

Norwich Monthly Economic Barometer May 2010

Figure 1 below shows that the JSA claimant Count unemployment rate in the Norwich City Council area remains above the national and regional rates.

Figure 1

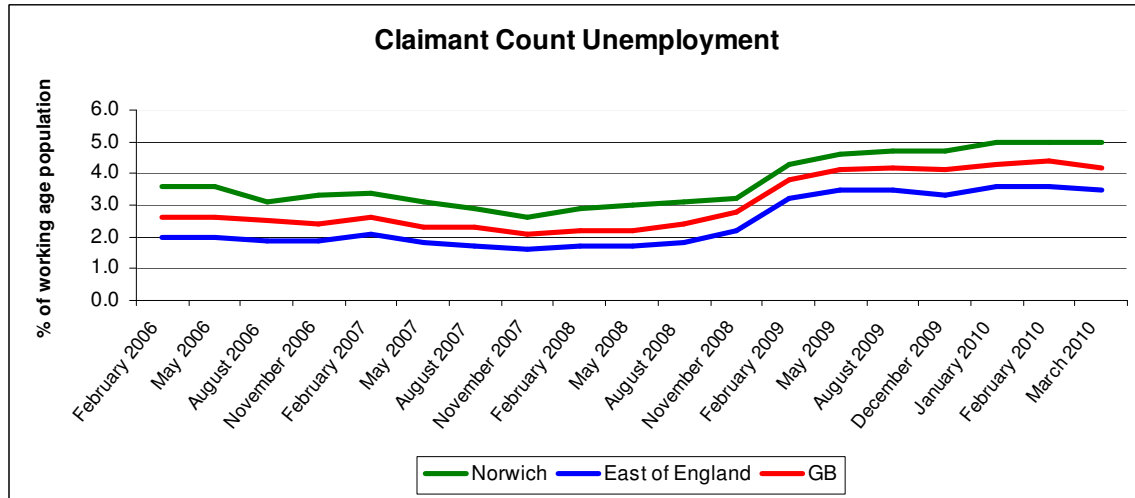


Table 1 JSA Claimant Count Unemployment

	April 2010		March 2010		April 2010		Change on previous month's rate	Change on previous year's rate
Great Britain	1,510,759	4.1%	1,614,852	4.2%	1,512,278	4.1%	- 0.1%	0
East of England	121,355	3.5%	121,488	3.5%	118,792	3.4%	- 0.1%	- 0.1%
Norwich City Council areaⁱ	4,248	4.6%	4,652	5.0%	4,554	4.9%	- 0.1%	+ 0.3%
Norwich Urban Areaⁱⁱ	5,389	4.0%	5,794	4.3%	5,680	4.2%	- 0.1%	+ 0.2%
Bowthorpe	352	4.4%	377	4.7%	363	4.6%	- 0.1%	+ 0.2%
Catton Grove	441	6.3%	480	6.9%	447	6.4%	- 0.5%	+ 0.1%
Crome	307	5.4%	315	5.5%	333	5.8%	+ 0.3%	+ 0.4%
Eaton	99	2.0%	91	1.8%	97	1.9%	+ 0.1%	- 0.1%
Lakenham	295	5.0%	348	5.9%	322	5.5%	- 0.4%	+ 0.5%
Mancroft	497	7.4%	562	8.4%	558	8.3%	- 0.1%	+ 0.9%
Mile Cross	500	7.1%	550	7.8%	542	7.6%	- 0.2%	+ 0.5%
Nelson	197	2.7%	171	2.3%	169	2.3%	0	- 0.4%
Sewell	312	3.9%	349	4.4%	328	4.1%	- 0.3%	+ 0.2%
Thorpe Hamlet	385	5.6%	443	6.4%	440	6.4%	0	+ 0.8%
Town Close	297	4.2%	319	4.5%	309	4.4%	- 0.1%	+ 0.2%
University	166	2.3%	198	2.7%	193	2.6%	- 0.1%	+ 0.3%
Wensum	400	5.3%	449	6.0%	453	6.1%	+ 0.1%	+ 0.8%

Table 1 on the previous page shows that, over the last 12 months, JSA claimant count unemployment in Norwich has increased slightly more steeply than the regional and national rates. JSA claimant count unemployment in Crome, Lakenham, Mancroft, Mile Cross and Thorpe Hamlet wards has grown at a faster rate than the Norwich average. However, both Eaton and Nelson wards saw a fall in unemployment over the period.

