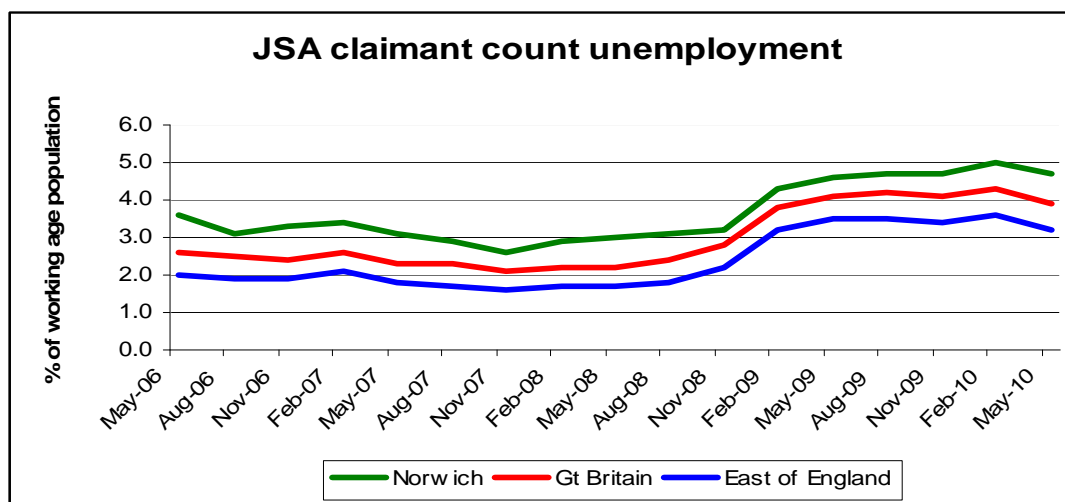


## Norwich Monthly Economic Barometer June 2010

Figure 1 below shows that the JSA claimant count unemployment rate in the Norwich City Council area remains above the national and the regional rates (by 0.8 and 1.5 percentage points respectively)

Figure 1



	May 2009		April 2010		May 2010		Change on previous month's rate	Change on previous year's rate
Great Britain	1,516,921	4.1%	1,512,278	4.1%	1,447,035	3.9%	- 0.2%	- 0.2%
East of England	121,180	3.5%	118,792	3.4%	112,276	3.2%	- 0.2%	- 0.3%
Norwich City Council area <sup>i</sup>	4,245	4.6%	4,554	4.9%	4,378	4.7%	- 0.2%	+ 0.1%
Norwich Urban Area <sup>ii</sup>	5,327	3.9%	5,680	4.2%	5,433	4.0%	- 0.2%	+ 0.1%
Bowthorpe	348	4.4%	363	4.6%	348	4.4%	- 0.2%	0
Catton Grove	462	6.6%	447	6.4%	417	6.0%	- 0.4%	- 0.6%
Crome	290	5.1%	333	5.8%	310	5.4%	- 0.4%	+ 0.3%
Eaton	84	1.7%	97	1.9%	92	1.8%	- 0.1%	+ 0.1%
Lakenham	287	4.9%	322	5.5%	323	5.5%	0	+ 0.6%
Mancroft	512	7.6%	558	8.3%	523	7.8%	- 0.5%	+ 0.2%
Mile Cross	497	7.0%	542	7.6%	517	7.3%	- 0.3%	+ 0.3%
Nelson	187	2.5%	169	2.3%	176	2.4%	+ 0.1%	- 0.1%
Sewell	315	4.0%	328	4.1%	324	4.1%	0	+ 0.1%
Thorpe Hamlet	411	5.9%	440	6.4%	411	5.9%	- 0.5%	0
Town Close	295	4.2%	309	4.4%	304	4.3%	- 0.1%	+ 0.1%
University	158	2.2%	193	2.6%	176	2.4%	- 0.2%	+ 0.2%
Wensum	399	5.3%	453	6.1%	457	6.1%	0	+ 0.8%

Table 1 on the previous page shows that, over the last month, JSA claimant count unemployment in Norwich has fallen at the same rate as seen regionally and nationally. JSA unemployment remained stable or fell across all Norwich wards with the exception of Nelson which saw a marginal rise.

