



# **Norwich Economic Barometer April 2012**

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# Business News

## Economy:

- The UK economy has returned to recession, official figures have shown. According to the Office for National Statistics (ONS), the economy shrank by 0.2 per cent in the first three months of 2012. This followed contraction of 0.3 per cent in the last three months of 2011. A recession is defined as two consecutive quarters of contraction.
- Consumer Prices Index (CPI) inflation unexpectedly increased to 3.5 per cent (from 3.4 per cent) in March, according to the ONS. Retail Prices Index (RPI) inflation, which includes mortgage and interest payments, fell slightly from 3.7 per cent to 3.6 per cent. Higher prices for food and clothing helped drive the increase in CPI, while gas and electricity prices were lower than a year ago. The rise in inflation brought an end to five months of decline in the CPI rate, which had peaked at 5.2 per cent in September 2011. The rate still remains above the Bank of England's 2 per cent target
- The International Monetary Fund's 2013 growth forecast for the UK has been left at 2 per cent. The IMF noted that "the UK financial sector was hit hard by the global crisis". The revised UK forecasts match those of the UK Office for Budget Responsibility. However, both forecasts are more optimistic than most independent UK economists, who expect economic growth of about 1.6 per cent next year.
- The ONS reported growth of 1.8 per cent on UK retail sales volumes in March. This is the highest increase for more than a year and was driven by the spell of warm weather and panic buying of petrol. The rise follows a decline of 0.8 per cent in February, which was blamed on the squeeze felt by consumers. Over the past three months, sales volumes grew by 0.8 per cent compared with the same period last year.
- The government has launched a £20 billion scheme to try to boost bank lending to small and medium-sized enterprises (SMEs). Under the National Loan Guarantee Scheme, SMEs will be able to access loans with interest rates one percentage point lower than those available outside the initiative. Firms with an annual turnover of up to £50 million are eligible to participate.
- The national minimum wage will rise by 11p to £6.19 an hour in October – an increase of 1.8 per cent on the current level, which is lower than the current inflation rate. The minimum wage for workers aged under 21 remains unchanged.
- The UK has the largest internet economy in the G20 group of industrialised nations according to research conducted by the Boston Consulting Group. It estimates that the UK's internet economy was worth £121 billion in 2010, more than £2,000 per person making it bigger than the healthcare, construction or education sectors.

- The regional jobs market has continued to strengthen in the first three months of 2012, according to the Reed job index. It shows online job postings rose by 9 per cent in the first quarter compared with the same period last year pointing to continuing economic recovery. The engineering sector saw significant numbers of new jobs; recruitment also increased in IT, construction, motoring and purchasing.
- According to a survey from Grant Thornton UK LLP, businesses in East Anglia are among the most optimistic in the UK when it comes to increasing profitability, revenues and exports over the next 12 months. The survey indicates that 52 per cent of the region's medium to large businesses expect their profitability to increase over the next year. More than one-half of East Anglian businesses expect revenues to increase over the next 12 months and over a quarter of firms in the region expect to increase exports

**Investment:**

- Work to dual the final stretch of the A11 will begin early next year. The A11 Fiveways to Thetford improvement scheme was one of the 14 schemes announced in October 2010 and one of the four schemes now scheduled to start in 2012/13 (between January and March 2013), subject to the completion of the statutory process.
- New Anglia Local Enterprise Partnership has been given an additional £5.9 million through the Growing Places Fund; this is on top of £12 million which has already been awarded. The Growing Places Fund was set up by the government to address infrastructure constraints, to promote economic growth and the delivery of jobs and houses.
- Intelligent Fingerprinting Ltd, a Norwich-based company that has developed a unique technology for the simultaneous detection of personal identity and contact with illicit substances from fingerprints, has raised £2 million in funding from a consortium of private US-based investors.

**Business:**

- Bayer CropScience in Sweet Briar Road has been bought by a subsidiary of Munich-based Aurelius AG for an undisclosed sum. The deal is expected to be formalised over the coming three months. The facility, which employs around 260 staff and 50 contractors, will become a stand-alone company able to bid for new contracts beyond its current owners the Bayer Group, which will remain its main customer.
- Norwich-based digital marketing and advertising website specialist, Ett Group, is launching a new mobile division to meet rising demand for consumers accessing the internet on their phones or tablet computers. The move means the company, which employs 32 staff and has an annual turnover of £3 million, will employ three new developers to work solely on the new division.