In Norwich the rate of JSA claimant count unemployment fell slightly compared to the previous month as it did at the regional and national levels. However, unemployment increased slightly in Crome, Eaton and Wensum wards. In all other Norwich wards, JSA claimant count unemployment rates have remained stable or have fallen.

Compared to previous recessions, claimant count unemployment in the current recession has remained lower – in April 1993, Norwich’s claimant count unemployment rate stood at 10.9 per cent (GB 8.5 per cent, East of England 7.5 per cent).

Gender: Around one-quarter of unemployment claimants in the Norwich City Council are women, with female JSA claimant count unemployment rates remaining the same as last month at 2.5 per cent (GB 2.4 per cent, East of England 2.1 per cent) – this rate has fallen markedly since April 1993 when it stood at 5.1 per cent (GB 4.1 per cent, East of England 3.8 per cent).

The male JSA claimant count unemployment rate is higher in Norwich, at 7.1 per cent, than the national and regional rates (GB 5.6 per cent, East of England 4.6 per cent), falling slightly against last month’s rate. Records show that in April 1993 male unemployment rates in Norwich stood at 16.3 per cent compared to 12.5 per cent nationally and 10.9 per cent across the East of England.

It is likely that Norwich’s relatively high levels of male unemployment can be attributed to the steady loss of manufacturing jobs and the dominance of the service sector – in Norwich 84.1 per cent of employees work in the service sector compared to 75.6 per cent in the East of England and 76.2 per cent nationally.

Duration: Looking at the duration of claimant count unemployment claims, 23.2 per cent of JSA claimants in Norwich have been unemployed for longer than 12 months compared to 16.6 per cent nationally and 15.7 per cent regionally. The proportion of long-term unemployed has risen this month in Norwich, as it has nationally and regionally.

Age: In the Norwich City Council area 30.2 per cent of all JSA unemployment claimants are aged between 18 to 24 years; this is slightly above the proportion at the national level (28.4 per cent) and the East of England (27.5 per cent). There has been a slight downward movement in the rate since last month. Lakenham, University, Wensum, Mile Cross and Crome wards have a higher proportion of claimants aged 18-24 years than the Norwich average. However, Mile Cross, Mancroft and Wensum have the highest *numbers* of claimants aged between 18-24 years.

At the other end of the scale, Norwich has a lower proportion of JSA unemployment claimants aged 50 years and over (12.8 per cent) than at the national or regional levels (15.4 per cent and 17.1 per cent). However, the JSA unemployment rate for those aged 50 years and over has risen slightly compared to the previous month at a similar rate to that seen nationally and regionally.

Usual occupation: Around 13 per cent of claimants in the Norwich City Council area state that they are usually employed in higher level occupationsⁱⁱⁱ. However, 44 per cent of claimants stated that their usual employment was in a lower level occupation^{iv}.

This suggests that lower level occupations have been adversely affected by unemployment – only 17 per cent of total employment in Norwich is based in lower level occupations whereas 50 per cent of total employment is based in higher level occupations^v

	April 2009	March 2010	April 2010	<i>Change on last month</i>	<i>Change on last year</i>
Great Britain	237,590	300,294	297,741	- 1%	+ 25%
East of England	20,523	25,958	28,150	+8%	+37%
Norwich City Council	909	1,374	1,860	+35%	+104%
Norwich Urban Area	1,115	1,604	2,121	+32%	+90%

The figures given in Table 2 show, compared to the same period 12 months ago, the number of vacancies notified to Jobcentre Plus has risen markedly across both Norwich areas. A smaller increase took place at the regional and national levels.

Compared to the previous month, the number of vacancies notified to Jobcentre Plus increased across both Norwich areas and at the regional and national levels. Again the rate of increase was higher at the local level.