Norwich's JSA claimant count unemployment rate has seen a marginal increase compared to a year previously; unemployment fell slightly at the regional and national levels. Compared to this time last year, JSA unemployment increased in all Norwich wards with the exception of Bowthorpe and Thorpe Hamlet which saw no change and Nelson where a slight fall was recorded.

Although the UK has suffered its longest recession since quarterly data were first collected in 1955, claimant count unemployment has remained lower. As the UK came out of its last recession in May 1993, Norwich's claimant count unemployment rate stood at 10.6 per cent (GB 8.2 per cent, East of England 7.3 per cent).

**Gender:** Around one-quarter of unemployment claimants in the Norwich City Council are women. Female JSA claimant count unemployment rates have remained the same since February at 2.5 per cent (GB 2.3 per cent, East of England 2 per cent) – this rate has fallen markedly since May 1993 when it stood at 4.9 per cent (GB 3.9 per cent, East of England 3.7 per cent).

Male JSA claimant count unemployment 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 May 1993 male unemployment rates in Norwich stood at 15.9 per cent compared to 12.2 per cent nationally and 10.5 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:** A certain amount of churn is evident within the labour market as people move between unemployment, benefits and employment. Looking at the length of JSA unemployment claims, more than one-half (52.3 per cent) are less than 6 months (East of England 62.2 per cent, GB 60.6 per cent). Norwich has relatively high levels of long-term unemployment with 24.6 per cent of JSA claimants 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 for the fourteenth consecutive month in Norwich, as it has nationally and regionally.

**Age:** In the Norwich City Council area 29.3 per cent of all JSA claimants are aged between 18 to 24 years; this is marginally higher than the proportion at the national level (27.7 per cent) and the East of England (26.7 per cent). There has been a slight downward movement in the rate since last month. Bowthorpe, Lakenham, Mile Cross, University and Wensum 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 (13.1 per cent) than at the national or regional levels (15.5 per cent and 17.3 per cent). The JSA unemployment rate for those aged 50 years and over has seen a marginal increase for the second consecutive month and at a similar rate to that seen nationally and regionally.

**Usual occupation:** Around 12.8 per cent of claimants in the Norwich City Council area state that they are usually employed in higher level occupations<sup>iii</sup>. However, 42.2 per cent of claimants stated that their usual employment was in a lower level occupation<sup>iv</sup>. 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<sup>v</sup>

	<b>May 2009</b>	<b>April 2010</b>	<b>May 2010</b>	<b>Monthly change</b>	<b>Annual change</b>
<b>Great Britain</b>	274,445	297,741	383,011	+ 29%	+39%
<b>East of England</b>	23,794	28,150	33,808	+20%	+42%
<b>Norwich City Council</b>	1,089	1,860	1,954	+5%	+79%
<b>Norwich Urban Area</b>	1,448	2,121	2,287	+8%	+58%

The figures given in Table 2 show that, compared to the same period 12 months ago, the number of vacancies notified to Jobcentre Plus has risen markedly across both Norwich areas while a smaller increase took place at the regional and national levels. The number of vacancies notified to Jobcentre Plus showed an increase on the previous month across both Norwich areas but the rate of increase was higher at the regional and national levels

Norwich has a higher number of unfilled jobcentre vacancies per 10,000 working age population (158) than at the national (76) and regional (78) levels. This is a long-term trend in Norwich and reflects its significance as a regional service centre, the high ratio of jobs to working age residents and its large student population..

	<b>Number of claimants</b>	<b>Monthly change</b>
<b>May 2009</b>	16,924	+ 93 (+ 0.5%)
<b>June 2009</b>	17,029	+ 105 (+ 0.6%)
<b>July 2009</b>	17,085	+ 56 (+ 0.3%)
<b>August 2009</b>	17,163	+ 78 (+ 0.4%)
<b>September 2009</b>	18,017	+ 854 (+ 4.9%)
<b>October 2009</b>	18,174	+ 157 (+ 0.8%)
<b>November 2009</b>	18,402	+ 228 (+ 1.2%)
<b>December 2009</b>	18,503	+ 101 (+ 0.5%)
<b>January 2010</b>	18,508	+ 5 (+ 0.02%)
<b>February 2010</b>	18,778	+ 270 (+1.4%)
<b>March 2010</b>	18,778	0
<b>April 2010</b>	18,903	+ 125 (+ 0.6%)
<b>May 2010</b>	18,997	+ 94 (+ 0.04%)

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 May 2009 the number of Housing Benefit claimants in Norwich has increased by 12.2 per cent. Comparable national data is not available because of a time lag in data collection.

