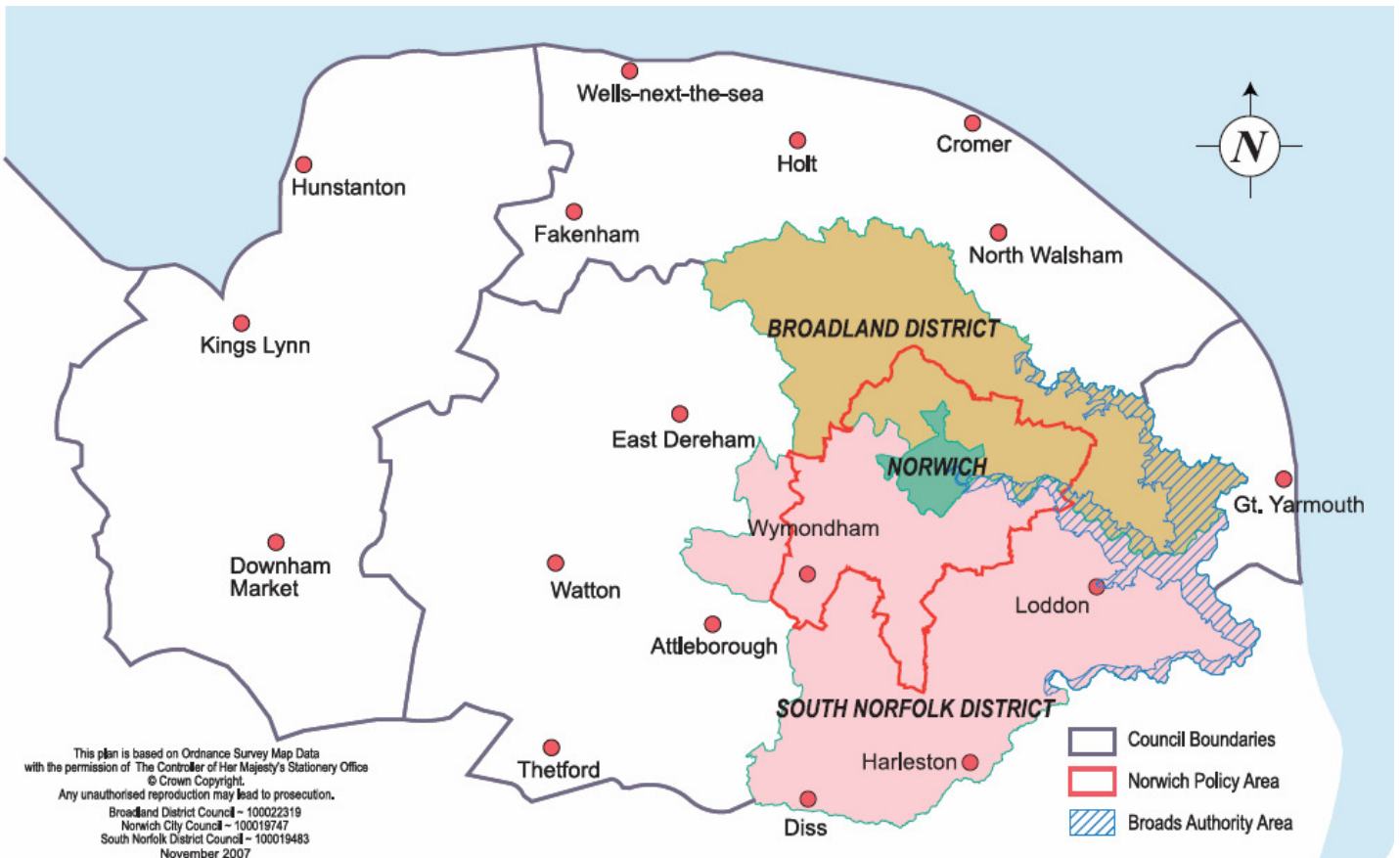


Quarter 4: January-March 2010



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 LynnNews paper
- email updates from businesses
- word of mouth
- sector group meetings

Introduction

This document brings together key business and economic intelligence information over this quarter (quarter 4) to develop a clearer understanding of the economic performance of the sub-region.

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

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

Key indicators

Business confidence ↑

Unemployment ↓

Redundancies ↑

Job vacancies ↑

House Prices ↑

Summary

This quarter has seen sustained economic recovery in the Greater Norwich and the wider Norfolk economy, with most indicators positive over the period.

The numbers claiming jobseekers allowance fell over the period – although less than the national trend.

Redundancies 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.

After a poor start in January, job vacancy numbers increased in February and March, and are higher overall.

The number of companies going bust has also reduced significantly over the three months.

However the commercial property market still seems slow, with a reduction in the number of Norfolk property enquiries via the investinnorfolk.com website.

House prices have continued to rise over the period, with Norfolk performing in line with national trends.

Sectors

Sectors under stress during 2009, such as construction, engineering and financial services have started to recover, with orders beginning to come through and in some cases, recruitment starting again.

Construction industry research predicts a slow return to growth – but the East of England is expected to be amongst the best performing.

Financial services businesses in Greater Norwich enjoyed a better three month period. Key employer Central Trust, which cut staffing numbers in 2009, secured a £90m credit facility enabling it to return to growth.

Prospects in tourism remain strong, with businesses confident the staycation success of 2009 will be repeated in 2010.

January's snow had some impact on the local economy, with retail hardest hit. A CBI survey reporting 36pc of retailers seeing sales fall.

ICT and digital businesses in Greater Norwich have in the main, had a strong start to the year with a number of significant new contract wins.

Interestingly manufacturing, helped by export markets and the weak pound – has recovered more strongly than the service sector.

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 the Greater Norwich and Norfolk economy return to growth.

Sectors hit hardest by the recession – manufacturing and financial services – are leading the recovery.

Tourism and ICT 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 Cranswick Country Foods and Kall Kwik. May Gurney continue to win new contracts. The showing of Les Miserable brings a £4.5m boost to the local economy.

Agriculture & Food Processing

Norfolk

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).

However, there is some more positive news for pig, poultry and mixed farmers as the latest Total Income from Farming (TIFF) from Defra forecasts they will enjoy higher returns, which reflects firmer prices for finished and store livestock and input costs.

