in funding, there is real potential for students in Great Yarmouth with the new school of construction and manufacturing technologies.**

The University of East Anglia (UEA) can not rule out cuts as it will be getting less money for the coming year. UEA funding will dip by 0.1 percent from £57.117m to £57.075m. Norwich University College of the Arts (NUCA) was hit by a 2.9 percent cut, from £6.834m in 2009-10 to £6.641m for 2010-11.

The National Strategic Skills Audit, published by the UK Commission for Employment and Skills – reports that the East of England is well placed to benefit from growth sectors such as low carbon technology, advanced manufacturing and life sciences. But that growth in jobs will not be realised without investment in training to ensure the region has the skilled workforce required to fulfil that potential.

The new £6m school of construction and manufacturing technologies at Great Yarmouth College was opened in January and was officially named the Kier Building, after the firm that created it. The centre offers the most up-to-date facilities to train more than 500 students of all ages in bricklaying, carpentry, painting and decorating, electrical installation and plumbing.

New skills academies have been announced under a multi-million pound government drive to improve training of workers in industries ranging from rail to biotechnology. The national academies will cover five sectors – rail engineering, logistics, green building services, biotechnology and composites – funded by £12m of public investment matched by private firms. A further £2.9m of government funding is being spent on an academy for the power industry, with over 300,000 people expected to take part in all the training programmes over the next four years. The government said it will help create up to 1,000 apprentices a year in the nuclear industry as part of plans for 35,000 advanced and higher apprenticeships for people aged between 19 and 30.

Five Norfolk high schools are almost certain to close and be replaced by four academies costing a total of more than 3100m. The five schools include the Oriol High at Gorleston, Costessey High, Charles Burrell and Rosemary Musker at Thetford and The Park High at King's Lynn. All of the academies would open in the existing school buildings in September 2010, with new buildings at King's

Lynn complete by 2014 and at Costessey by 2015 – with both £20m-plus projects funded from Building Schools for the Future cash.

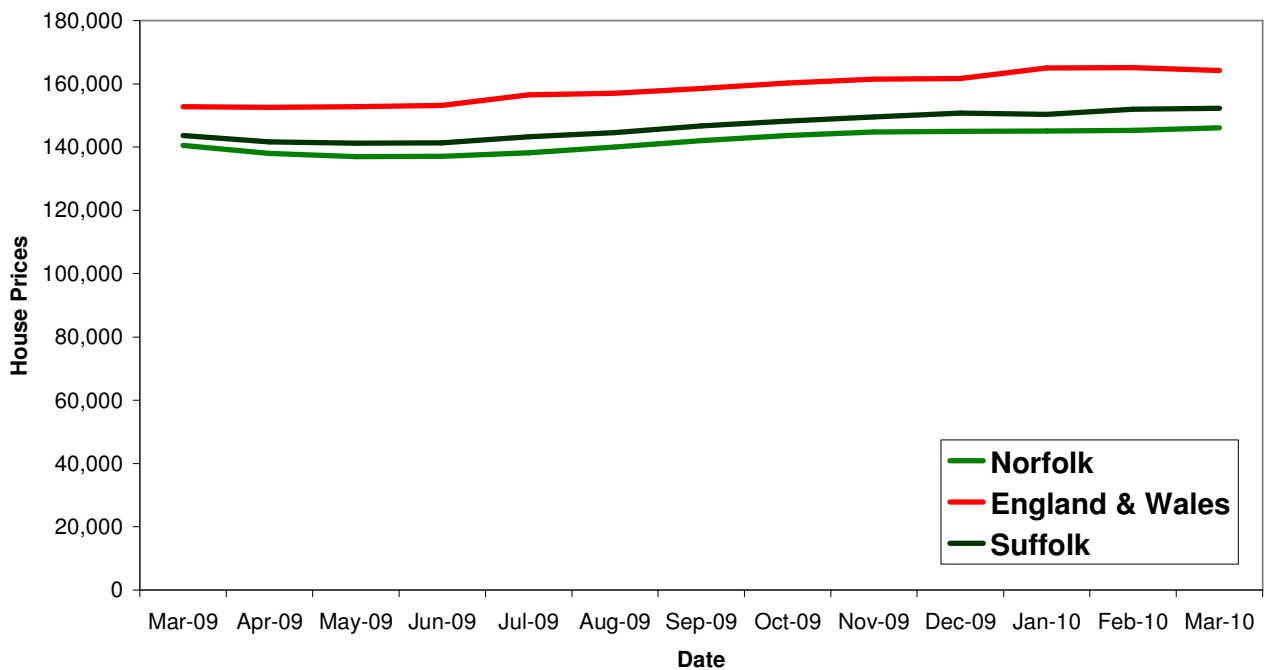
The Gorleston and Thetford schemes will be funded via the government's national academies framework, with completion expected by 2014.