Norwich has a higher number of unfilled jobcentre vacancies per 10,000 working age population (138) than at the national (66) and regional (67) levels. This is a long-term trend in Norwich and reflects its significance as a regional service centre and the high ratio of jobs to working age residents.

	Number of claimants	Change on previous month
April 2009	16,831	+ 300 (+ 1.8%)
May 2009	16,924	+ 93 (+ 0.5%)
June 2009	17,029	+ 105 (+ 0.6%)
July 2009	17,085	+ 56 (+ 0.3%)
August 2009	17,163	+ 78 (+ 0.4%)
September 2009	18,017	+ 854 (+ 4.9%)
October 2009	18,174	+ 157 (+ 0.8%)
November 2009	18,402	+ 228 (+ 1.2%)
December 2009	18,503	+ 101 (+ 0.5%)
January 2010	18,508	+ 5 (+ 0.02%)
February 2010	18,778	+ 270 (+1.4%)
March 2010	18,778	0
April 2010	18,903	+ 125 (+ 0.6%)

Housing Benefit is an income-related benefit designed to help people on low incomes pay for rented accommodation whether in, or out, of work. The number of Housing Benefit claimants increased slightly over the month. Since April 2009 the number of Housing Benefit claimants in Norwich has increased by 12.1 per cent. Comparable national data is not available because of a time lag in data collection.

Table 4 Jobcentre Plus Notified Redundancies in Norwich since beginning of October 2008		
Number made redundant	Sector	Occupations Affected
30	Boat Builders	Boat Building Trades
18	Business services	Architects
21	Car sales	Sales staff
354	Construction	Building Trades, Drivers and Admin
42	Distribution	HGV drivers
39	Education	Admin
61	Engineering	Electricians, plant engineers and mechanics
898	Finance	Admin/IT technicians
40	Food processing	Operatives/ Café & Food Service
9	Haulage	HGV/Admin
40	Health and Life Science	Scientists
4	Housing	HR/Admin
64	Wholesale	Managers, Sales, Admin, Drivers & Warehouse staff
176	Manufacturing	Operatives, finance admin and joiners
78	Media	Admin and production staff
233	Print and publishing	Print and sales staff
40	Public services	Admin
159	Transport	Catering, Admin and Sales
255	Retail	Sales
65	Service Industry	Designers, Sales staff and others
137	Tourism & Leisure	Admin, Pilots, Cabin Crew, Engineers

Notified redundancy data should be viewed as indicative and not inclusive of all cases. It captures data which has been reported officially to Jobcentre Plus by companies and organisations or otherwise identified by Jobcentre Plus locally. The data excludes those employees affected by short-time working or temporary stoppages. Jobcentre Plus is notified when any company in the area intends to make 20 or more redundancies; smaller-scale redundancies may therefore be overlooked.

Anecdotal evidence suggests that a number of redundancies have taken place in the business and professional services sector that have not been picked up by Jobcentre Plus. Overall the number of redundancies notified to Jobcentre Plus appears to be slowing. The only redundancies identified by Jobcentre Plus this month were in the construction (+9) and retail (+11) sectors.

	Total shop units	Trading	Vacant	Construction
January 2010	1,079	948 (87.9%)	126 (11.6%)	5 (0.5%)
July 2009	1,086	955 (87.9%)	128 (11.7%)	3 (0.3%)

According to the latest survey data undertaken in January 2010 by Norwich City Council for the Shopping Floorspace Monitor, since July 2009 the number of vacant shop units in the city centre has reduced by 0.1% to 11.7%. This compares to a pre-recession (July 2007) vacancy rate of 8.8%. Although vacancy rates have increased within the recession, Norwich remains the primary shopping destination in the East of England and vacancy rates are lower than comparable national cities