<b>Table 4 Jobcentre Plus Notified Redundancies in Norwich since of October 2008</b>		
<b>Number made redundant</b>	<b>Sector</b>	<b>Occupations Affected</b>
30	Boat Builders	Boat Building Trades
18	Business services	Architects
21	Car sales	Sales staff
370	Construction	Building Trades, Drivers and Admin
42	Distribution	HGV drivers
214	Education	Various
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
64	Health and social care	
4	Housing	HR/Admin
64	Wholesale	Various
176	Manufacturing	Operatives, finance admin and joiners
78	Media	Admin and production staff
233	Print and publishing	Print and sales staff
87	Public services	Admin
159	Transport	Catering, Admin and Sales
317	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. A large number of redundancies have been identified by Jobcentre Plus this month in the following sectors: construction (+16); education (+175); health and social care (+64); public services (+ 47) and retail (+ 62).

<b>Table 5 City Centre Shop Vacancy Rate</b>				
	<b>Total shop units</b>	<b>Trading</b>	<b>Vacant</b>	<b>Construction</b>
<b>January 2010</b>	1,079	948 (87.9%)	126 (11.6%)	5 (0.5%)
<b>July 2009</b>	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.

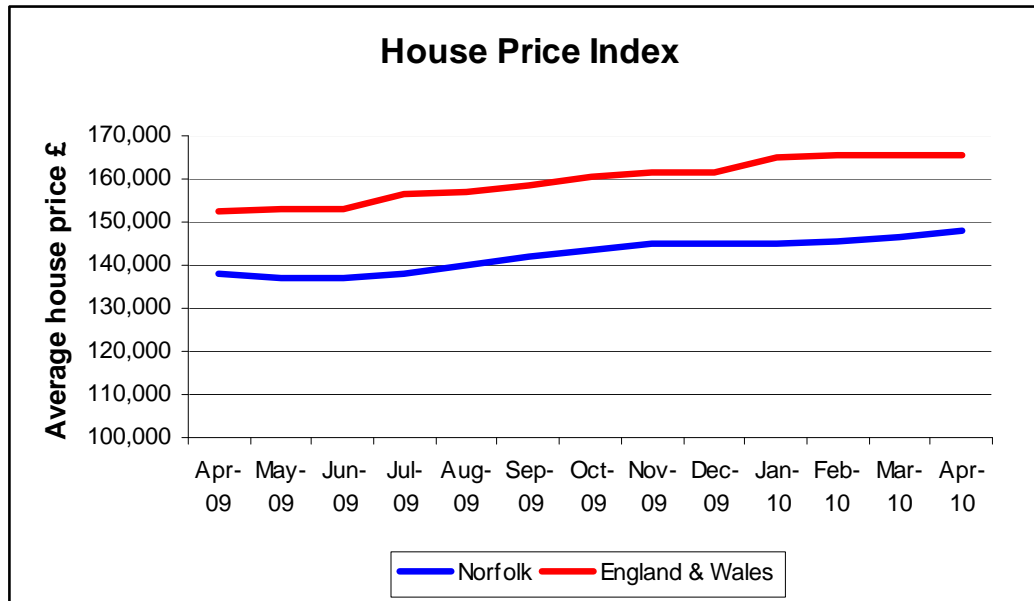
<b>Table 6 Median Earnings 2009 – Hourly Pay (excluding overtime)</b>			
	<b>Norwich</b>	<b>East of England</b>	<b>Gt. Britain</b>
<b>Hourly pay - workplace</b>			
<b>Full-time workers</b>	<b>£12.11</b>	<b>£11.83</b>	<b>£12.38</b>
Male full-time workers	£13.34	£12.50	£13.02
Female full-time workers	£10.70	£10.73	£11.41
<b>Hourly pay - resident</b>			
<b>Full-time workers</b>	<b>£11.08</b>	<b>£12.79</b>	<b>£12.40</b>
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<sup>vi</sup> 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 April 2010 shows an annual price increase for England and Wales of 8.5 per cent, the annual price change for Norfolk<sup>vii</sup> was somewhat lower at 6.9 per cent. Since March 2010, Norfolk house prices have increased by 1.2 per cent compared to an increase of 0.2 per cent in England and Wales.