- The new owners of Group Lotus, Malaysia-based DRB-Hicom, which bought Lotus's parent company Proton in January, has stated that it had not decided to sell the loss-making group and was supporting the management and the company financially. It also said a senior Proton manager had been appointed at Group Lotus to beef up the existing team. Pressure has been mounting on DRB to reveal its intentions for the car company amid rising speculation that it was looking to carry out a quick sale, possibly to a Chinese car maker.
- Norwich independent children's clothes retailer, Cocolino, has opened a second shop on Timberhill in the city centre.
- Thousands of tonnes of waste paper produced by the government is being recycled as photocopier paper under a pioneering initiative launched by Banner, one of the UK's largest suppliers of office products. Banner has its headquarters in Norwich and employs more than 900 staff across the UK. Banner Business Services has secured contracts with all major government departments including HMRC, the Home Office and the Ministry of Defence, which sees all waste paper collected and then recycled and used by the government departments which produced it.
- Long-established local building firm RG Carter has said it is considering making redundancies after anticipated projects have been postponed – around 34 workers are affected.
- The merger of two long-established Norfolk property brands is expected to put them in a good position to expand in commercial, residential and holiday markets across Norwich and north Norfolk. Norwich-based Arnold and Aylsham-founded Keys moved to reassure staff there would be no job losses as a result of the merger and stated that the firm has plans to recruit more staff. The new firm will be known as Arnold Keys and will have a head office in Norwich.
- PwC has been appointed administrator to the UK operations of Game Group, which has 609 stores across the UK, including in Norwich, King's Lynn, Great Yarmouth, Lowestoft and Bury St Edmunds. The Game shop on St Stephen's Street and the Gamestation shop in Castle Mall shopping centre have both been closed.
- Dragons' Den star Theo Paphitis has opened his tenth Boux Avenue lingerie store in Chapelfield Shopping Centre in Norwich.

**Education:**

- The University of East Anglia has submitted proposals to refurbish the Grade II\* listed Earlham Hall, which is considered of national importance and has connections with locally important figures in politics and banking. The UEA plans to repair and stabilise the building so it can be brought back into use for the School of Law
- An international project giving up-to-date information on carbon emissions has opened its first UK office at the University of East Anglia. The Global Carbon Project

provides objective scientific data to policy-makers and the public on the latest trends in CO2 emissions and 'sinks' around the world. It already has offices in Australia, Japan, France, US, China and South Korea. More than 50 scientists around the world contribute their expertise to the project.

- A project to develop an International Centre for Writing, led by Writers Centre Norwich has been awarded £3 million from Arts Council England's Capital Investment Programme funds. The scheme is set to create a world-leading hub for creative writing and the best in world literature has received backing. The grant is one of the largest ever given to a literature organisation and will bolster Norwich's bid to be England's first UNESCO City of Literature. The centre is being developed by Writers Centre Norwich in partnership with the UEA, Norwich City Council and Norfolk County Council.
- Theo Paphitis joined City College Norwich and leading retailers in the city to officially open the unique new RETAIL training suite in Norwich. The opening completes the final phase of the RETAIL skills academy at City College Norwich, part of the National Skills Academy for Retail's nationwide network of skills shops.
- Two BAFTA awards have been won by 2010 graduates from Norwich University College of the Arts at the British Academy Video Games Awards in London.
- The Norfolk Network business community has won the 2012 Association of Graduate Careers Services (AGCAS) Award for Excellence in Careers Service Engagement for its partnership work with the University of East Anglia. The network beat off competition from Enterprise Rent-A-Car, Ernst & Young, Foot Anstey, GE and Teach First.

## Summary of monthly headline indicators

Key to symbols		↑ increase	↓ reduction	= unchanged
INDICATOR	DIRECTION COMPARED TO THIS TIME LAST YEAR		DIRECTION COMPARED TO PREVIOUS MONTH	
JSA claimant count unemployment rate	Great Britain	↑	Great Britain	=
	East of England	↑	East of England	↓
	New Anglia LEP	↑	New Anglia LEP	=
	Norwich City Council area	↑	Norwich City Council area	↓
	Urban Norwich	↑	Urban Norwich	=
Ward level JSA claimant count unemployment rate	Bowthorpe	↑	Bowthorpe	=
	Catton Grove	↓	Catton Grove	=
	Crome	↑	Crome	=
	Eaton	↑	Eaton	=
	Lakenham	↑	Lakenham	↓
	Mancroft	↑	Mancroft	↓
	Mile Cross	↑	Mile Cross	↑
	Nelson	↓	Nelson	↓
	Sewell	↑	Sewell	↓
	Thorpe Hamlet	↓	Thorpe Hamlet	↑
	Town Close	↑	Town Close	↓
	University	↑	University	=
	Wensum	↑	Wensum	↑

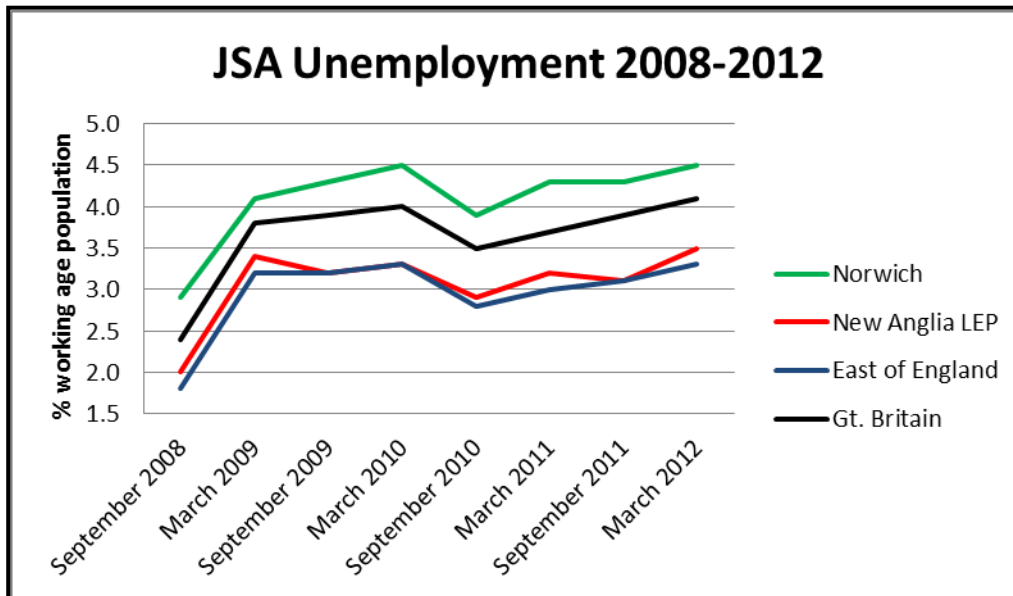
## Summary of monthly headline indicators