Greater Norwich

This quarter has seen mixed fortunes in Greater Norwich as announcements for a proposed multimillion pound Norfolk food hub including a distribution centre, livestock market, shop and restaurant for a Greenfield site near Norwich – Honingham Thorpe, which would help promote locally sourced food and could provide as many as 1,500 jobs. And Wissington, the world's biggest beet sugar factory, confirming record average yields for the second year and Naked Wines launching a £5m investment fund to help winemakers across the world to set up new operations came at the same time as job losses were announced at Bernard Matthews as part of an ongoing drive to improve efficiency. The company will be shifting its frozen whole bird operations from Great Witchingham to its plant in Holton, Suffolk, however, there will be fewer jobs lost than were feared after some staff agreed to transfer to the Suffolk plant and others retired or left the company. In a drive to boost their profile, the company has now recruited Marco Pierre White as its ambassador.

Other Areas

Cranswick Country Foods, pig processor, has invested £3m in the meat plant, with more planned, and has seen an increased throughput of about 30 percent, where as Waverley TBS drink depot in Cromer could see two thirds of the 25-strong workforce made redundant under proposed changes, which could see the depot potentially be reduced to a transit point- a stockless location where loads are switched between lorries.

Construction Greater Norwich

This quarter has been very successful for one firm in particular, and All Trades Training will help bring a boost to the construction workforce. The 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. Those trained may well go on to work for May Gurney which has had a very successful 2010 with several contracts won. The company won two new contracts with Wessex Water worth £65m over the next five years and that followed a separate £170m long-term contract with South West Water. The company has also secured contracts worth £120m at Anglian Water which will see it install water meters and repair and maintain the infrastructure network in Anglian Water's east area. However, the company reported that salaries were not raised in 2009 in order to keep winning new business and protect jobs. May Gurney has also entered into two partnerships: one as a joint venture company (JVC) with Torbay Council to deliver a range of frontline services worth £130m. May Gurney will hold an 80 percent share of the JVC, and the other with Norse Property Services, who were named preferred bidder for a 10-year £185m school refurbishment and maintenance programme for Lambeth council.

Other Areas

Chalcroft, King's Lynn – specialist building firm, employs 140 nationwide and 40 in King's Lynn – expects to see turnover rise from £32m in the financial year to June 2009 to £34m this summer thanks to clients in the food industry deciding to refurbish or extend their premises.

Creative Norfolk

Norfolk's film industry is to enjoy a boost after a £3.5m fund was unveiled to help get movies made in the county onto the silver screen. Screen East will look to bring investment into the region, and wherever possible green technologies, such as low-carbon power generators or energy efficient lights, will be sourced locally to encourage money to stay in the East of England. On a smaller scale Levi, the denim clothing company, has used Norwich as a backdrop for some of its latest promotional film footage.

Greater Norwich

Creative Industries has had a mixed quarter with both Archant and Johnston press seeing falls in profits predominantly due to advertising revenues falling as a result of the recession. However, Archant has signed a deal with Palm Paper to receive 30,000 tonnes of recycled paper each year from the new Palm Paper plant at King's Lynn – a deal worth about £10m.

Kall Kwik, a printing business at Meridian Business Park, have invested £27,000 to buy one of the first digital printing machines of its kind in the UK in a bid to broaden its portfolio of clients in 2010 after picking up five new customers in January while Les Miserables has brought many new customers to Norwich. The

show, shown at Norwich Theatre Royal during this quarter is said to have boosted the local economy by £4.5m. The show sold more than 47,900 tickets and 9,000 programmes. The theatre's own restaurant served 2,529 meals and more than 800 buffet meals and others nearly also benefited. Mackintosh's Canteen said the show had brought in 600 extra customers just between 5.30pm and 6.30pm.

Other Areas

Two local companies have seen national recognition with Norfolk Resists, an engraving company based in Riddlesworth, being commissioned to carve 600 bespoke glass plaques that will help mark the Jubilee Greenway, and Ride Alert, Dereham, which produces personal identification products for horse riders or horses in-case of an emergency, being recognised by the equine industry at the highest level, winning the Innovation Award in the safety and security category at the British Equestrian Trade Association International trade fair. On the other end, a festival which has been running for 45 years and attracts 30,000 people has been cancelled, and a smaller music festival will be held instead in North Walsham.

Energy

Norfolk

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 could create hundreds of new jobs in Norfolk. The new bank would control £2bn in assets and "unlock billions more" from the private sector for green energy and transport development.

Greater Norwich

Acteon – made up of 17 businesses providing specialist services in the offshore oil and gas sector is creating a new operation called Pulse Structural Monitoring – spinning out existing research and technical expertise from its 2H Offshore subsidiary into a new company, while InterAct, part of the group, have project managed the decommissioning work on an observation well in South Morecambe gas field, a project with a value believed to run into millions of pounds. Norwich will see 20 new jobs created after Bond Offshore Helicopters, based in Aberdeen secured a multi-million pound contract in the offshore energy sector.

Other Areas

Living Fuels, a green energy company which converts waste cooking oil into fuel – is hoping to invest close to £2m in expanding its operations in East Anglia this year. In the three years of running, the business has grown from two people and a van to an operation which collects used cooking oil from 180 local-authority recycling centres around the UK – 54 of those in East Anglia.

Engineering

Greater Norwich

Hethel Engineering Centre has seen the arrival of two new virtual tenants – Nexxtdrive and Planscriber, while Active Technologies, based at the centre has secured 10 new contracts this year – a month after winning a major solar panel deal, and Group Lotus will now be working with Northampton-based engineering firm Cosworth Group. Cosworth will supply high performance engines, based on Toyota designs, for future Lotus cars, and assemble racing engines for Lotus' racing vehicles. In addition to these positive stories, VT Group has opened up a new training academy aimed at the automotive industry, offering government funded training programmes to businesses in the Norwich area. It will also be open to people keen to train for careers as service technicians.

Other Areas

Engineering businesses in other areas of the county have had a successful start to 2010 with Able Engineering in King's Lynn – bespoke engineering solutions for business – winning a contract with the British Antarctic Survey to design and build a hot water drilling system to use in Antarctica in sea level change research; Ladbroke Engineering in North Walsham – metal component manufacturer - investing upwards of £80,000 in two new machines to win a new contract and meeting growing demand and Brimbelow Engineering, in Catfield – supplies luxury yacht builders and traditional boat builders with rudders and propulsion parts as well as some specialist parts – believing the recession is over for the marine industry after posting a record turnover of £600,000 in 2008.

