

Suffolk's Local Economic Assessment

DRAFT – March 2011

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Introduction

In 2008 Suffolk's Community Strategy, *Transforming Suffolk – Suffolk's Community Strategy 2008-2028*, identified the economy as one of four key priorities for improvement in Suffolk. At the time it was identified that although Suffolk had a level employment rate, the economy was below average size, productivity was behind regional counterparts and earnings below the national and regional averages.

Along side this, learning and skills were identified as being another key priority for improvement. There were a high proportion of people with poor literacy and numeracy skills, under performance in Key Stage 2 and post 16 achievement, participation at post 16 was low and relatively static and the number of NEET young people was a significant issue. In order for Suffolk to have a prosperous and vibrant economy, skills for both young people and the working age population have to be addressed.

Transforming Suffolk identified 2 objectives to support these priorities:

- To become the most innovative and diverse economy in the East of England, and;
- To have high quality skills levels in the top quartile in the country.

Since the Community Strategy was launched almost three years ago, the global economic crisis and UK recession has increased the need to focus on these priorities. Much work has been done to continue to develop skills and improve outcomes for young people in education and the East of England appears to have weathered the recession much better than other areas. However, redundancies have been seen across the county, unemployment rates have increased and wages remain lower than average.

Suffolk's approach to a local economic assessment

The local economic assessment has provided a mechanism to bring together public sector partners and businesses to enable them to agree on the key issues facing Suffolk's economy and identify how they can work together to support the growth and development of the economy in the future.

Partners wanted to ensure that the assessment was not just about gathering data, but about how we then used that data to inform what they deliver in the future. With shrinking resources in the public sector it has become even more important for partners to think about how they can work collectively to ensure that the resources are focused on areas of most need and where greatest impact can be made.

Sectors

Eight key economic sectors for Suffolk have been identified for detailed research to be undertaken and for collective decisions to be made on the actions to be taken by the public sector in the future. These are sectors where Suffolk either currently has large number of businesses, or proportion of people employed in the sector, or where future growth is likely to be focused. The eight key sectors identified for Suffolk are therefore:

- Advanced Manufacturing
- Biotechnology
- Creative Industries
- Energy
- Food, Drink and Agriculture
- Information and Communication Technology
- Ports and Logistics
- Tourism

Public sector partners reviewed the data and evidence available for these sectors, along with their own local knowledge, and produced a 'position paper' for each sector. These position papers were then tested with a small group of employers from each sector to ensure that they reflected the real issues for businesses working in these sectors in Suffolk. These position papers were then developed into the sections that make up this report.

It is acknowledged that, although this report focuses on the eight key sectors, there are other employment areas that sit alongside and underpin these sectors. These include; education; health and social care; retail; construction and; finance. Through out the report reference is made to these additional sectors as they are intrinsically linked. For example, growth in the energy sector will create a large number of construction jobs in the short and medium term.

Advanced Manufacturing

SWOT Analysis of the Advanced Manufacturing Sector

Strengths	Weaknesses
Remains large employment sector in Suffolk despite decline across the UK	Many employers reducing numbers of jobs during current recession
35,000 people employed in manufacturing, 15,000 in advanced manufacturing	Competition from overseas markets
Large sector across all districts contributing greatly to the local economy	Ageing workforce and transfer of skills
Number of national and international companies located in Suffolk	Inability to influence global ownership decisions/consolidation processes
Proximity to ports for shipment of materials and end products	Impact on local economy, supply chain and wider community when closures announced.
Opportunities	Threats
Growth in sector as businesses source supplies back to the UK	Inability to secure investment for new technology/machinery to meet legislative changes
Increasing market for high value goods and services. Servicing products can be as lucrative as their production	Loss of essential skills and knowledge to meet future demands
Strengthen links with specialist advanced manufacturing sector skills hubs such as Hethel engineering	Loss of intellectual ownership of products/sectors as UK companies are taken into foreign ownership
Strengthen links to local FE/HE establishments to help deliver training needs more locally	

Background

Advanced Manufacturing describes industries and businesses which use a high level of design or scientific skills to produce innovative and technologically complex products and processes. The specialist requirements involved in Advanced Manufacturing Technologies (AMT) are associated with goods and services of high value.

