

## **Economic Round Up from Norwich Chamber Council Meeting – 12<sup>th</sup> May 2009**

Creative Industries – most of clients are still spending more than last year but a couple of suppliers have gone into liquidation. Spending a lot of time debt chasing.

Retail – talk of green shoots seems a little premature and some of the British Retail Figures do not seem to reflect what is happening locally. Homeware market is down which is in line with housing market. Food retail is resilient.

Accountancy – cashflow management is still a priority. Starting to see some pressure from Inland Revenue with regard to late tax and PAYE. Inland Revenue are being flexible as long as the correct procedure is followed which can allow companies to pay a quarter of what is owed as long as the agreement is stuck to. The amount of new business being seen is slow purely because start ups are not getting off the ground as there is no lending available. London appears to have a huge amount of office spare for let.

Banking – there are some signs of green shoots in some area ie in Gt Yarmouth oil industry and tourism and also in the Waveney Valley and Beccles area. It still seems to be exceptionally tough in the retail and property sectors. Businesses that are doing well are usually in niche areas. Demands for finance tends to be on a distressed basis rather than an expansion basis. There is funding available for the right business model for expansion. EFG funding there are 22 lenders in the scheme and RBS have lending 50% of the total advanced so far. The scheme is not running as well as it should be and government have said lending is only to be made if the proposition is viable. Seeing inconsistencies with order books and the situation changes rapidly.

Education – A number of new initiatives happening. Companies are looking to consolidate and develop staff and a number of enquiries have been received for work based learning. Taking on an active role of helping graduates find work in the region and supporting apprentices through their courses if their current firm cannot keep them on. A new government scheme being launched responding to redundancy and the college are working with JobCentre Plus for training programme for people who have been unemployed for more than 6 months. Following their training employers who take on these people will be paid £1,000.

Economic Development – work being undertaken with City Centre Partnership around vacant shop campaign with posters being put in the windows advertising Norwich etc. Consultation with developers taking place around Section 106 Agreements in that essential requirements are identified with less essential requirements being put on hold until the economy picks up.

Property – residential sales market is significantly down although better than this time last year. Only people who have to move are doing so. The letting market is still buoyant. Commercial market is still tough. Consultancy business is ticking over with surveying on an upward trend as businesses seem to be refurbishing instead of moving.

Insurance – undertaking cost reduction exercise and cutting down on change activity. Insurance volumes for commercial and household cover are down. On life side volumes are down but margins are up. Huge focus on costs and extreme care with capital at all levels.

Consultancy – a great deal of uncertainty around. Some companies doing very well indeed. Professional classes have been hit harder in this recession than previous ones.