Financial

Greater Norwich

Overall the financial services industries have started to see a turnaround in fortunes at the beginning of 2010. Central Trust has secured a £90m credit facility which will enable it to carry out its planned growth after two rounds of redundancies last year. The funding will allow them to invest further in the development of a wider product range and provides the financial platform to take advantage of the predicted improvements in the economy as they come through later in the year. Aston Berry Shaw, an accountancy firm, is launching a new pay-as-you-go online book-keeping and accountancy service, believed to be the first of its kind in Norfolk while Validus, which specialises in managing credit hire arrangements for the insurance industry, has doubled its workforce in the last 12 months with plans to expand to 150 in the next six months after developing a unique computer software system that evaluates the cost of providing a temporary vehicle.

The Boswell insurance group is targeting a growth rate of 10 percent through the next 10 years which means they anticipate moving into second premises in the city in about three to four years. The company has recently completed a conversion on their current premises to accommodate more staff, having doubled to 50 over the past six to seven years. And Price Bailey, an accountancy firm, has recently been consulting with the Norfolk Network team about ways to

support budding entrepreneurs. The result is an entrepreneur support package specifically for Norfolk businesses.

Aviva expects steady growth in 2010 after achieving global profits of £1.3bn in 2009, compared to £885m losses the previous year, thanks in part to efficiency savings and a focus on profitable business, despite paying out £100m in insurance claims following recent storms. The company, according to research by Brand Finance consultancy, is the UK's ninth most valuable brand and ranks 140th in the 500 most valuable brands worldwide. Virgin Money recorded operating profits of £38.5m in the year to December 2009 – up from £26.4m the year before having broken the £100m turnover mark for the first time fuelled by the success of the firm's credit cards.

Despite the majority of news being positive, 37 jobs are at risk under plans to move one of Barclay's Banks operations out of the city.

Health & Life Sciences

Greater Norwich

There have been some exciting developments in this sector as Norwich Research Park has received a £5m expansion package. The first phase will see more than 30 new offices and laboratories built and up to 300 new jobs created. These facilities are set to be the first of a number of new buildings to be built, which could eventually create up to 5,000 new jobs in science and scientific research by 2021. Meanwhile plant scientists at the Park are leading the quest to find the perfect pea in a £1.5m project, and the world-famous collection of about 3,500 pea varieties at the John Innes Centre will play a key role in the investigation. Other scientists at the Sainsbury Laboratory have applied for official permission to plant GM potatoes in a field trial at Colney. The three year trial involves two plots of Desiree potatoes that have been genetically modified to resist late potato blight which costs farmers an estimated £3.5bn worldwide each year.

Success is being felt by other companies out of the science park as Achor, a bio-tech firm has won a contract to create a dung-to-power processing plant in India, and Right Angle Events in Taverham have designed the country's first crime scene investigation-themed education course to be accredited by an examining body, and are set to launch a new national partnership bringing together some of Norfolk's top events providers.

ICT

Greater Norwich

ICT businesses in Greater Norwich have been winning new contracts and clients and launching new products during the first quarter of the year. Real Projects which design and develop e-learning and game-based learning resources has been awarded a contract to develop a Game Based Learning Resource for the Yorkshire Ambulance Service, in addition to winning a new client through social media website Twitter - Simprentis, a Norwegian oil and gas industry training specialist. 'Whostheref.com' website, designed by a Norfolk referee – has been

used by about 30 clubs in Norfolk as well as Scottish Rugby for a range of domestic fixtures to select the match officials for the game – from stand-by linesman to the referee. The developer is hoping the system will soon be deployed by cricket clubs in the West Country and believes the system may be the root of a £1m turnover business.

Soup, digital marketing agency, have won several contracts recently including working on Ryvita's digital strategy; three staff from Soup have left and set up Frankly Digital with their sights set on topping a turnover of more than £2m within five years by working on a "pay-by-performance" option. Landlord Law, an online residential landlord and tenancy firm has launched a web-based kit, including legal documents and forms to help landlords through the process of evicting squatters – instead of having to pay a solicitor while Pocket Places, mobile phone travel guides, has sold a stake in the business to Norwich-based software development firm Illusion Media and will now share an office. The investment will help Pocket Places to scale up and deliver more travel content on both desktop and mobile.

Other Areas

Two website businesses in North Norfolk are seeing success as Donttravelempy – travel website which matches empty vehicles to passenger journeys – has had travel firm Arriva, the first major operator, sign up to the service and Blurtit – online question and answer website saw more than 111 million web visits in 2009 and has more than two million questions in its database – behind only WikiAnswers and Yahoo!Answers.

Manufacturing Norfolk

Research by the British Chamber of Commerce demonstrates that the Norfolk manufacturing sector is one of the more robust in the UK with domestic, export and employment balances outstripping the national average. Overall there is improved confidence that turnover and profitability will improve and businesses are looking where they can invest. The following businesses support these findings.

Greater Norwich

Brian Fisher & Sons who specialise in hand-made and machine-sewn curtains and soft furnishings is to create up to 100 new jobs following major growth in demand from existing customers and recent contract wins while NewGenn who manufacture cleaning products is set to expand into South Korea following the launch of a new franchise (NewGenn Sciences), with products aimed at fighting infection in the home, at work and in hospitals. Syfer Technology which makes electrical components reported a 40 percent rise in orders in January and February while Milltech saw a 54 percent increase in the first quarter.

Norfolk Saw Services has been affected by a dip in turnover and the loss of a number of customers through firms going under, but rather than shed staff, the business has invested nearly £3100,000 in new machinery.

Other Areas

KL Technologies, King's Lynn (formed from a management buyout of Porvair's King's Lynn arm) which produces Sealskinz- waterproof socks and gloves, has seen demand rocket in the cold weather with December 2009 sales up 50 percent on December 2008 while Anglian Chemicals, a cleaning chemical manufacturer, has seen 25 jobs saved after its previous owner stepped in to strike a last minute rescue deal with administrators.