Manufacturing has declined consistently in the UK for a number of years, following the general trend in the UK of manufacturing operations moving overseas. However, manufacturing remains an important sector in Suffolk in terms of employment, with around 35,000 people working in the sector in 2008. Higher valued manufacturing particularly, remains an important part of the Suffolk economy, employing a considerable number of people, particularly in the market towns.

All districts possess sizeable employment in advanced manufacturing. Babergh and St Edmundsbury have had a fairly constant level of employment in the sector, with large employers such as Delphi Diesel Systems and Philips Avent in Babergh consistently performing well. However, these companies and others such as SLP Engineering (now Smulders) in Lowestoft have all shed jobs during the current recession, although it is hoped that they will be in a position to capitalise on recovering market conditions as the global economic climate improves. Although

performing well, the impact of any closure or staff reductions should not be underestimated; there is a tendency for several generations and family members to be employed at the same location.

Opportunities

There are positive signs for the manufacturing sector in the UK, as concerns over quality and high cost of freight has caused many firms to relocate activities back in the UK from overseas. One in seven firms surveyed in a 2009 report by the manufacturing group EEF and accountants BDO, said they had switched back to the UK in the last two years. Companies had been attracted by cheaper labour in Eastern Europe or Asia, but EEF said 14% had moved production back to the UK because increased freight, energy and commodity costs have made producing goods overseas more expensive than expected for manufacturers. Other reasons expressed for returning to the UK were that goods from abroad were below quality standards and that products were not delivered to market quickly enough.

The market for high value goods and services associated with Advanced Manufacturing is likely to increase significantly (BIS, 2009). This is especially expected in goods produced to high environmental standards. Low carbon technology is an example of where the market is likely to grow and Suffolk is well placed to take advantage of these markets through developments at Orbis Energy in Lowestoft and the possible development of the PowerPark.

Hethel Engineering based in Hethel, Norwich is leading the establishment of an Advanced Manufacturing Group across Norfolk and Suffolk. The aim of the group is to: develop a clear strategy to grow the network and to increase the number of jobs in engineering and manufacturing; lobby in areas such as skills, infrastructure, innovation, enterprise, sustainability, export, finance and technology and; share best practice and encourage support, networking and collaboration.

Jobs

In 2008 Babergh had the highest proportion of its workforce in the Advanced Manufacturing sector. Over half of Babergh's employment in Advanced Manufacturing is in manufacture of parts and accessories for motor vehicles and their engines and manufacture of other rubber products, with 10% of the total workforce employed in this sector, mainly due to the large employers Delphi Diesel Systems (Sudbury) and Philips Avent (Glemsford).

In 2008 St Edmundsbury had the highest proportion of its work places in the Advanced Manufacturing sector. Almost a third of St Edmundsbury's employment in Advanced Manufacturing is in Manufacture of chemicals and chemical products, many of which could be also be classified as biomedical firms e.g. Genzyme.

Skills

Continued development of skills for the advanced manufacturing will be vital to enable continued growth of the sector. Jobs in advanced manufacturing activities are in highly skilled areas such as specialist production techniques, research and development, product design, and professional support services.

Transfer of skills and ageing workforces are prominent within the advanced manufacturing sector - emphasis should be given to promote the opportunities within this sector.

Links to other sectors

Food and Drink – Many food and drink producers use advanced manufacturing processes and would classify themselves as advanced manufacturing businesses. These types of businesses include Muntons Plc and Nestle – Purina.

Biotech – Advanced manufacturing includes the manufacture of chemicals and chemical products. These types of businesses could also be linked to the biotech sector, developing chemicals in relation to biological systems or living organisms.

ICT – Research and development in the ICT sector is often related to advanced manufacturing, for example through the development of nanotechnology and biotechnology.