INDICATOR	DIRECTION COMPARED TO LAST YEAR		DIRECTION COMPARED TO PREVIOUS MONTH	
Age and duration JSA claimant count unemployment rate (Norwich)	Unemployed for less than 6 months	↓	Unemployed for less than 6 months	↓
	Unemployed for more than 12 months	↑	Unemployed for more than 12 months	=
	18-24 years	↑	18-24 years	=
	50 years+	↑	50 years+	=
Male/female JSA claimant count unemployment rate (Norwich)	Male	↑	Male	↓
	Female	↑	Female	=
Jobcentre Plus notified vacancies	Great Britain	↑	Great Britain	↓
	East of England	↑	East of England	↓
	New Anglia LEP	↑	New Anglia LEP	↓
	Norwich City Council area	↑	Norwich City Council area	↑
	Urban Norwich	↑	Urban Norwich	↑
Housing Benefit claimant numbers	Norwich	↓	Norwich	↓
Average house prices	England and Wales	↓	England and Wales	↓
	Norfolk	↓	Norfolk	↓

## JSA claimant count unemployment

Figure 1 demonstrates that over the period 2008-2012, JSA claimant count unemployment rates in the Norwich City Council area have remained significantly above national, regional and New Anglia LEP rates.

Figure 1



**Table 1 JSA CLAIMANT COUNT UNEMPLOYMENT**

	March 2011		February 2012		March 2012		Change on monthly rate	Change on annual rate
<b>Great Britain</b>	1,466,985	3.7%	1,623,211	4.1%	<b>1,604,509</b>	<b>4.1%</b>	0	+ 0.4%
<b>East of England</b>	112,137	3.0%	124,438	3.4%	<b>123,131</b>	<b>3.3%</b>	- 0.1%	+ 0.3%
<b>New Anglia LEP</b>	31,036	3.2%	34,492	3.5%	<b>34,065</b>	<b>3.5%</b>	0	+ 0.3%
<b>Norwich City Council area<sup>i</sup></b>	4,392	4.3%	4,720	4.6%	<b>4,667</b>	<b>4.5%</b>	- 0.1%	+ 0.2%
<b>Urban Norwich<sup>ii</sup></b>	5,438	3.6%	5,857	3.8%	<b>5,782</b>	<b>3.8%</b>	0	+ 0.2%
<b>Bowthorpe</b>	362	4.0%	400	4.4%	<b>398</b>	<b>4.4%</b>	0	+ 0.4%
<b>Catton Grove</b>	443	5.5%	427	5.3%	<b>423</b>	<b>5.3%</b>	0	- 0.2%
<b>Crome</b>	298	4.5%	337	5.1%	<b>341</b>	<b>5.1%</b>	0	+ 0.6%
<b>Eaton</b>	108	1.9%	117	2.1%	<b>117</b>	<b>2.1%</b>	0	+ 0.2%
<b>Lakenham</b>	328	5.0%	359	5.4%	<b>345</b>	<b>5.2%</b>	- 0.2%	+ 0.2%
<b>Mancroft</b>	522	6.7%	576	7.4%	<b>548</b>	<b>7.0%</b>	- 0.4%	+ 0.3%
<b>Mile Cross</b>	518	6.4%	601	7.4%	<b>606</b>	<b>7.5%</b>	+ 0.1%	+ 1.1%
<b>Nelson</b>	171	2.1%	173	2.1%	<b>158</b>	<b>1.9%</b>	- 0.2%	- 0.2%
<b>Sewell</b>	337	3.7%	368	4.0%	<b>361</b>	<b>3.9%</b>	- 0.1%	+ 0.2%
<b>Thorpe Hamlet</b>	424	5.0%	399	4.7%	<b>411</b>	<b>4.9%</b>	+ 0.2%	- 1.0%
<b>Town Close</b>	255	3.2%	277	3.4%	<b>263</b>	<b>3.3%</b>	- 0.1%	+ 0.1%
<b>University</b>	186	2.2%	209	2.5%	<b>208</b>	<b>2.5%</b>	0	+ 0.3%
<b>Wensum</b>	440	5.0%	477	5.4%	<b>488</b>	<b>5.5%</b>	+ 0.1%	+ 0.5%

Table 1 shows that compared to the same time last year JSA claimant count unemployment rates increased across all the reported areas. Over the month, the JSA rate has remained stable across each of the reported areas with the exception of the East of England and the Norwich City Council areas, both of which saw a marginal fall.