Tourism

Norfolk

Two publications have been launched this quarter for the upcoming holiday season - Norfolk Tourist Attractions Association (NTAA) has launched its 2010 brochure with more than 500,000 brochures printed and the Outdoor Norfolk Map, which lays out more than 100 top spots for open air pursuits like walking, bird-watching, fishing and boating into a single easy-to-use guide, has been launched by Norfolk Tourism. The Norfolk and Norwich Festival has experienced record sales this year, selling its 10,000th ticket at the end of the quarter, which accounts for a 32 percent rise on where it was last year and the Time Out Guide – go-to-guide to what's happening in the world's most exciting places – has chosen Norfolk and Suffolk as the subject of one of its first UK regional travel guides.

Minutes from the Norfolk Tourism Partners meeting:

- Norfolk Country Cottages- forward bookings for 2010 in 2009 were up but January bookings are two weeks behind, probably because of the weather. For 2010 it is predicted that the average cost of a holiday will go down as customers are picking the cheaper options.
- NTAA - Attractions have been slow; Thursford had a few bad days last season but fairly good on average and not sure how things will go this year. Hoping the 'staycation' will continue this year.
- North Norfolk - people are sitting tight as less planning permission's are coming through. Tourism Round Table seems very buoyant and feels it will be quite a strong season, but local small businesses are saying that bookings are slow.
- Norwich & the Broads - the small hotel sector is continuing to feel the strain in the Norwich area. Larger chains i.e. Holiday Inn at Norwich airport is performing well compared to the others and is going through a re-brand, Dunston Hall is doing well in comparison to others in its chain. It appears that those who are different do well.
Attractions are positive, Norwich Castle had its best ever promotion on the Norwich Shopping Guides last year. On the Broads, bookings are up 5 percent on the boats, and 15 percent on shore side accommodation (including a 2 percent price increase) and are up 8 percent overall.
- West Norfolk Accommodation sector - Thursford effect was good and hotels fared well last year. The leisure market slowed down in December as the weather made bookings slow. Hotels are filling up on Tuesdays and Wednesday and the season ahead looks good. People are offering value for

money, leisure parks will do well. General trading business confidence is not there at the moment. Meetings and the corporate market are not looking so good. Searles bookings are looking up for the summer. Outdoor leisure depends greatly on the weather.

- Park House - very badly hit by the weather over the winter period. People weary to come because of the weather. It is hard to foretell the season ahead at this moment in time.
- Brancaster Staithe & Deepdale Traders - it was not the barbeque summer as forecast but we need to reinforce that Norfolk did have a lovely summer, but others didn't. Many of those who came last year have rebooked.
- East of England Tourism - confirmed that the East of England was the driest, warmest and sunniest region last year.
- Broadland - confident for the year ahead. They will be putting together a local food directory including pubs and restaurants all keen to source locally, which hopes to affect the eating out experience.

In summary – everyone is quite positive and confident for the forthcoming season.

Greater Norwich

Norwich International Airport has predicted a return to growth this year after a 30 percent drop in passenger numbers saw revenues fall by £2.4m. An expansion in charter flights would spearhead growth in passengers in coming years, with 475,000 passengers forecast in the 2011/11 financial year, coupled with the growth in helicopter passengers on routes serving the offshore oil and gas industry, which were up about 10 percent to 80,000 this year. Saxonair – executive jet operator – has invested £800,000 in the first of a new fleet of helicopters to offer VIP flights.

The Norfolk Broads could benefit from recent promotional ideas with the Enjoy the Broads 2010 campaign launch at the Boat and Caravan show at the National Exhibition Centre, Birmingham. It is the largest collaborative campaign ever to promote the Broads as a leading UK tourism destination. While brand strategy guru Simon Middleton Norfolk Broads has suggested a new image with the slogan Britain's Magical Waterland could reach out to a new generation of holidaymakers. He also recommended that the Broads appoints three ambassadors – a celebrity as well as a prominent businessman and local person – to help sell its special qualities. Norwich Heritage Economic and Regeneration Trust (Heart) is also looking to improve visitors' impressions of the area by recruiting taxi drivers, hotel staff and other volunteers to become ambassadors for Norwich and the Ferry Boat pub, which closed in 2006 and is set to be turned into Norwich's first eco-friendly backpackers hostel, could become a favoured destination.

On a negative note, South Norfolk cultural programme will be reduced this year as a result of savings.

Other Areas

Other areas of the county are equally having successful starts to the year as Pinewoods Holiday Park in Wells has won a national conservation accolade for the tenth successive year, Holkham beach has won the Best British Beach category in the Coast magazine 2010 awards for the second year running and visitor numbers in Lynn and Hunstanton are up, possibly caused by the soaring popularity of "staycations". Norfolk Hideaways, a holiday cottage letting firm in Burnham Deepdale has taken nearly 900 holiday bookings in its first year and generated more than £800,000 in rental income for its homeowners. The firm had opened with just six houses on offer, but now has 106 and employs five people at the office, 15 housekeepers and two maintenance workers, while Congham Hall Hotel is to have a new spa, bedroom block, kitchen and restaurant built under a £2.4m contract with construction specialist Chalcroft.

Other Norfolk

This first quarter has hit local charities and voluntary groups as they have lost their funding as social services cut £1m from children's services, although 20 voluntary and community groups across Norfolk and north Suffolk have been awarded £135,700 from the Big Lottery Fund.

A scheme introduced to help individuals and business during the recession – the car scrappage scheme has had a detrimental impact as there has been a drop in used-car sales in the region to its lowest rate since 2001.

Greater Norwich

Retail has seen a mix of fortunes this quarter. Headlines last year were around Woolworths, which fell into administration in November 2008, with all 807 stores closed within two months with the loss of 27,000 jobs, 517 of which were based in our region's 15 branches. One year on, all but two (Norwich riverside and King's Lynn – although King's Lynn is now going to be occupied) of the 15 vacated shops have been occupied by new businesses, but the number of jobs created falls woefully short of those lost. Only 244 new positions have been brought to those sites, less than half of those lost. In other retail news Norwich had the highest vacancy rate of all the towns and cities surveyed in the East by The Local Data Company, with 12.5 percent of shops currently empty, just above the UK average of 12.4 percent. 52 percent of Norwich shops were non-food "comparison retailers" which tended to suffer more during the recession, compared to the UK average of 38 percent. King's Lynn was ranked ninth in the regional table with 8.2 percent, Dereham with 2.8 percent.