Ports and logistics – the proximity to the ports, particularly the port of Felixstowe, is an advantage to many advanced manufacturing businesses in Suffolk. It provides easy import of materials for production as well as shipment of end products.

Energy – The potential development of Sizewell C and the Offshore Turbine Industry offers expanded opportunities for Suffolk to supply into a burgeoning market.

Summary and actions

Advanced manufacturing employs a high number of people in Suffolk and is spread across all districts in the county. However, it is not currently treated as a high profile sector within Suffolk or an area where there is likely to be significant growth in the future. The establishment of an Advanced Manufacturing Group will help to address these issues and the public sector will need to support the development of this two county network.

- Support the development of the Norfolk and Suffolk Advanced Manufacturing Group
- Encourage participation in this group by advanced manufacturing companies in Suffolk

Biotechnology

SWOT analysis of the biotechnology sector in Suffolk

Strengths	Weaknesses
Proximity to Cambridge biotechnology cluster	Competition from Cambridge and overseas
Bloodstock and equine businesses associated with Newmarket horse racing	Return on investment in sector usually slower than others due to issues around testing and licensing
Biotech identified as a growth sector	Scale of niche or strength not yet established
Regenerative medicine identified in top 10 future jobs	Limited skills base within county to support the sector
Opportunities	Threats
Lower land values and rates to attract companies wishing to locate within/near to Cambridge cluster	Ability to compete with Cambridge as an international brand
To use sector to strengthen entrepreneurship culture	No core funding streams
Global market for regenerative medicine \$200bn	Competition from overseas and mature UK market when patents fall out
More permissive environment in the UK for stem cell research	Commercial value and establishment of manufacturing will be lost to other areas
Opportunities for commercialisation from R&D	Risk of loss of investment – returns on investment are not guaranteed in this sector
The establishment of UCS and need to identify its specialism	Onerous regulations regime compared with overseas nations e.g. China and India
Establishment of world class biotech lab at UCS	

Introduction

Biotechnology is the use of biological processes, organisms, or systems to manufacture products intended to improve the quality of human life. There are 4 sub-disciplines; red, white, green, and blue.

- Red biotechnology involves medical processes such as getting organisms to produce new drugs, or using stem cells to regenerate damaged human tissues and perhaps re-grow entire organs.
- White biotechnology involves industrial processes such as the production of new chemicals or the development of new fuels for vehicles.
- Green biotechnology applies to agriculture and involves such processes as the development of pest-resistant grains or the accelerated evolution of disease-resistant animals.
- Blue biotechnology, encompasses processes in marine and aquatic environments, such as controlling the proliferation of noxious water-borne organisms.

For the purpose of this assessment the term biotech also covers the use of science and engineering to solve medical problems for example the manufacture of diagnostic machines and testing kits for medical problems, often known as biomedical businesses.

Bloodstock firms are included in the Biotech sector because they are likely to be involved in high tech breeding techniques. These techniques are classified in the definition of Biotech firms 'that use biological systems, living organisms, or the derivatives thereof, to make or modify products or processes for specific use.'

Jobs

Suffolk is within the top 25% of counties in terms of employment in the biotechnology sector. (ABI 2008) According to the latest data using the definition above, the majority of biotech employment is located in Waveney, where around 400 people are employed at The Centre for Environment, Fisheries and Aquaculture Science (CEFAS), the executive agency for the Government Department for Environment, Food and Rural Affairs. Clearly not all of these employees are defined as working in the biotechnology sector. Significant numbers are employed in this field in Suffolk Coastal, Forest Heath and St Edmundsbury.

Skills

Suffolk currently has a limited skills base to support development of the biotech sector. The skills required are often very specialist, particularly within the research and development sectors.

University Campus Suffolk (UCS) has recently secured £500,000 funding from Suffolk County Council and the East of England Development Agency (EEDA) to develop a world-class biotech laboratory. The laboratory will provide:

- A state of the art teaching and learning facility in the field of bio technology
- A research laboratory for use by healthcare professionals including those in the NHS
- Attraction of international experts in the field of biotechnology
- Strengthening undergraduate and post graduate course in the Biosciences at UCS

UCS is yet to identify a specialism and the development of a laboratory, may provide a good foundation for developing expertise in this area.