### **Good News Stories**

- *LSI architects from Norwich are the first company in the east of England to be awarded the Community Mark by Business in the Community (BITC). The award was given for the Curve, part of The Forum in Norwich city centre, which beat 13 other building projects to win the Community Benefit Award in the 2010 RICS East of England Awards.*
- *Norwich-based P1 Technology Partners, which offers a wide range of technology products and services, was boosted by an influx in new orders late in 2009. Turnover increased to £2.5m in the year - up from £1.3m in 2008. The workforce has also grown to 30 to cope with the extra work, with 10 more jobs planned for the next year. The company is set to move from its Cringleford base to a larger office in the coming months.*
- *Impress UK has been chosen by high street store Fired Earth to supply a new range of cans for its new range of paints, which will be sold throughout the UK. The patented design has reduced the metal content by 10 per cent. Impress UK makes about 60 million tin cans for paints and coatings at its Norwich site every year and is the largest metal paint can maker in the UK.*
- *The region's construction firms are seeing an increase in workloads for the first time in two years. A survey by the Royal Institute for Chartered Surveyors (RICS) for the first quarter of 2010 showed 10 per cent more chartered surveyors in the East of England reported rising demand for their services than those reporting falls.*

- *May Gurney could be set for an expansion into renewable energy after reporting an 11th consecutive year of growth. The company's revenues increased by 3 per cent to a record £483.1m in the year to March 31, while profit before tax was up 7 per cent at £21.6m. The year also saw a 36 per cent increase in the firm's order book to £1.7bn, with more than 95 per cent of business in long-term contracts with public and regulated sector clients, including local authorities and water companies.*
- *Global engineering company Cosworth has chosen a Norwich law firm to provide its core legal services. Steeles Law has been chosen by Cosworth, which supplies the engines for Norfolk's Lotus F1 Racing 2010 cars, to provide its main legal services for a period of two years.*
- *A new oil exploration company founded by two former Petrofac managers has won exploration rights at two sites in Malaysia. In a deal signed in Kuala Lumpur, Nio Petroleum, based in Norwich, was awarded two blocks off the coast of Sabah, Borneo, in partnership with the Malaysian nationalised oil firm Petronas and Swedish firm Lundin.*
- *Norwich has edged out larger cities like Cardiff, Edinburgh and Bristol to secure a spot in the top 10 of the Retail Footprint 2010 study by CACI which ranks retail centres by forecast expenditure. The study shows that while London's West End remains the Britain's number one shopping destination with expenditure of £3,170 million, Norwich was ranked 10th with £1,180 million. It is also 25 places ahead of nearby Ipswich.*
- *Growth in the offshore renewables industry is helping a media and crisis management business. Norwich-based Media and Crisis Management has seen business grow by 15-20 per cent over the past three years and expects to do the same this year. It has also just launched a new brand, Offshore Renewables Integrated Incident Management (ORIIM), which offers a complete emergency management service for businesses in the offshore wind energy industry*
- *Norwich's first academy has been boosted by a big increase in pupils as it prepares to move into its £21 million building. The Open Academy will have at least 101 youngsters joining in year seven in the amphitheatre-style building in September, more than one-quarter up on the 2009/10 intake.*
- *Business failures in East Anglia continued to fall for the fourth quarter running. The number of company failures in quarter one 2010 in East Anglia was down 13 per cent on the previous quarter compared to 10 per cent nationally*
- *Exports to the EU from businesses in the East of England are growing faster than in any other region outside London. HM Revenue & Customs figures show that exports to the EU from the East of England in the first quarter of this year rose by 15.2 per cent compared to the period last year.*

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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

News stories from a variety of sources including EDP, Norfolk Network and Business in East Anglia

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<sup>i</sup> 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

<sup>ii</sup> 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

<sup>iii</sup> Managers and Senior Officials, Professional Occupations, Associate Professional and Technical Occupations

<sup>iv</sup> Process, Plant and Machine Operatives and Elementary Occupations

<sup>v</sup> ONS Annual Population Survey April 2008 to March 2009

<sup>vi</sup> 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

<sup>vii</sup> House Price data no longer available at local authority district level