The Marks and Spencer's store in Norwich is set for a major revamp, boosting its size by more than a third and creating dozens of jobs in the city – up to 500, while The Specs Factory – dispense-only opticians - is looking to expand the number of shops from the current four to a total of 20 within five years with three to five staff at each.

Other businesses have seen more success with VIP Bin Cleaning, Wymondham – franchise bin cleaning company – set to double the number of its operations

over the next two years in addition to signing a deal in Belgium, Anglian Building Products, a windows firm, enjoying a bumper end to 2009 after securing three major contracts in a boost to job security and Office2Office – business supplies group – revealed that it has brought two firms out of administration as well as another business and it hopes to continue the trend. Ensearch, Norwich – offers environmentally friendly fibreglass and painted boat cleaning products, manufactured in Manchester – is hoping to benefit from the multi-million pound market in boat cleaning products created by the recession. The owner believes more people want to clean their leisure boats and launches themselves as the recession has tightened purse strings. And for those who have been affected by the recession in South Norfolk there is good news as the Harleston Job Club, formed at Harleston Information Plus last year in response to the recession, will be able to employ a part-time coordinator to run the job club thanks to the European Social Fund.

Other Areas

King's Lynn town centre has seen/will see a couple of stores close – BHS, Ethel Austin (fashion chain) and Au Naturelle but other stores including budget fashion chain Primark, Chopstix noodle bar, Madhouse women's fashion store and milkshake specialists 'ShakeAway' are all setting up in the town centre. Elsewhere Snetterton Circuit – premier motor racing circuit – has had to put its ambitious plans to turn it into a world class venue on ice after approval 18 months ago. The original £10m scheme included the creation of 500 jobs at a new business park and hotel off the A11. The owner is not confident of putting more money into Snetterton Circuit with the global economic downturn and its expansion had taken a "backward step" while Palletways a freight service, aimed at consignments that are too big, awkward or heavy to send by courier – has seen steep growth after increased demand from internet shopping.

Other Information

Norfolk

On Friday the 26th March, the Financial Times published a special report on 'Doing Business in the East of England'. Although the article focused heavily on Cambridge, Norfolk was mentioned in terms of the financial services cluster, automotive and advanced manufacturing, Norwich Research Park, Hethel Engineering Centre and offshore wind farms.

Greater Norwich

Babcock International – engineering firm – is to set up a wireless broadband service in Norwich.

Rackheath eco-town project – scheme for around 4,150 eco-homes which are designed to meet housing needs while also tackling climate change – has received £9.5m funding from a share of £37.5m to pay for 600 eco-homes. If planning permission is received, a total of 200 of the homes could be built in Rackheath from next year.

Proposals to regenerate Anglia Square, Norwich and the surrounding area has been approved by city bosses with plans which include 200 homes, a new £3.3m one-way loop around St Augustine Street, a flagship supermarket, more office jobs and better transport links.

Norwich has reached the final shortlist to become the first UK City of Culture alongside Birmingham, Sheffield and Derry/Londonderry. The title would provide a major boost for tourism and attract new investment to the county. Some estimates suggest it could generate up to £200m for the economy of the winning city.

Other Areas

The Rural Enterprise Valley project (REV) – launched more than three years ago to give a multi-million pound jump-start to the advanced engineering and motorsports businesses along the A11 - has received a £1.25m boost from the European Development Fund. This brings the total value of the project to £3m, with additional funding from Breckland Council, Norfolk County Council and Shaping Norfolk's Future.

Following the launch of the project in November, businesses will be offered a range of services including a free environmental survey of their premises, an action plan highlighting potential savings and the opportunity to join buying co-operatives.

King's Lynn & West Norfolk Borough Council - will continue to offer its hardship relief scheme as businesses in the borough receive bills showing their new rateable values from April 1.

King's Lynn & West Norfolk – close to 1,000 jobs are at risk if planning permission continues to be delayed over supermarket proposals that could fund the expansion of a food factory, a new link road and development land. Developer Morston Assets applied in January 2009 to build a new Sainsbury's superstore on part of food firm Pinguin's 44-acre factory site beside the Hardwick Roundabout. As well as creating 300 jobs in the 70,000sq ft superstore, the development would safeguard 343 permanent and 200 seasonal jobs at Pinguin by enabling the expansion of its processing and packing operations.

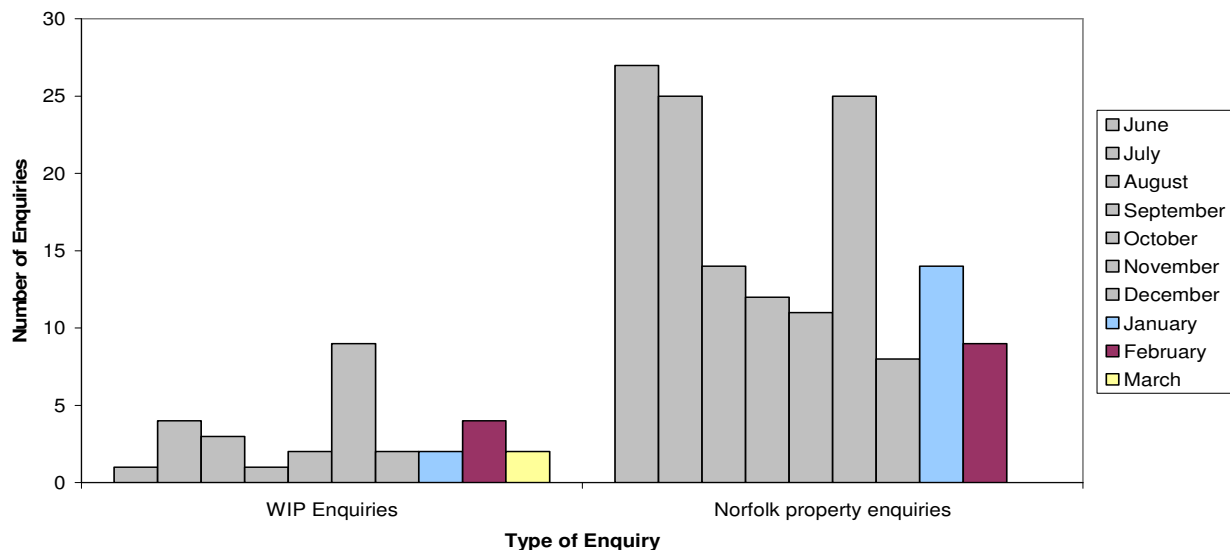
Breckland and South Norfolk councils could merge their staff which could save nearly £2m a year of taxpayers' money. But it could cost up to £1.65m to join the teams and pay redundancy payments to workers who go.