Opportunities

There are a number of opportunities which may enable Suffolk to develop the biotech sector, in addition to the developments at UCS. The UK is well placed to develop skills in this sector, particularly around stem cell research due to the more permissive environment. There may however, only be a short window of opportunity around this which is dependent on legislation in America.

Despite these opportunities, Suffolk will find it difficult to compete with Cambridge and the Greater South East in terms of developing the sector and encouraging businesses to locate in Suffolk. Many businesses currently located in Suffolk are around the border of Cambridge, reflecting the size of the cluster. Suffolk can provide an advantage for businesses wishing to locate in and around Cambridge due to lower land values and lower business rates. The

challenge for the public sector will be whether promoting the development of the biotech sector and encouraging biotech businesses to locate in Suffolk will provide an adequate return on investment, especially given the reducing budgets within the public sector.

Links to other sectors

Advanced Manufacturing - includes the manufacture of chemicals and chemical products. These types of businesses could also be linked to the biotech sector, developing chemicals in relation to biological systems or living organisms.

Horse Racing - Biotechnology is closely linked to the horseracing industry due to its involvement in high tech breeding techniques. The majority of these types of businesses are located around Newmarket.

Food, Drink and Agriculture - Advanced food processing and agricultural businesses use technology such as development of enzymes, preservatives and fertilisers to support the food and drink sector.

Summary and actions

Biotech is a relatively small sector in Suffolk's economy and public investment has already been made in Ipswich to support the development of this sector. Suffolk will be unable to compete with areas such as Cambridge, but may be able to capture opportunities through businesses wishing to locate on the outskirts of the Greater Cambridge area. This should be promoted as appropriate, but it is acknowledged that this should not be a focus for limited public sector resources.

Promotion should focus on Suffolk's niche biotech offer in the equine industry in the west of the county and the new research facilities at UCS in Ipswich. The ambition for UCS will be to increase the number of students studying in biotech related subjects at PhD level.

- Clearly define and promote the biotech opportunities that exist in the equine industry centred around Newmarket.
- Use the biotech research facilities at UCS as a catalyst to
 - draw in research funding to support NHS clinicians
 - encourage sector related companies to locate and operate in the area
 - create opportunities to attract overseas students to UCS

Creative Industries

SWOT analysis of the Creative Industries sector in Suffolk

Strengths	Weaknesses
Internationally renowned businesses in the creative industries sector in Suffolk	Access to high speed broadband
Large number of small and innovative local businesses	Lack of knowledge/data about the sector, particularly businesses in arts and design
Creative heritage in Suffolk	Fragmented sector with limited networking
Software consultancy and supply	Businesses in sector often considered more risky
Quality of Suffolk's cultural and environmental landscape	
Opportunities	Threats
Development of Aadastral Park and Innovation Martlesham	Growth of the sector restricted by limited access to high speed broadband
World renowned Aldeburgh Music cluster	Reduction in public funding for pump priming new activity
Very fast growing sector	Reluctance by some businesses in the sector to access business support/advice services
Freelancing options and flexible working	Ignorance of the contribution of the value of the sector
Knowledge transfer opportunities	
Promoting Suffolk for TV and film locations	

Background

The creative industries sector includes businesses related to; advertising; architecture; crafts; design; designer fashion; video, film and photography; music and the visual and performing arts; publishing; computer games, software, electronic publishing and; radio and TV.

It is very difficult to identify businesses within the crafts and design areas. The source of information used (the Annual Business Inquiry), only contains information on VAT registered businesses. Businesses only have to register for VAT once their turnover reaches £50,000. Small businesses are therefore not taken into account and anecdotal evidence suggests that Suffolk has a large number of small arts and crafts businesses. It is also likely that the whole of the creative industries sector is underestimated and therefore the data used in this paper has to be used with caution.

