

Information for monthly Regional Intelligence Snapshot

Suffolk | 18 February 2010

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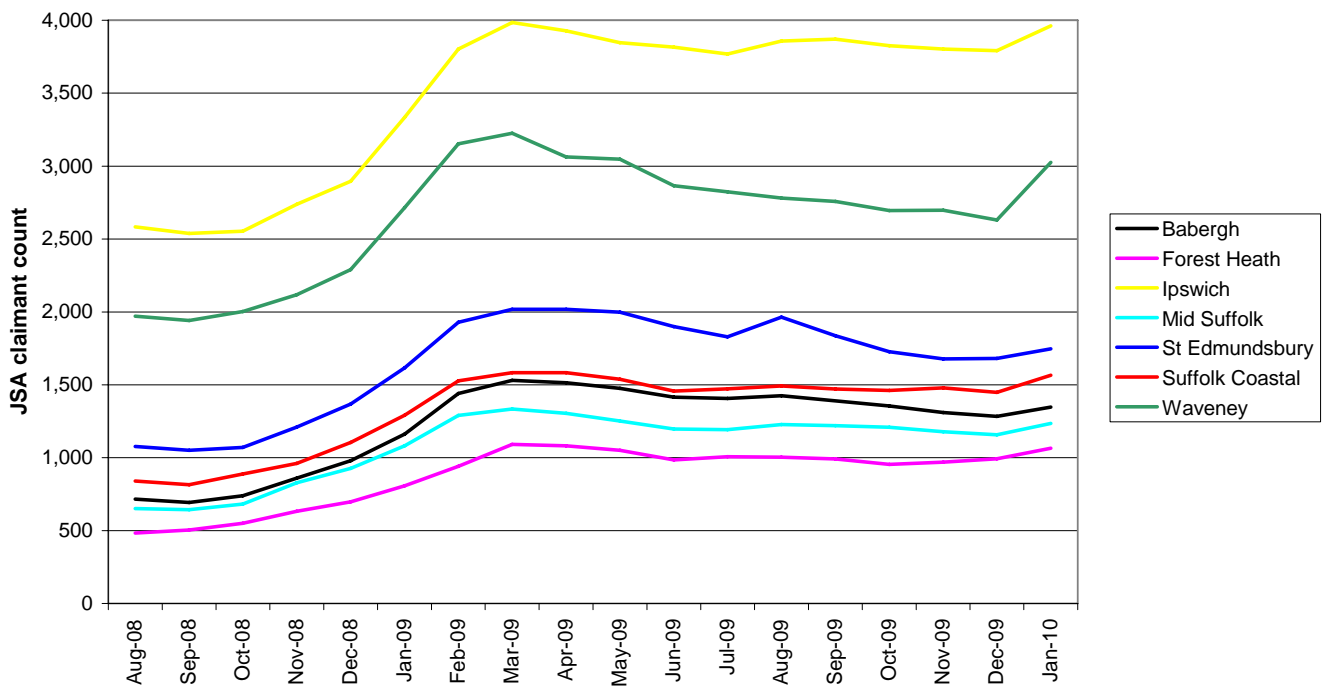
SUMMARY OF ECONOMIC CONDITIONS (E.G. BUSINESS CONFIDENCE, BUSINESS CONDITIONS – OUTPUT, ORDERS, EXPORTS, ETC, LABOUR MARKET, HOUSING MARKET, ANY INDUSTRY SPECIFIC TRENDS)

SUMMARY

- A 7.4% increase in the Job Seekers Allowance claimant count from December to January is the first rise since August 2009. However, it is likely that the rise largely reflects seasonal trends.
- There were around 112 redundancies during January (as reported by Jobcentre Plus and local press).
- The Suffolk total of redundancies now stands at **4,869** since October 2008 (as reported by Jobcentre Plus and local press).
- House prices continued to recover, increasing for the seventh month in succession.