Investment Enquiries

Key Facts

The graph shows that there continues to be a higher proportion of Norfolk property enquiries through the Invest in Norfolk website than there are foreign company property investment enquiries. In this quarter, on average there have been 7.67 Norfolk property enquiries, a drop of nearly 50% since last quarter, and 2.67 WIP enquiries, a drop of nearly 40% since last quarter. Although there has been a decrease in these figures, there have been five enquiries straight to the Norfolk County Council economic development team.

Investment Enquiries



WIP Enquiries – foreign company property investment enquiries
Norfolk property enquiries – enquiries via 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 & Research

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.

March – Markit purchasing managers' index survey. Findings include:

- East Anglian economy's recovery accelerated in March with new businesses growing at the fastest pace in eight months

- Employment has risen for the first time since April 2008, albeit only slightly, with the increase in staffing levels being driven by the manufacturing sector
- Input costs for companies in the East of England have continued to increase sharply
- Output prices have also risen each month since September 2009, with the latest increase the fastest in a year and a half
- Demand saw the number of new orders and output rise for the eleventh consecutive month in the region with the business activity index reaching 55,3 in March, up from 53.9 in February.

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 2010. 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 24th 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

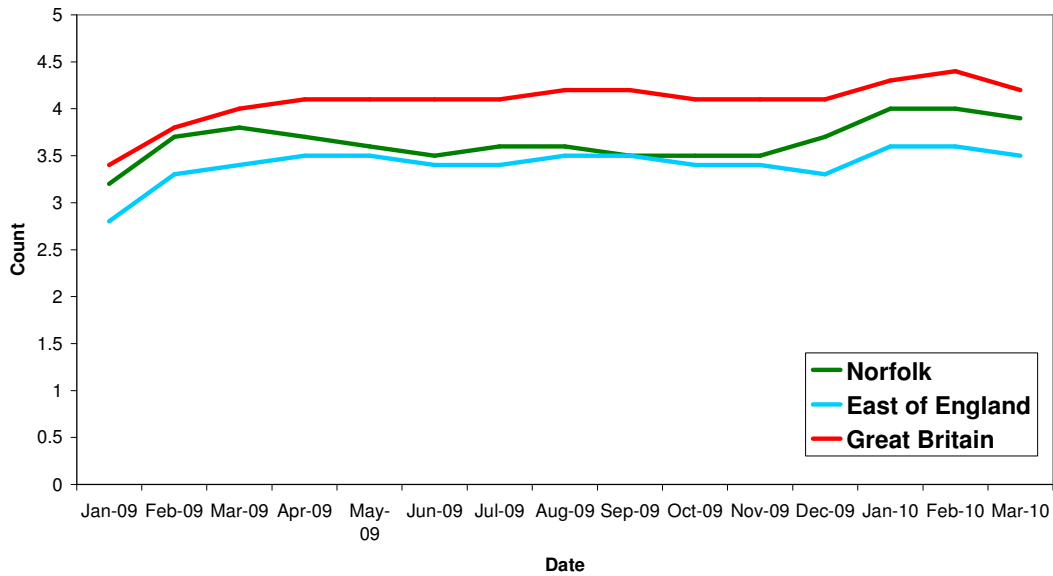
Area	IDBR	Pre-Start	Start Up	A %	Established Businesses	B %	Total	C %	Intensive Assisted Customers
Broadland	4,595	40	2	0.04	98	2.13	140	3.05	34
Norwich	4,235	117	-4	0	147	3.47	260	6.14	46
South Norfolk	5,280	108	13	0.25	114	2.16	235	4.45	45
TOTAL for Greater Norwich	14,110	265	15	0.11	359	2.54	635	4.5	125
Breckland	5,045	189	12	0.24	102	2.02	303	6	42
Great Yarmouth	3,025	64	7	0.23	59	1.95	130	4.3	27
King's Lynn & West Norfolk	5,410	227	10	0.18	112	2.07	349	6.45	26
North Norfolk	4,485	60	19	0.42	65	1.45	144	3.21	28
TOTAL	32,075	805	63	0.2	697	2.17	1,561	4.8	248

Unemployment

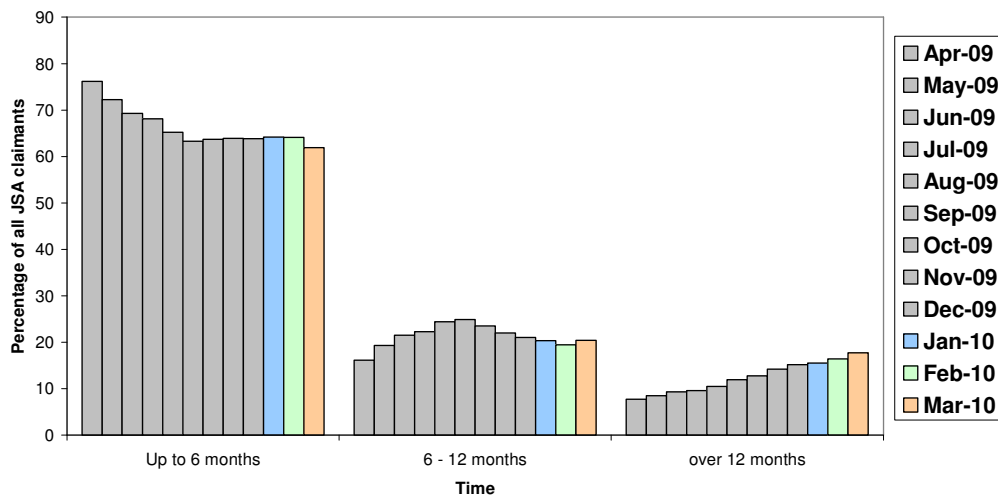
Key Facts

Norfolk saw an average of 19,664 people claiming JSA in this fourth quarter, with a fall of 390 people, 1.98% 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



Norfolk JSA claimants by duration



Source: Nomis, Crown Copyright

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 2010, only 5.4 percent of young people in that age bracket were classified as Neets – about 1,420 youngsters.