Some key facts

In 2008 the creative industries sector in Suffolk employed approximately 6,700 people in 1,800 workplaces, equating to 2.3% of the total workforce. This is lower than both the regional and national employment rates in the sector and represents a very small sector in Suffolk compared to other sectors. However, it is acknowledged that, as suggested above, these figures

underestimate the size of the sector, which could be as high as 5% based on regional data from the East of England Development Agency (EEDA).

There are a large number of small businesses in the creative industries in Suffolk (even when only considering those that are VAT registered). Approximately 1,600 of the 1,800 workplaces in Suffolk in 2008 employed 1-4 people.

Software Consultancy and Supply

The largest proportion of employment and workplaces in Suffolk's creative industries sector are in software consultancy and supply. This accounts for 42% of employment and 43.7% of workplaces. The majority of workplaces in software consultancy and supply are located in Suffolk Coastal, highlighting the important role of Adastral Park in this sector, along with a link to ICT businesses.

The capabilities of companies based at Adastral Park range from pioneering work in optical technologies and digital switching through to work in advanced software techniques and protocols. It's also the home to Innovation Martlesham— a joint initiative by BT and EEDA to bring ICT related companies to the Park. Innovation Martlesham is an ambitious project to transform BT's research and development operation at Adastral Park into an open innovation park.

Cultural and Creative Heritage

Suffolk's creative and cultural heritage has drawn many creative businesses to Suffolk, as well as providing a basis for much of the tourism in Suffolk. An example of this is the artist heritage of Constable and Gainsborough and the landscape that attracted them is now the draw for a range of artist and photographers across the county. The link back to tourism is again reflected in the number and variety of independent art galleries showcasing the work of local artists and photographers particularly in seaside locations such as Southwold and Aldeburgh.

Suffolk also has an international reputation within the creative industries sector. Aldeburgh Music is a world renowned centre for classical music and now runs the Aldeburgh Festival established in 1948 by the composer Benjamin Britten, the singer Peter Pears and the librettist Eric Crozier.

Dance East, founded in 1983, is one of the UK's leading dance organisations and works nationally and internationally to bring world class dance to Suffolk. The recently opened Jerwood DanceHouse is a state of the art facility on the Ipswich waterfront which is developing a unique programme of work.

Filming provides a valuable stimulus to the local economy through location fees, the purchase of local goods and services and the hire of local crew. Productions range from short films and commercials to documentaries, high level TV dramas and feature films. In 2009/10, £2,267,500 was generated from the use of Suffolk locations in TV and films. This was a reduction from £2,550,000 in 2008/09 – a result of the current economic climate.

There is an opportunity to develop this area of work in Suffolk. Filming is currently moving from Europe to the UK because of lower costs. London and Hertfordshire, where the majority of UK filming takes place, are struggling to meet demand and Suffolk, with its range of good quality locations (219 registered locations in 2009/10) could benefit from this demand. However, there

are currently limitations to the developing this area, including; the need to identify large warehouse or storage space for use as a base by companies while filming in Suffolk and; the need for accommodation for film crews, particularly providing discounted package rates to encourage this type of work in Suffolk.

Some businesses categorised in the creative industries sector are a result of hobbies and interests and are run by artistic individuals rather than those with a commercial background. This is particularly relevant to the art and craft type businesses, such as artists, jewellery makers and potters, some of which would not actually recognise themselves as a business, making them much harder to identify and engage with.

Broadband

One of the key issues facing Suffolk companies is access to high speed broadband which is especially important for the Creative Industries sector due to the high proportion of jobs in software consultancy and supply businesses. However, broadband is also an important aspect for other businesses within the sector, including web design, architectural and engineering activities as well as smaller art and craft businesses that will need to access the online retail market in order to maximise potential.

Limited access to broadband is particularly apparent in rural areas where a large proportion of creative industry workplaces are located. Suffolk County Council and other partners are currently working together to obtain funding that will improve broadband speeds. This has involved working closely with businesses to demonstrate to potential funding sources that broadband is essential for Suffolk businesses.