LABOUR MARKET

Job Seekers Allowance claimant count by district August 2008 to January 2010



- The Suffolk Job Seekers Allowance claimant count saw a sharp increase from December to January, reflecting the regional and national trend. Suffolk's figures increased markedly from 12,985 in December to 13,944 in January (a rise of 7.4%). This is a return to claimant count levels last recorded in May-June 2009, but remains below the highest level seen during this recession, 14,764 in March 2009. The percentage of the working age population in Suffolk claiming JSA now sits at 3.3%, compared to a high point of 3.5% in March 2009.
- Suffolk continues to follow the overall trend of the East of England, which also recorded a sizeable increase in JSA claimants from December to January (6.74%). However, the percentage of the working age population claiming JSA in Suffolk is still lower than in the East of England as a whole (3.3% in Suffolk compared to 3.6% in the East of England). JSA claimants also increased across the country as a whole, with the claimant rate in England and Great Britain standing at 4.3%. The regional and national claimant count is now at its highest point during the current recession and the highest since April 1997.
- All seven districts in Suffolk recorded an increase in claimants from December to January. Waveney saw by far the largest increase (15.01%), followed by Suffolk Coastal (8.08%), Forest Heath (7.15%) and Mid Suffolk (6.83%). Babergh (4.83%), Ipswich (4.46%) and St Edmundsbury (3.93%) recorded smaller rises.
- It should be noted that historically, JSA figures generally increase markedly in January, and seasonally adjusted figures are released at a regional level. It is therefore not clear whether the rise in Suffolk is a purely seasonal one. At a regional level however, the seasonally adjusted claimant count rose by 2,100 (considerably less than a year ago – 6,800) and largely reflects seasonal factors.
- NEET (16-18 year-olds Not in Education, Employment or Training) figures in the county fell by 130 in December from 1,532 in November, which was the peak so far during this financial year. Figures from Connexions.

HOUSING MARKET

House Price Index report - Suffolk (December 2008 - December 2009)

Month	Index	Average Price (£)	Monthly Change (%)	Annual Change (%)	Sales Volume
December 2008	268.7	151,281	-2.9	-13.1	701
January 2009	265.3	149,408	-1.2	-14.4	460
February 2009	260	146,432	-2.0	-16.1	441
March 2009	254.8	143,480	-2.0	-17.0	591
April 2009	251.6	141,698	-1.2	-17.8	721
May 2009	250.7	141,176	-0.4	-17.4	822
June 2009	251.1	141,387	0.2	-16.6	909
July 2009	254.8	143,485	1.5	-15.1	1,063
August 2009	256.9	144,667	0.8	-13.3	1,012
September 2009	260.6	146,741	1.4	-10.2	859
October 2009	262.9	148,044	0.9	-7.2	1,009
November 2009	264.9	149,147	0.7	-4.2	-
December 2009	267.1	150,417	0.9	-0.6	-

- Average prices rose for the seventh consecutive month in Suffolk according to the latest available data (December 2009).
- The gain for the month of December was £1,270.
- Average price now sits at £150,417, back to levels experienced a year ago in December 2008 and January 2009.
- There is speculation as to whether or not this will be a sustained rise, as buyer interest is reported to have slowed; hence a lack of supply may no longer support the market.
- Sales volumes increased in October following falls in August and September, however no data is provided for the two most recent months.
- National repossession figures in 2009 were at a 14-year high according to the Council of Mortgage Lenders (CML), with about 46,000 people losing their homes during the year. EADT 12/2/10
- Mortgage rates are continuing to fall as lenders loosen their criteria and compete for business according to research by Moneyfacts.co.uk. EADT 4/2/10

Data from the Land Registry <http://www.landregistry.gov.uk/>

INDUSTRY-SPECIFIC TRENDS

- Growth in the UK **services** sector slowed sharply last month after snow-related disruption hit levels of activity and new business according to the latest index from the Chartered Institute of Purchasing and Supply (CIPS). EADT 4/2/10
- An end-of-year surge in activity failed to prevent the UK **manufacturing** sector from recording its worst year since records began in 1948. Office for National Statistics (ONS) show that manufacturing output fell 10.5% in 2009, despite a month-on-month rise of 0.9% in December. The December figure followed a gain of 0.2% in November and was better than expected, although analysts said it was unlikely to alter the estimate of just 0.1% GDP growth for the fourth quarter. EADT 11/2/10
- Visitors to Suffolk last year spent £1.75million in the county as a direct result of a **tourism** marketing campaign by Choose Suffolk, according to an evaluation report assessing the impact of the campaign. EADT 28/1/10

KEY CHALLENGES AND HOTSPOTS (E.G. BUSINESS FEEDBACK ON GOVERNMENT POLICY, INVESTMENTS UNDER THREAT, SKILLS SHORTAGES, IMPACT OF BUSINESS CLOSURES, AREA-BASED CHALLENGES...)