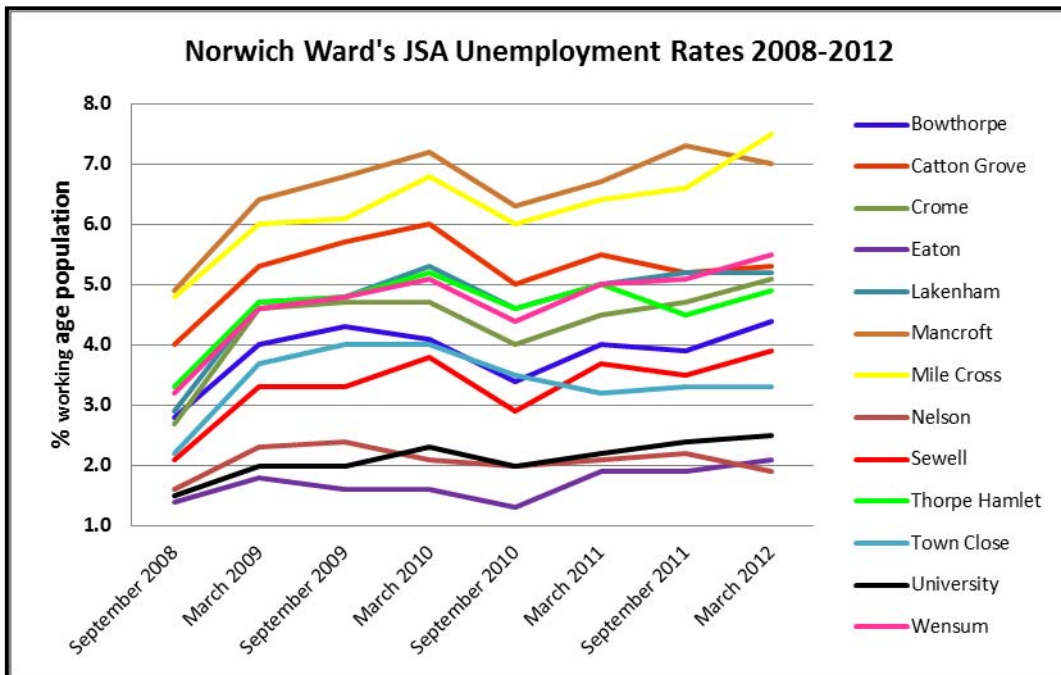
The 2008/09 recession was the deepest and longest in Gt. Britain since quarterly data were first collected in 1955, but claimant count unemployment has remained lower than was recorded in previous troughs. In March 1995, Norwich's claimant count unemployment rate stood at 8.9 per cent (7,065 people) (Gt. Britain 6.5 per cent, East of England 5.3 per cent, New Anglia LEP 5.6 per cent). However, the current level of JSA claimants has not been seen in Norwich since 1997.

### Ward level JSA claimant count unemployment

Compared to this time last year, the JSA unemployment rate increased across all Norwich wards with the exception of Catton Grove, Nelson and Thorpe Hamlet where the rate showed a marginal fall. The rate grew most strongly in Mile Cross ward.

Over the month, the JSA unemployment rate remained the same across Bowthorpe, Catton Grove, Crome, Eaton and University wards. The rate increased across Mile Cross, Thorpe Hamlet and Wensum wards; all other Norwich wards experienced a reduction in the rate. Figure 2 summarises the movement in JSA claimant count rates across Norwich wards since 2008 and shows the wide variation in the rate across the City Council area. Currently a differential of 5.6 percentage points stands between the lowest (Eaton) and the highest rates (Mile Cross). For the first time since ward data was made available in 2004, the JSA rate in Mile Cross is higher than that in Mancroft.

Figure 2



## **Age and duration JSA claimant count unemployment**

**Gender:** In the Norwich City Council area, more than one-quarter (28 per cent) of JSA unemployment claimants are women. Female JSA rates remained stable over the month in Norwich (2.6 per cent), across the region (2.3 per cent) and nationally (2.7 per cent). A slight fall was recorded across the LEP area (2.2 per cent).

The male JSA unemployment rate is noticeably higher in Norwich, at 6.3 per cent of working age males, than in the LEP area (4.7 per cent), regionally (4.4 per cent) and nationally (5.5 per cent). Over the month, rates fell slightly in Norwich, across the LEP area and nationally; the rate remained the same at the regional level. Male JSA rates in Norwich have continued above the LEP, regional and national rates since records began in 1992.

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, which claims a higher proportion of employees (89 per cent) than in the LEP area (80 per cent), regionally and nationally (83 per cent, 84 per cent respectively).

**Duration:** A certain amount of churn is expected within the labour market as people move between unemployment, benefits and employment. Looking at the length of JSA unemployment claims in Norwich, 52 per cent are for a period of less than 6 months, a somewhat lower proportion than is seen in the LEP area (59 per cent), regionally and nationally (East of England 59 per cent, Gt. Britain 57 per cent). Correspondingly, Norwich has a relatively high proportion of JSA claimants who are experiencing long-term unemployment; 25 per cent of JSA claimants have been unemployed for longer than 12 months compared to 20 per cent across the LEP area, 21 per cent across the region and 22 per cent nationally.