## Housing

### Key Facts

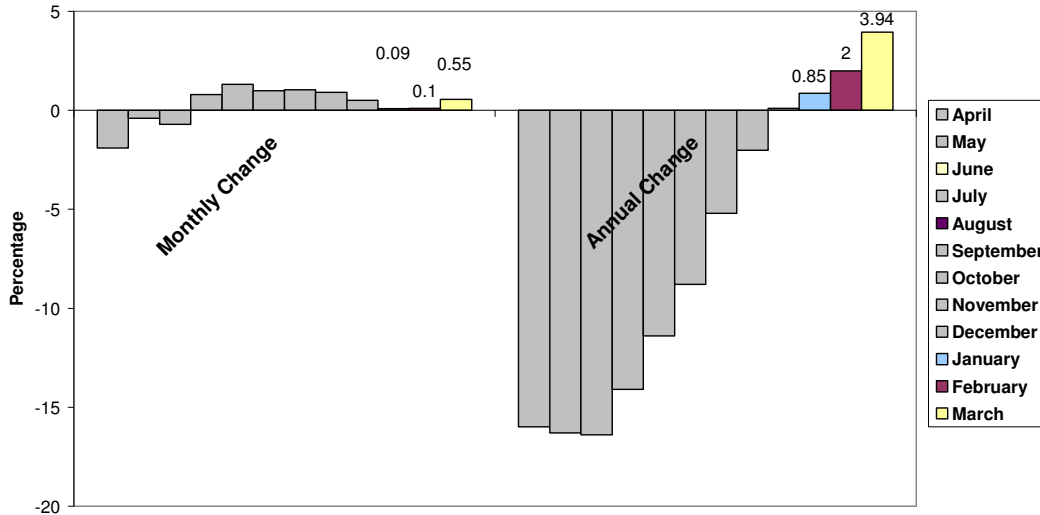
- UK house prices have averaged £164,863 in this fourth quarter with a fall in prices of 0.48% between January and March.
- Norfolk house prices have averaged £145,515 in this fourth quarter with a rise in prices of 0.65% between January and March.
- Suffolk house prices have averaged £151,566 in this fourth quarter with a rise in prices of 1.26% between January and March.

## House Price Trends

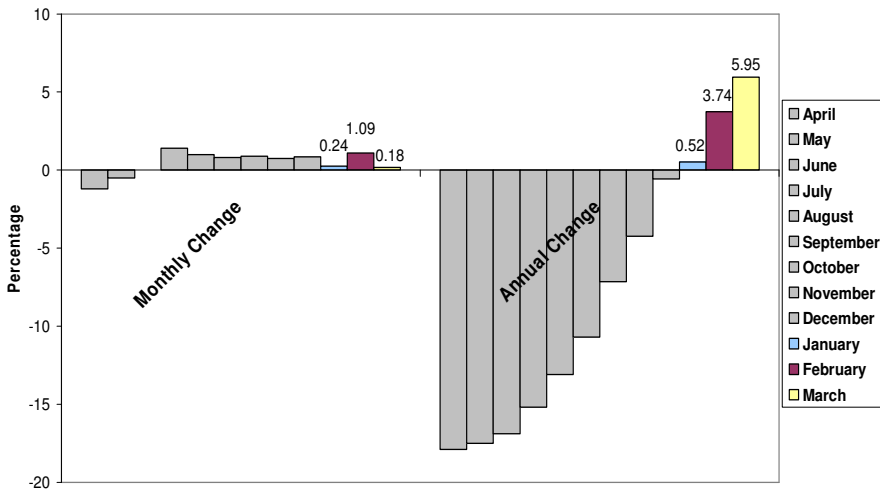


Source: Land Registry

## Norfolk House Price Trends



## Suffolk House Price Trends

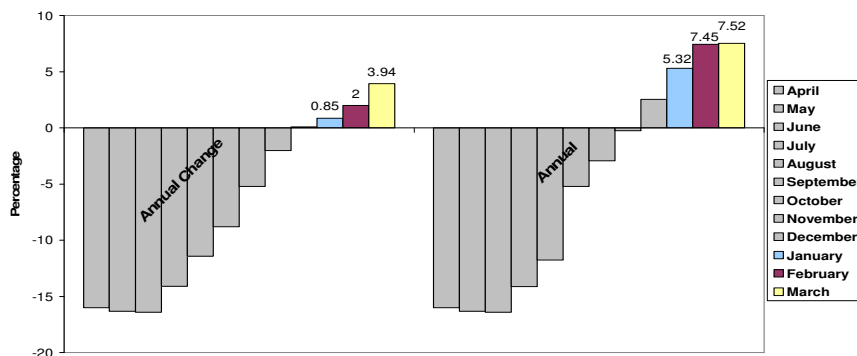


Norfolk's monthly change in house prices are not consistent with the general UK trend, with January being the best month and the subsequent months faring worse, compared to the UK having a steady growth. Norfolk house prices are higher than a year ago, and March saw a reasonably sharp increase.

Suffolk's monthly change in house prices have remained positive but are not as high as previous quarters. Suffolk house prices are now more than a year ago, and have overtaken the rise in Norfolk.

Source: Land Registry

## England & Wales House Price Trends



Norfolk and Suffolk councils were yesterday hailed as both the best and worst in the country for delivering affordable homes according to housing charity Shelter. Shelter produced a league table detailing how authorities in England are shaping up in delivering affordable homes – properties operated by housing associations or councils for sale or rent at below market rates – compared to their own housing need targets.

Council	Affordable housing delivered 2008/09	Affordable housing needed	Percentage of housing need delivered %	Overall rank
South Norfolk	313	121	259	1
Broadland	110	98	112	7
Norwich	410	624	66	23
Waveney	67	225	30	88
King's Lynn & West Norfolk	177	797	22	130
Breckland	143	964	15	192
Great Yarmouth	47	484	10	251
North Norfolk	63	921	7	285