BUSINESS SPECIFIC INTELLIGENCE (E.G. REDUNDANCIES, NEW JOBS OR BUSINESSES AT RISK) / INFORMATION ON KEY QUESTIONS*

REDUNDANCY TOTAL

- According to information from Jobcentre Plus and local press, the total number of redundancies to have taken place in Suffolk since October 2008 now stands at **4,869**.

NEW JOBS, EXPANSIONS | REDUNDANCIES, BUSINESSES AT RISK

COUNTY-WIDE

- Tourism bosses will be gearing up to cash in on the 2012 Olympics as they gather for a conference in March. Choose Suffolk has announced a high-powered line-up for its annual tourism conference which includes London Olympics champion and Ipswich Town Football Club boss Simon Clegg and VisitBritain chief Sandie Dawe. "Destination Suffolk – 2012, The Opportunities for Suffolk", which takes place at Ipswich's Trinity Park on March 3, hopes to build on the success of last year's conference, which attracted more than 250 delegates from across the county's tourism industry, alongside representatives from the public sector and other stakeholders. This year's event will focus on the 2012 Olympic Games and explore opportunities for Suffolk as interest in the Games builds. Alex Paul, Tourism Manager at Choose Suffolk, said: "This is a once-in-a-lifetime event for the UK, and Suffolk is well-placed to leverage in huge financial benefits, while raising its profile on the international stage." EADT 9/2/10

FOREST HEATH

- Around 150 new jobs could be created in Lakenheath if plans for a new Tesco in the town get the go-ahead. The exhibition of the proposals will go on display at Lakenheath Village Hall on March 12 from 4pm until 7pm and the next day from 10am to 4pm. EADT 10/2/10

IPSWICH

- Suffolk seeds company Thompson & Morgan has expanded its product range with the acquisition of leading plant food manufacturer Chempak. Ipswich-based Thompson & Morgan now plans to extend the availability of Chempak products across more retail outlets, to complement its own range. Chempak was previously based at Nazeing, near Harlow, Essex, although most of its production is outsourced. EADT 3/2/10

ST EDMUNDSBURY

- EIC, the UK's largest independent energy consultancy, opened its new state-of-the-art office in Bury St Edmunds in late January. A total of 33 staff have moved to the new office at Linden Square, Kings Road, Bury St Edmunds, IP33 3DJ, which is adjacent to the new arc development. EIC has a client portfolio of more than 1,200 major energy users including Cadbury UK, HSBC and Reuters. EADT 26/1/10
- A new home interiors company, Home Angels Interiors, has been launched by west Suffolk designer Royna Hill. Royna has lived in Suffolk for more than 40 years and is known by many in the community in her role as manager and registrar of West Suffolk Crematorium. Home Angels aims to help local home owners in various ways by carrying out home makeovers. EADT 3/2/10
- Increasing demand for game feeds has led to further investment in production, storage and packaging facilities by BOCM Pauls' speciality feeds division's mills in Bury St Edmunds, Preston and Radstock. 30/2/10

SUFFOLK COASTAL

- Funding cuts are to force the closure of The Deben Family Centre at Cedar House, Pytches Road, Woodbridge. Suffolk County Council will instead focus funding on support in the home and invest in a new children's centre in the town. EADT 5/2/10

WAVENEY

- The National Farmers' Union has urged frozen food group Birds Eye to reconsider its decision to axe a multi-million pound contract with pea growers in East Anglia. Anglian Pea Growers, a co-operative of 180 farmers who have previously grown around 30,000 tonnes of peas a year for processing at the Birds Eye plant in Lowestoft, has been told that the contract will not be renewed this season. With the crop worth an estimated £5million a year, the decision comes as a major setback for the growers, particularly with some having already purchased seed. Birds Eye, which blamed the move on the loss of a major contract in Italy, now plans to concentrate pea production in Yorkshire and Lincolnshire, plus a smaller operation in Perthshire. The ending of the pea processing business at Lowestoft, which began 64 years ago, is not expected to have any impact on jobs at the Birds Eye factory in the town, which currently has around 700 workers, although around 6 agricultural advisers are likely to lose their jobs. EADT 5/2/10

- *How are small and large businesses performing (differentiating between the two)?
- What is the state of youth unemployment in the region and what is being done to alleviate any problems? If students aren't going to university, what are they doing/planning to do?