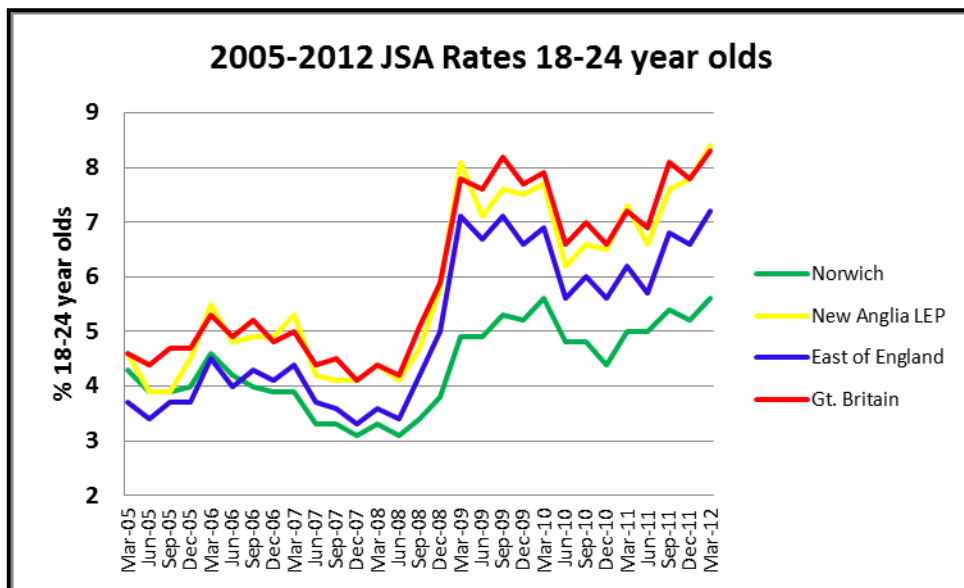
The proportion of long-term unemployed has shown a marginal increase for the ninth month running in Norwich (after ten consecutive months of reduction). This was also the case across the LEP area, regionally and nationally. It is well recognised that long periods of unemployment make it increasingly difficult for the affected individuals to find work, particularly in a weak labour market. Over the year, the number of people recorded as long term unemployed in Norwich has grown by 48 per cent; from 790 people in March 2011 to 1,165 in March 2012. It should be noted that the percentage increase in long term unemployment across the LEP area, regionally and nationally has been much larger (54 per cent, 58 per cent and 66 per cent respectively).

**Age:** In the Norwich City Council area, 31 per cent of all JSA claimants are aged 18 to 24 years. This is higher than the regional level (29 per cent) and the national level (30 per cent) but lower than the LEP area (32 per cent). This month, the proportion of 18 to 24 year olds in Norwich, nationally and across the LEP area has shown a marginal increase but has remained stable across the LEP area.

Note that as a proportion of all JSA claimants, the 18 to 24 years age group has been of a broadly similar magnitude since 2004. In absolute terms, the number has risen from

865 in March 2005 to the current figure of 1,435. However, as a proportion of the 18-24 year old age group (rather than a percentage of JSA claimants), the rate has increased from 4.3 per cent in March 2005 to 5.6 per cent currently. This means that, in Norwich, one in twenty 18-24 year olds are JSA unemployed; a lower rate than that seen in the LEP area (8.4 per cent), regionally (7.2 per cent) and nationally (8.3 per cent) and is summarised in Figure 3. Note the sharp increase in the unemployment rate across the region, the LEP area and nationally. The lower rate in Norwich is likely to be influenced by the large student population.

Figure 3



Bowthorpe, Crome, Mile Cross, University and Wensum wards have proportions of claimants aged 18-24 years above that of the Norwich average. Mancroft, Mile Cross and Wensum wards have the highest *numbers* of claimants aged between 18-24 years (140 or more).