Redundancies

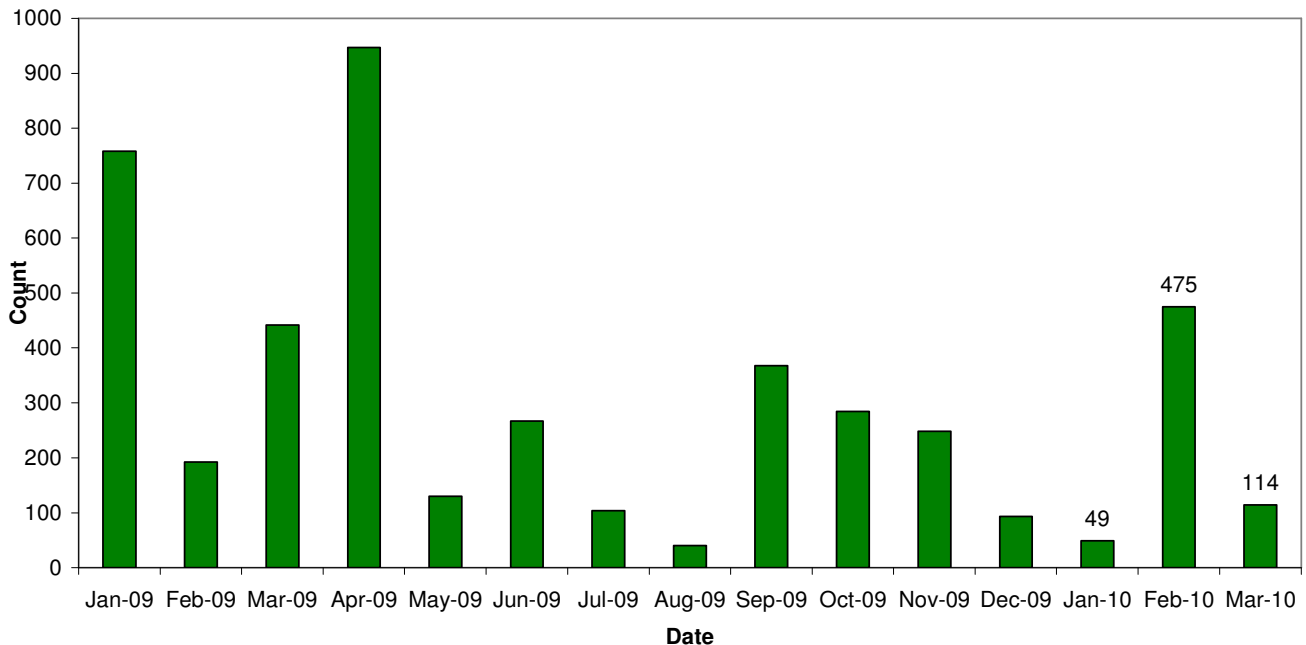
Key Facts

Redundancies in January dropped to their second lowest since July 2008, 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 between January and March 2010	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)

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.

Job Vacancies

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

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.

Skills

Key Facts

Despite the UEA potentially making cuts due to a fall in funding, there is real potential for students in Norfolk with plans for a state-of-the-art foreign languages centre, new skills academies and the possibility of five high schools being turned into academies.

Wymondham College – has submitted plans for a state-of-the-art foreign languages centre. Governors at the college have submitted the £1m proposals to South Norfolk Council to replace the 1940s buildings with nine new classrooms. The scheme aims to strengthen the school’s specialism in modern languages and help forge links with educational establishments across the world.

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.

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 Oriel

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

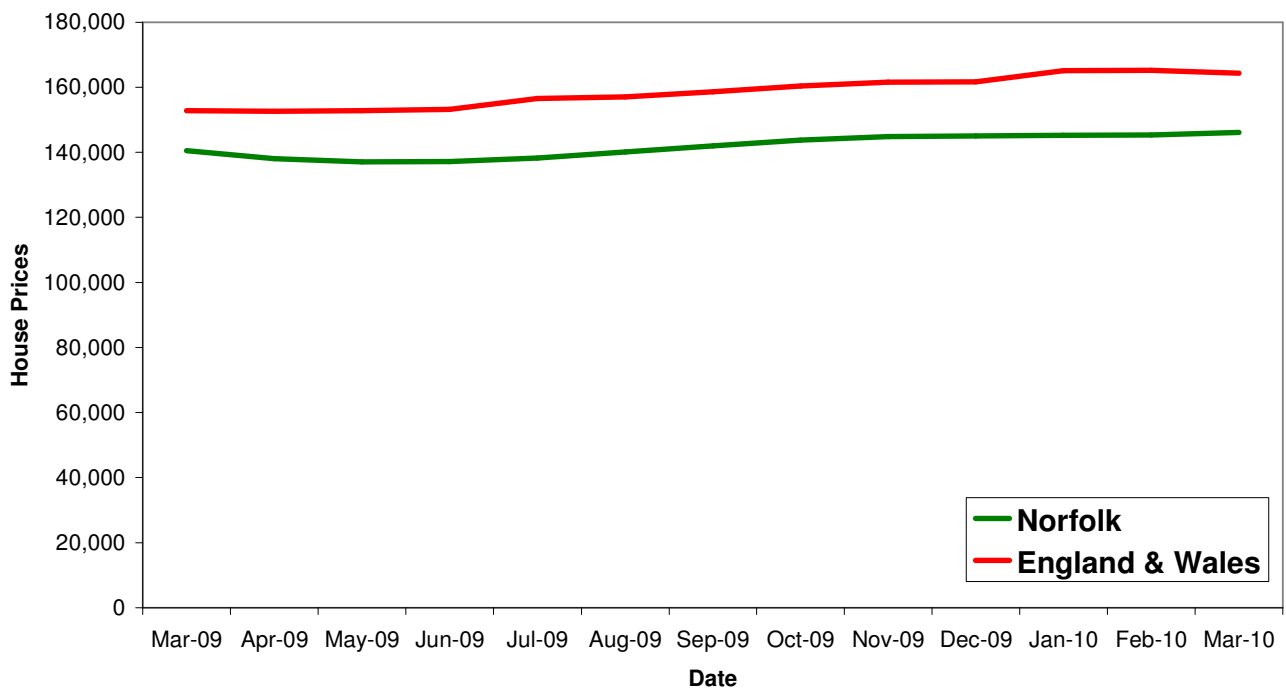
Key Facts

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.