Links to other sectors:

ICT – Businesses within software publishing, consultancy and supply fall in both the creative industries and ICT sectors, showing a strong relationship between these sectors. ICT is a key sector for development in Suffolk, particularly through the work at Adastral Park and Innovation Martlesham. Growth in the ICT sector will also support the growth of creative industries in Suffolk.

Tourism – There is a clear link between creative industries and tourism, through not only the creative and cultural heritage of Suffolk, but also developing areas in the visual and performing

Summary and Actions

The creative industry sector covers a broad range of businesses, some of which do not fit neatly together under one heading. The cultural heritage of Suffolk plays an important role in Suffolk's tourism offer and there is also some overlap with the ICT sector. Digital media is a developing area within the sector and provides opportunities for growth in Suffolk in the future.

The public sector will work together to

- Carry out research to gain a better understanding of the sector in the county, the business needs of the sector and its potential for growth
- Develop a physical hub for digital media in Ipswich by 2015. The hub will help to promote the creative industries sector and develop research and best practice. It will also provide a focus for young people, possibly linked to UCS or Suffolk New College, and encourage young people to gain the right skills to move into jobs in the sector.
- Work on the delivery of super fast broadband in the county to support the growth of the sector

Energy

SWOT Analysis of the Suffolk Energy sector

Strengths	Weaknesses
Existing nuclear plant (Sizewell B)	An ageing workforce in the energy sector
A developed oil and gas industry	Approval rates for onshore wind farms
Proximity to several existing and proposed offshore wind farms	No manufacturing of wind turbine components in the region
Existing engineering workforce	Ports may require investment to upgrade their offer
The OrbisEnergy business centre	Road and rail transport links which are not as developed as other UK regions
Lowestoft College and West Suffolk College	
Opportunities	Threats
Development of East Anglia Array and other Round 3 wind farms	Competition between Nuclear, oil and gas and the offshore wind industry.
Potential new nuclear facility at Sizewell and Bradwell in Essex	Competition with other UK regions (e.g. North East), as well as Europe
Operations and Maintenance of existing and future offshore wind farms	Insufficient capacity on the national grid to cater for East Anglia Array
Lowestoft identified as potential location for the Energy Skills Centre	
Decommissioning of oil and gas industry	
Potential to utilise Bacton terminal for Carbon Capture.	
Attracting a wind turbine manufacturer	
Creation of low carbon energy corridor between Sizewell and Lowestoft	

Biomass, anaerobic digesters and solar power?

Background

The energy sector is the term used to describe industries which are involved in any of the following areas: producing, distributing and/or selling of energy to consumers. Examples of energy industries include:

- Offshore and on shore Wind
- Oil and Gas
- Carbon Capture and Storage
- Nuclear
- Transmission

Some Key Facts

Suffolk has a strong presence in the oil and gas industry with Lowestoft strategically located for accessing North Sea oil and gas operations. Great Yarmouth port, just north of Lowestoft, is the second busiest oil and gas support port in the UK and the Port of Lowestoft plays an increasingly important role in supporting this work. In addition to this, OrbisEnergy business centre is the award winning centre of excellence for offshore renewables and is located near to Ness Point in Lowestoft.

The importance of the energy sector in Lowestoft was recognised through the town being named most enterprising place in the UK in November 2009. One of the reasons Lowestoft won this award was due to the growth of renewable energy companies in the town. Sizewell, on the Suffolk coast is also home to Sizewell B which was the last nuclear plant to be built in the UK.

In Suffolk there are in excess of 400 offshore and energy related businesses located in or close to Lowestoft. There are an estimated 8,000 people employed in the energy sector in Suffolk. This demonstrates that the energy sector already employs a larger number of people. In addition Suffolk has comparatively more people employed in the energy sector than both the East of England and Great Britain. Within Suffolk Lowestoft had the largest increase in people employed in the sector and the largest proportion of workspaces related to energy. There are on average more energy workplaces in Suffolk than either the east of England or Great Britain.