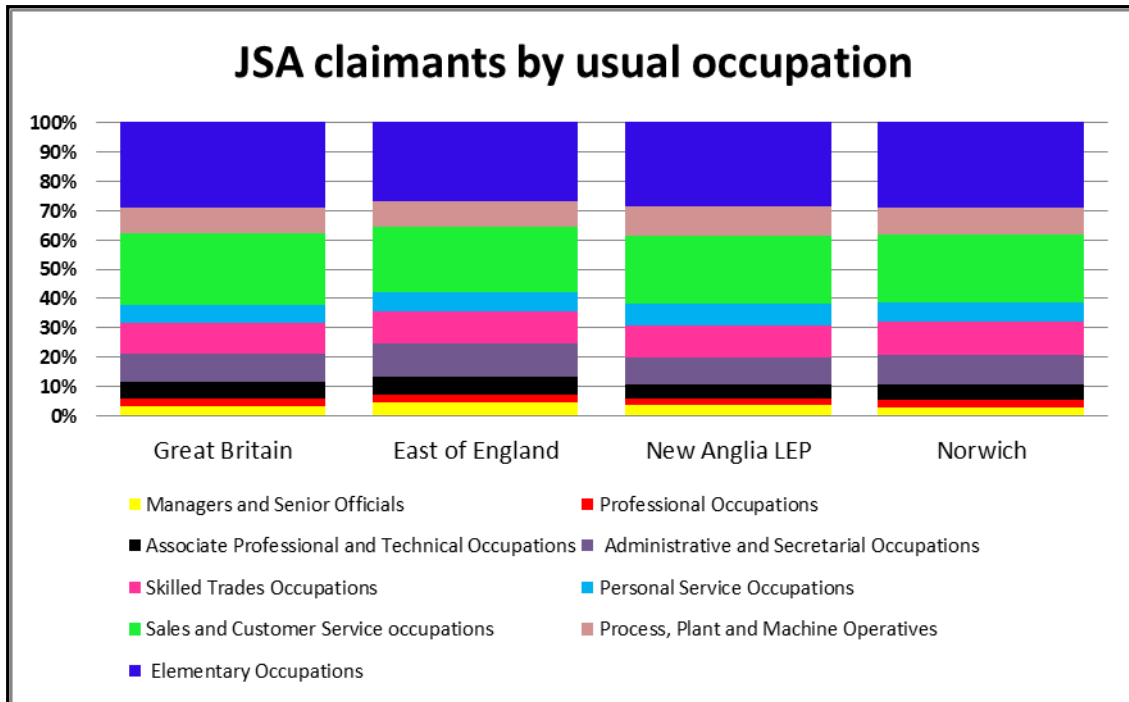
Across Norwich, 11.7 per cent of JSA claimants are aged between 18 to 24 years and have been unemployed for more than 6 months; a slight increase against last month's figure (up from 525 to 545). Larger increases took place across the LEP area (10.8 per cent) and at the regional and national levels (9.2 per cent and 10.2 per cent respectively).

At the other end of the age scale, Norwich has a lower proportion of JSA unemployment claimants aged 50 years and over (14.6 per cent, 680 people) compared to the LEP area (16.6 per cent) and to the regional and national levels (16.9 per cent and 15.5 per cent respectively). The percentage of JSA claimants aged 50 years or more increased slightly over the month in Norwich; remaining static across the LEP area and falling slightly at the national and regional levels.

## JSA claimant count unemployment by usual occupation

**Usual occupation:** Around 11 per cent of JSA claimants in the Norwich City Council area report that they are usually employed in higher level occupations<sup>iii</sup> (LEP area 11 per cent, regional 13 per cent, national 11 per cent). Figure 4 gives a breakdown of JSA claimants by their usual occupation.

Figure 4



However, 38 per cent of claimants state that their usual employment is in a lower level occupation<sup>iv</sup> (LEP area 39 per cent, regional 36 per cent, national 38 per cent).

This suggests that people in lower level occupations are at high risk of unemployment – looking at Norwich’s occupational profile only 22 per cent of total employment is based in lower level occupations compared to 47 per cent based in higher level occupations<sup>v</sup>. Around one-third (31%) of claimants whose usual employment is in a lower level occupation have been unemployed for more than 12 months.

The following wards have a proportion of JSA claimants, above the Norwich average, who state that their usual employment is in a lower level occupation: Mile Cross (45 per cent), Wensum (41 per cent), Crome, Catton Grove, Lakenham and Thorpe Hamlet (40 per cent).

The highest numbers (200+) of JSA unemployed people looking for work in lower level occupations live in Wensum, Mancroft and Mile Cross.

## Jobcentre Plus Notified Vacancies

<b>TABLE 2 JOBCENTRE PLUS NOTIFIED VACANCIES</b>					
	<b>March 2011</b>	<b>February 2012</b>	<b>March 2012</b>	<i>Monthly change</i>	<i>Annual change</i>
<b>Great Britain</b>	291,164	341,717	<b>323,298</b>	- 5%	+ 11%
<b>East of England</b>	25,047	32,369	<b>30,851</b>	- 5%	+ 23%
<b>New Anglia LEP</b>	7,005	9,472	<b>8,047</b>	- 15%	+ 15%
<b>Norwich City Council</b>	890	1,036	<b>1,364</b>	+ 32%	+ 53%
<b>Norwich Urban Area</b>	1,102	1,390	<b>1,796</b>	+29%	+ 63%

The figures given in Table 2 show that, compared to the same period last year, the number of vacancies notified to Jobcentre Plus increased across each of the reported areas; the strongest growth was seen across the Norwich City Council area and the urban area. Compared to the February figures, the number of vacancies notified to Jobcentre Plus in March has fallen across the LEP area, regionally and nationally. Notified vacancies increased strongly across both Norwich areas.

Norwich has a lower ratio of JSA claimants to unfilled Jobcentre vacancies (4.5 to 1) than nationally (5.9), but a higher ratio than that of the region (4.3) and the LEP area (4.1). Norwich also has a higher number of unfilled vacancies per 10,000 working age population at 101, than across the LEP area (85), regionally (76) and nationally (70).

In broad terms, movement in the claimant to vacancy ratio is an indicative measure of the condition of the labour market, both nationally and locally. The number of employment opportunities – unfilled vacancies - combined with the number of people looking for work demonstrates the health of the local labour market; the lower the ratio, the stronger the labour market. However, two points should be noted. Many employers do not advertise their vacancies with Jobcentre Plus and in Norwich, the local authority area acts as an employment centre for an area covering Broadland, South Norfolk and beyond.