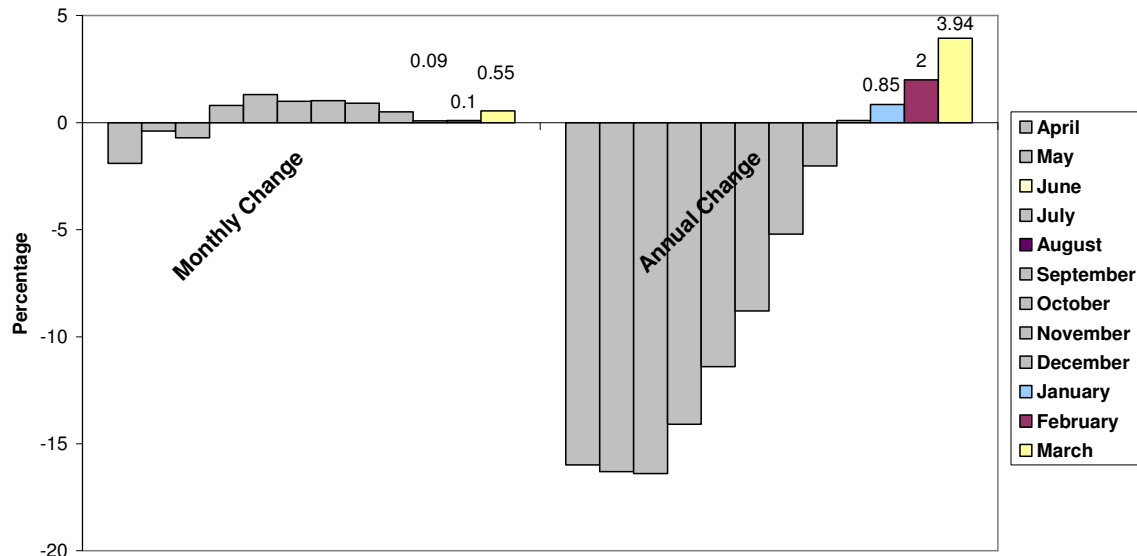
Source: Land Registry, Crown Copyright

House Price Trends

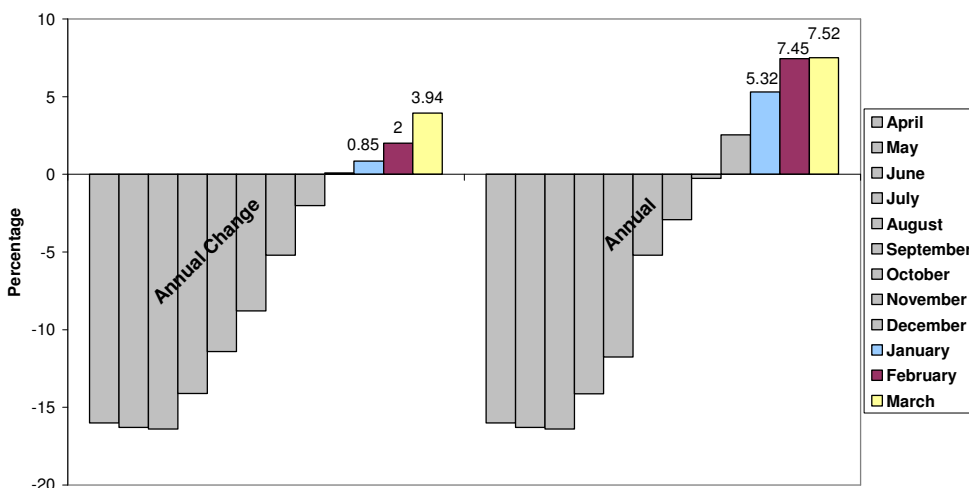


Source: Land Registry, Crown Copyright

Norfolk House Price Trends



England & Wales House Price Trends



Norfolk's monthly change in house prices are not consistent with the general trend in the UK, 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.

Norwich City Council and the Homes and Communities Agency (HCA), the national housing and regeneration body, will be teaming up to build 1,300 new homes in Norwich over the next 12 year period.

The HCA will invest £7.5m in Norwich and the council will give over a number of sites around the city. The proceeds of the homes sales will be reinvested in more regeneration schemes.

Plans have been approved for a £4.2m redevelopment of the YMCA's flagship building in Norfolk. The proposals for 40 self-contained flats for young homeless people in Norwich city centre were given planning permission by Norwich City Council. In October 2009 the government's Homes and Communities Agency pledged £2.25m towards the project. The new facility will provide accommodation

to help prepare young people for independent living. Each self-contained flat will have a living room/bedroom, a kitchen and a bathroom. There will be shared communal facilities and somewhere to provide training in skills such as cooking and IT. The YMCA will also provide support staff to encourage young people into work and training.

House sales in the East have sprung back to life in February with the highest level of transactions in almost two years. Independent figures from Norfolk-based Agency Express revealed that 26 percent more homes were sold in the region last month compared to the same period last year.

The property activity index, which is based on the number of “sold” and “for sale” boards springing up, also revealed that month-on-month sales in East Anglia rocketed by 125 percent in February after being hit by the January snow – with Norwich (110percent) and Cambridge (140 percent) experiencing some of the biggest peaks in the country. The region also last month experienced a 45 percent increase in the number of “for sale” boards compared to February 2009.

Residential sales were down 2.5 percent in March, however, the housing market in Norwich continued its revival and bucked the regional and national trend by demonstrating an almost 10 percent month-on-moth increase in transactions.

The property activity index figures also showed that the number of homes put on the market in March had reached its highest level for 20 months with a year-on-year rise of over 23 percent across the East.

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