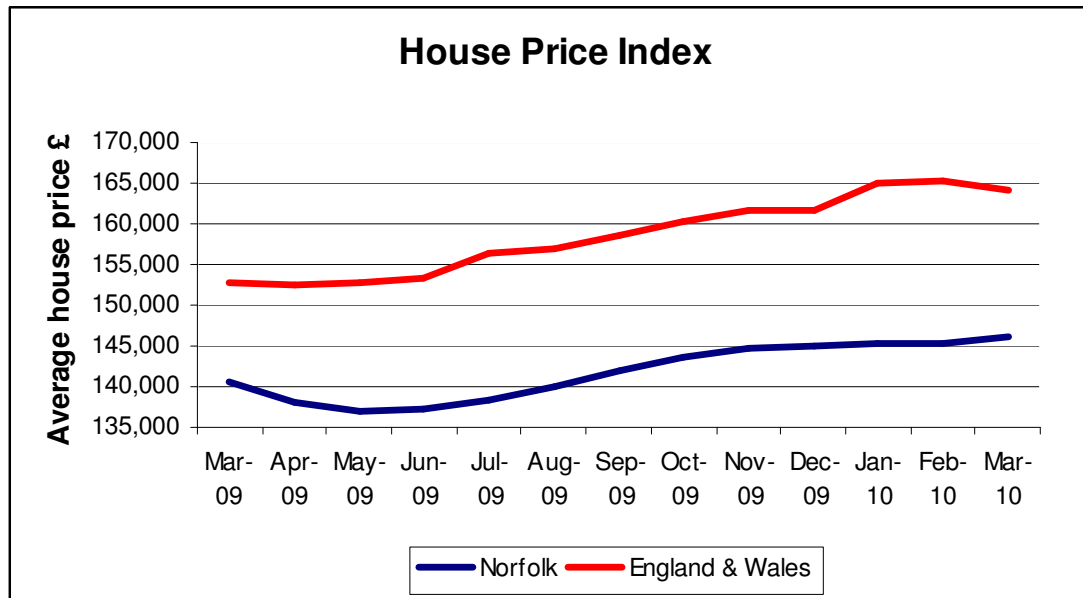
	Norwich	East of England	Gt. Britain
Hourly pay - workplace			
Full-time workers	£12.11	£11.83	£12.38
Male full-time workers	£13.34	£12.50	£13.02
Female full-time workers	£10.70	£10.73	£11.41
Hourly pay - resident			
Full-time workers	£11.08	£12.79	£12.40
Male full-time workers	£11.61	£13.67	£13.03
Female full-time workers	£10.41	£11.40	£11.42

Table 7 shows that median^{vi} resident earnings for full-time workers in Norwich are 13 per cent lower than regional median earnings and 11 per cent lower than national median earnings. However, median workplace earnings (local residents and in-commuters) for full-time workers in Norwich are 2 per cent higher than for the East of England and just 2 per cent lower than for Gt. Britain as a whole.

Median workplace earnings for full-time workers in Norwich are 9 per cent higher than resident earnings. The gap is even wider for male full-time workers with workplace earnings almost 15 per cent higher than resident earnings. This highlights the impact that commuting has on Norwich - the difference in workplace and residents' wages suggests that many well paid jobs in Norwich are taken by workers living outside the local authority area. As would be expected, resident earnings for the East of England are higher than workplace earnings reflecting the impact of out-commuting to London.

A gender gap still exists - the differential for median workplace earnings is bigger in Norwich than regionally and nationally. In Norwich a male full-time worker can expect to earn almost 20 per cent more than a female full-time worker (regionally 16 per cent, nationally 14 per cent). Male resident earnings in Norwich are almost 12 per cent higher than female resident earnings (regionally 20 per cent, nationally 14 per cent). Given the large difference between male resident and workplace median earnings in Norwich, reported above, it is interesting that the difference between workplace and resident median earnings for a female full-time worker is less than 3 per cent.

Figure 2



HM Land Registry's House Price Index (Crown copyright) data for March 2010 shows an annual price increase for England and Wales of 7.5 per cent, the annual price change for Norfolk^{vii} was somewhat lower at 3.9 per cent. Since February 2010, Norfolk house prices have increased by 0.5 per cent. House prices in England and Wales fell by 0.6 per cent against the previous month.