Areas of Growth

The Crown Estates recently announced the successful bidder for Round 3 projects. This is a massive expansion programme predicted to be worth £75 billion by 2020. Currently there is 1GW of installed capacity while Round 3 represents installed capacity of more than 32GW.

Suffolk is ideally placed to benefit from these opportunities. For example East Anglia Array Round is due to be located off the Suffolk and Norfolk coast and two further Round 3 projects will be located close to Suffolk (Hornsea and Dogger Bank). It is estimated that up to 70,000 jobs could be created in the UK by 2020. However, this is dependant on wind turbines being manufactured in the UK. While a report by the offshore evaluation group suggests that UK has the potential to be a net exporter of energy by 2050. This is dependent on the UK developing 76% of offshore renewable (includes offshore wind, wave and tidal technologies) resources. It is estimated that Suffolk will see an additional 1,200 jobs in installation, operation and maintenance of East Anglia Array wind farm.

The nuclear industry is set to expand and Sizewell in Suffolk is the location of one of the 10 proposed new nuclear sites with an additional site located in Essex. The construction of one nuclear power station is likely to require at least 5000 people for approximately 7 years.

In addition operations and maintenance for both Nuclear and offshore wind industries will be required for many years to come. With the proposed Sizewell C development in Suffolk creating 5000 construction jobs and 900 operational jobs.

The approval rates for onshore wind farms in Suffolk are very low and there are also fewer proposals for on shore wind farms than in neighbouring counties. Suffolk currently has one large commercial wind turbine at Ness Point in Lowestoft. By contrast, Cambridgeshire has more than thirty commercial scale turbines and a further thirty eight approved. Approval rates in Suffolk will

need to improve if the UK is to meet the Government's commitment to reducing emissions and the UK's renewable energy targets.

Skills

Suffolk is home to the only maritime college in the East of England (Lowestoft College) and centre of vocational excellence in skills for energy. Courses include wind energy safety training and a range of engineering courses. West Suffolk College is the first College in the Eastern Region to become a Quality Assured Provider of the National Skills Academy for Nuclear Power. The College will offer a range of training courses which have been designed to meet the skills needs of the nuclear sector.

There is a growing recognition that Suffolk and the East of England would benefit from a dedicated Energy Skills centre. A report by Nautlius Associates on behalf of Skills for Energy showed that there is vision for this supported by industry and that the estimated cost would be £10 million.

The growth of the energy sector provides a great opportunity. However there is a need to obtain more skilled people to meet the future demands of the energy sector.

Links to other sectors

Advanced Manufacturing - All elements of the energy sector require this skill to some extent especially the oil and gas and offshore wind industries.

ICT - is important for controlling the distribution of energy and for regulation and monitoring of energy production.

Tourism - There are links to the hospitality sector due to accommodation required for offshore workers and people training at Lowestoft College.

Food, Drink and Agriculture - Offshore tankers require food and drink services and future offshore wind farms are likely to permanent offshore accommodation which would need similar

Summary and Actions

The energy sector will be a key growth area for Suffolk in the future and much work is already being undertaken to ensure that Suffolk makes the most of the opportunities that lie ahead. However, the current focus is on the development of offshore wind and nuclear energy, with much work and resources already focused in this area. There is therefore a need to explore the additional potential provided by other local carbon energy production.

The development of the PowerPark in Lowestoft will provide a focus for additional public sector support to encourage research and development of all types of renewal and low carbon energy production. Orbis Energy will provide a catalyst for the development of the PowerPark, and although located in Lowestoft, work will also be undertaken to develop the energy supply chain across the whole of Suffolk. This will include providing support and advice to enable local businesses to enter the supply chain or to help businesses diversify their products to capture the benefits of being in the supply chain.

- Continue to promote the energy coast through specific inward investment activities
- Develop the wider Power Park using OrbisEnergy as a focal point
- Develop the wider energy supply chain that meets the needs of a range of energy related companies
- Ensure that provision exists to meet the skills need of the sector as it evolves and grows.