### Housing Benefit

Housing Benefit is an income-related benefit designed to help people on low incomes pay for rented accommodation whether in, or out, of work. Many Housing Benefit claimants are pensioners, people with disabilities, carers or people who are in low-waged work.

It should be noted that resident earnings (see Table 6) in Norwich are relatively low and this will be a contributing factor to the number of people claiming Housing Benefit.

The number of Housing Benefit claimants in the Norwich local authority area fell by 209 claims during March. Over the year, Housing Benefit claims in Norwich have declined by 1.8 per cent. Comparable national data is not available because of a time lag in data collection.

<b>TABLE 3 NORWICH CITY COUNCIL HOUSING BENEFIT CLAIMANTS</b>		
	<b>Number of claimants</b>	<b>Monthly change</b>
<b>March 2011</b>	20,167	+ 379 (+ 1.9%)
<b>April 2011</b>	20,027	- 140 (- 0.7%)
<b>May 2011</b>	20,071	+ 44 (+ 0.2%)
<b>June 2011</b>	20,129	+ 58 (+ 0.3%)
<b>July 2011</b>	20,117	- 12 (- 0.06%)
<b>August 2011</b>	20,032	- 85 (- 0.4%)
<b>September 2011</b>	20,023	- 9 (- 0.04%)
<b>October 2011</b>	19,924	- 99 (- 0.4%)
<b>November 2011</b>	19,881	- 43 (- 0.2%)
<b>December 2011</b>	19,772	- 109 (- 0.5%)
<b>January 2012</b>	19,918	+ 146 (+ 0.7%)
<b>February 2012</b>	20,009	+ 91 (+ 0.4%)
<b>March 2012</b>	19,800	- 209 (-1.0%)

### **Notified redundancies**

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 does not include 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.

Table 4 summarises redundancies notified to Jobcentre Plus in Norwich from the beginning of January 2012. Jobcentre Plus has advised of the following redundancies for March: Construction (34), Education (30), Insurance and Financial Services (14) and Retail (10).

<b>TABLE 4 NORWICH REDUNDANCIES NOTIFIED TO JOBCENTRE PLUS 2012</b>	
<b>Number of redundancies</b>	<b>Sector</b>
34	Construction
30	Education
153	Environmental
79	Insurance & Financial Services
68	Public Sector
38	Information Technology
75	Retail
<b>Total redundancies 477</b>	

The sectors that were worse hit by redundancies in 2009 - 2010 were not the same sectors that were affected in 2011. In 2009 - 2010 the largest number of redundancies took place in Finance (948) and Construction (763).

In 2011, these sectors appeared to have stabilised locally; markedly fewer jobs were shed in Construction (54) and 114 redundancies were notified within the Finance sector in 2011. The Print and Publishing sector was also badly hit in 2009-2010 with 233 jobs lost, but this slowed to 55 in 2011.

However the Retail sector, which had 317 notified redundancies in 2009 - 2010, was still shedding jobs in 2011 with a further 186 lost during the year. Similarly, the Education sector lost 214 jobs in the previous two years and shed a further 118 in 2011. Public sector redundancies are also mounting up, with 198 jobs lost in 2009-2010 and 477 additional redundancies in 2011.

### **Retail vacancy rates**

According to Norwich City Council's latest survey for the Shopping Floorspace Monitor which was undertaken in January 2011, the number of vacant shop units in the city centre has fallen from 10.1 per cent in July 2010 to 7.8 per cent in January 2011.

<b>TABLE 5 CITY CENTRE SHOP VACANCY RATE</b>				
	<b>Total shop units</b>	<b>Trading</b>	<b>Vacant</b>	<b>Under Construction</b>
<b>January 2011</b>	<b>574</b>	524	45	5
<b>July 2010</b>	<b>576</b>	513	58	5

This compares to a national average of 14.5 per cent (Local Data Company, 2011), research also shows that vacancy rates in Norwich are lower than for comparable retail centres. Norwich is the region's primary shopping destination; the city is ranked in the top ten retail destinations (9<sup>th</sup>) in the UK (2011 CACI Retail Footprint).

### **Median Earnings 2011**

Table 6 summarises data from the 2011 Annual Survey of Hours and Earnings<sup>1</sup>. It shows that median<sup>vi</sup> resident earnings for full-time workers in Norwich are 17.5 per cent lower than regional median earnings and 12 per cent lower than national median earnings.

Over the year from 2010 to 2011, median resident earnings for full-time workers in Norwich declined by 5 per cent; at the regional level earnings increased by 2 per cent and at the national level earnings fell by 1 per cent. Median workplace earnings (local residents and in-commuters) for full-time workers in Norwich are 0.4 per cent lower than for the East of England and 4 per cent lower than for Gt. Britain as a whole.

<sup>1</sup> Note that the data is subject to a margin of error (resident +/-6.3 to 8.9% workplace +/-4.9 to 8.65%) therefore some of the local findings may be the result of sampling variation. However, ONS class this value as a reasonably precise measurement)

Since 2010, median workplace earnings for full-time workers in Norwich have increased by 5 per cent. Regional and national median workplace earnings have increased by 2 per cent and 1 per cent respectively. Median workplace earnings for full-time workers in Norwich are now more than 7 per cent higher than resident earnings.