Good News Stories

- *Aviva's Norwich-based general insurance division marked a return to growth this quarter. Following the launch of a UK marketing campaign new insurance and health premiums were up 16 per cent globally, driven by strong performance in the UK and Europe. Aviva is the world's fifth biggest insurer and is Norwich's largest employer with 6,000 staff based in the city.*
- *Manufacturing has led an increase in business output and orders in the East of England during April, according to the Markit PMI Business Activity Index. New business gains in the region grew faster than across the rest of the country and the higher workloads boosted the region's output and encouraged companies to take on more staff, leading to the steepest employment increases in three years. However, despite the increase, the region was still slightly behind the UK average for activity and orders.*
- *Norwich-based Aquaterra, which offers a wide range of engineering services in the offshore energy sector, secured a £2m contract to provide marine drilling equipment for an Egyptian petroleum group. Aquaterra, an oil and gas engineering firm, is based near Norwich International Airport and employs more than 70 people in Norwich and Aberdeen. The contract is Aquaterra's first success in the high pressure riser rental market, a sector which the company says is seeing growing demand and poor competition.*
- *Fellowes Plain in Norwich has won best large housing project in the regional rounds of the Local Authority Building Control (LABC) Building Excellence Awards. The housing project was designed by Feilden and Mawson LLP, who have a base in*

Norwich and developed by Charles Church Limited with Norwich-based contractor R G Carter.

- *Norwich-based manufacturer of plastic bottles and closures. FL Plastics Ltd. has invested in new machinery worth over £250,000 to boost its production capabilities enabling it to gain market share by increasing volume and faster responses to orders.*
- *Warehouse Express Group, a specialist photographic supplier has returned to profit after reporting a £1m loss last year. The company employs about 100 people in Norwich and London. The losses at the company, which provides photographic equipment by internet and mail order, came despite increased turnover. The business has also benefited from further new equity of £1.5m invested by the majority shareholder, Barclays Ventures.*
- *According to Norwich-based Hays Senior Finance, accountants in Norwich are in demand with private sector employers in the region recruiting professionals into a range of finance positions from financial accountants through to finance directors. The demand for interim professionals is also expected to rise within both the public and private sector over the coming months. Norfolk businesses have shown evidence of resilience as the recruitment for senior finance professionals continued at an even rate.*
- *Norwich IT company, Breakwater IT, said demand for remote working technology was growing in and around the city. Mobile working technology was proving popular with professional services firms such as accountants, lawyers and chartered surveyors and also in the offshore energy sector. The company has recently delivered a contract with Gt Yarmouth-based Seajacks, which provides self-propelled jack-up platforms. The work by Breakwater IT involved supporting fast broadband connections with vessels in the middle of the North Sea through*

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Appendix

Data sources:

Figure 1 – Claimant count – NOMIS, Crown copyright

Figure 2 – HM Land Registry, Crown copyright

Table 1 – Claimant count – NOMIS, Crown copyright

Table 2 – Jobcentre Plus notified vacancies - NOMIS, Crown copyright

Table 3 – Norwich City Council

Table 4 - Jobcentre Plus

Table 5 – Norwich City Council

Table 6 – Annual Survey Hours and Earnings 2009 - NOMIS, Crown copyright

ⁱ The Norwich City Council area comprises the following wards: Bowthorpe, Catton Grove, Crome, Eaton, Lakenham, Mancroft, Mile Cross, Nelson, Sewell, Thorpe Hamlet, Town Close, University, Wensum

ⁱⁱ The Norwich Urban Area covers the built-up area and comprises the following wards: Drayton North, Drayton South, Hellesdon North West, Hellesdon South East, Old Catton and Sprowston West, Sprowston Central, Sprowston East, Taverham North, Taverham South, Thorpe St Andrew North West, Thorpe St Andrew South East, Bowthorpe, Catton Grove, Crome, Eaton, Lakenham, Mancroft, Mile Cross, Nelson, Sewell, Thorpe Hamlet, Town Close, University, Wensum, Cringleford, New Costessey, Old Costessey, Stoke Holy Cross

ⁱⁱⁱ Managers and Senior Officials, Professional Occupations, Associate Professional and Technical Occupations

^{iv} Process, Plant and Machine Operatives and Elementary Occupations

^v ONS Annual Population Survey April 2008 to March 2009

^{vi} The median divides the earnings distribution into two equal parts with one-half of the cases falling below the median and one-half above the median

^{vii} House Price data no longer available at local authority district level