**TABLE 6 MEDIAN EARNINGS 2011 – HOURLY PAY (EXCLUDING OVERTIME)**

	<b>Norwich</b>	<b>East of England</b>	<b>Gt. Britain</b>
<b>HOURLY PAY - WORKPLACE</b>			
<b>Full-time workers</b>	<b>£12.14</b>	<b>£12.29</b>	<b>£12.67</b>
Male full-time workers	£11.43	£12.13	£12.48
Female full-time workers	£8.91	£9.76	£10.00
<b>HOURLY PAY – RESIDENT</b>			
<b>Full-time workers</b>	<b>£11.30</b>	<b>£13.28</b>	<b>£12.69</b>
Male full-time workers	£10.45	£13.30	£12.50
Female full-time workers	£9.20	£10.21	£10.01

For male full-time workers, workplace median earnings are 8 per cent higher than resident earnings; at the regional and national levels workplace earnings are lower than resident earnings. This highlights the impact that commuting has on Norwich - the difference in workplace and residents' wages for male full-time workers suggests that many well-paid jobs in Norwich are taken by workers living outside the local authority area.

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 22 per cent more than a female full-time worker (regionally 19 per cent, nationally 20 per cent).

Median workplace earnings for female full time workers have fallen by 12 per cent (regionally -12 per cent, nationally - 15 per cent) while male full time workers' median workplace earnings have fallen by 14 per cent (regionally - 4 per cent, nationally -.5 per cent).

Male median resident earnings in Norwich are 12 per cent higher than female resident earnings (regionally 23 per cent, nationally 20 per cent). Resident median earnings for female full-time workers in Norwich have seen an annual decline of 20 per cent (regionally - 14 per cent, nationally - 15 per cent). Resident median earnings for male full-time workers in Norwich have seen an annual decline of 13 per cent (regionally - 3 per cent, nationally - 5 per cent).

## House Prices

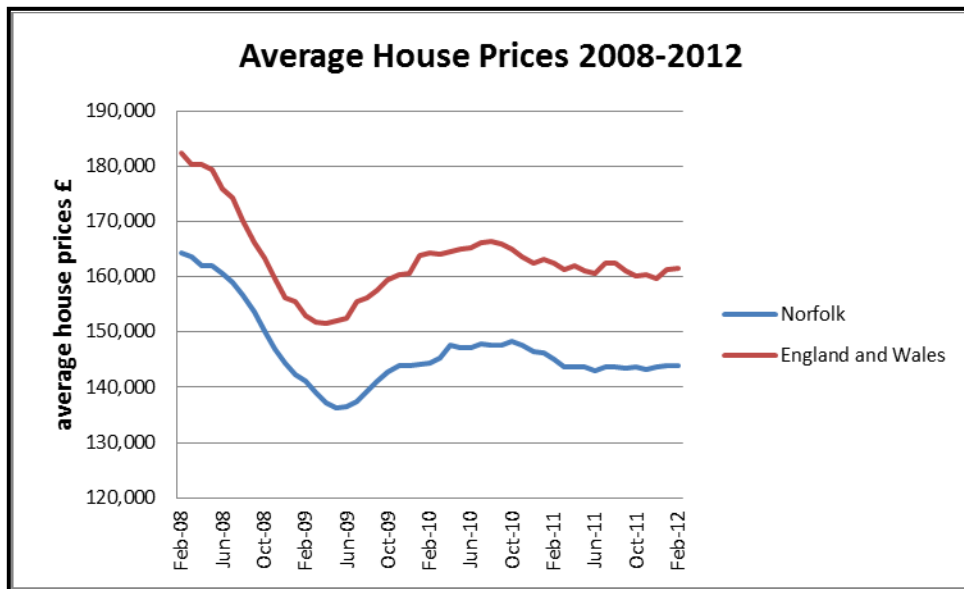
HM Land Registry House Price Index is the most accurate and independent house price index available for England and Wales.

The latest data from HM Land Registry's House Price Index (Crown copyright March 2012) gives an annual average house price fall of 0.6 per cent for England and Wales compared to a fall of 0.8 per cent in Norfolk<sup>vii</sup>.

Over the month of February, average house prices fell by 0.1 per cent in Norfolk and across England and Wales. The average house price in Norfolk currently stands at £143,867 compared to £161,588 for England and Wales.

Figure 5 summarises average house price movements since 2008; prices have fallen by 12 per cent in Norfolk and 11 per cent across England and Wales over the period.

Figure 5



## Appendix

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### Data sources:

Figure 1 – Claimant count – NOMIS, Crown copyright

Figure 2 – HPI, HM Land Registry, Crown copyright Release March 2012

Table 1 – Claimant count – NOMIS, Crown copyright

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

Table 3 – Housing Benefit claimants - Norwich City Council

Table 4 – Notified redundancies - Jobcentre Plus

Table 5 – Vacancy rates - Norwich City Council

Table 6 – Annual Survey Hours and Earnings 2011 - NOMIS, Crown copyright

News stories from a variety of sources including EDP, Business in East Anglia, National Statistics and BBC

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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 October 2009 – September 2010

<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> Monthly House Price data is not available at local authority district level