Food, Drink & Agriculture

SWOT Analysis of the Suffolk Food and drink sector

Strengths	Weaknesses
Existing local food & drink clusters especially in Suffolk Coastal and Mid Suffolk	Lack of business and marketing skills in food and drink SME sector
Large number of big name brands located in Suffolk	Large markets often dominated by supermarket supply chains
Strong network of local food philanthropists and pioneers	Distribution costs account for 40% of food costs
Strong brewing sector e.g. Greene King, Adnams, Aspell, Muntons (malt)	Very low skills levels in processing food sector, low value add and low wages
Opportunities	Threats
National appetite for local food is increasing demand from consumers	Local food is often perceived to be more expensive
Inward investment by new food supply chain companies	Reduced public spend in the recession could reduce demand for local food
Establishment of Suffolk Food Hub	
Proximity to London for new market opportunities	

Background

Suffolk is a large rural county with a strong agricultural economic base inherently linked to food production, processing and tourism.

Food and drink is an important part of Suffolk's economy, worth £400 million to Suffolk from 'field to fork' and accounts for approximately 200 businesses in Suffolk in 2007 (approximately 11% of Suffolk businesses).

Food and drink companies can be considered as two distinct groups:

- Niche local food and drink producers
- Large scale processors

Suffolk Coastal especially has a strong artisan culture of niche food producers and includes Jules & Sharpie (export to at least 5 countries), Stokes Sauces, Purely Pesto, Sutton Hoo Chickens and Dingley Dell Pork.

Suffolk also has a range of leading food companies which include Adnams, Aspell, Greene King, British Sugar, Bernard Matthews, Birds Eye, Pepsico and Muntons.

Within the county there is also a strong network of local food supporters and advocates including Lady Caroline Cranbrook, William Kendall, Tim Rowan-Robinson and Andy Wood, many of whom provide time voluntarily to support campaigns and organise promotions such as

nationally renowned Aldeburgh Food & Drink Festival. There is also a strong educational presence in Suffolk e.g. Eastfeast, demonstrating links between environment, health and food.

Jobs

In 2008, 9,300 people were employed in the food and drink sector, 5,200 more people than anywhere else in the East of England. This does not take into account that the majority of the small food and drink producers employ less than two people and are therefore often not registered for VAT. If these employees were taken into account the number of people employed in this sector would be much larger.

Waveney has the highest proportion of work force involved in food and drink (7.5% of workforce against UK average of 1.4%). This is predominantly due to the location of Bernard Mathews and Birds Eye.

Opportunities

Demand and corporate social responsibility for increasing accessibility to local fresh food is creating new market opportunities for local food production, including developing new markets as alternative to supermarkets in London (worth £300m in 2008), for example.

Support to drive consumer demand for local and niche food such as Aldeburgh Food and Drink Festival is growing and Food Festivals are developing across the county. Local food is also an added attraction for other Suffolk cultural festivals such as Latitude.

There are also signs of increasing investment in new food supply chain companies. For example, both Vion and 2 sisters have refurbished or extended their chicken processing factories.

The development of a virtual food distribution network is being funded by Suffolk County Council and the East of England Development Agency. Work has commenced on a Pilot application and is due to be completed December 2010. The aim of the project is to:

- address market failure and supply chain complexity in an economic sector which is worth £400m to Suffolk and supports tourism which is worth £1.4bn annually.
- maximise the opportunity to turn a declining sector into an emerging sector, opening up large scale market opportunities such as London, export, online food sales, and the London Olympics, as well as smaller scale high-profit niche markets
- focus on the business to business supply chain developing large scale volume purchases whilst meeting the needs of the local retailers and hospitality sector
- not be dependent upon a sole purchaser such as a supermarket or national wholesale distributor
- represent a major plank in the Greenest County initiative to maximise the efficiency of food distribution, support sustainable procurement and reduce Suffolk's carbon footprint
- address the PCT partnership initiative of Healthy Ambitions and equality agenda by making local, quality food accessible and affordable
- establish an advanced ICT tool, which is focused on food but could be utilised by any commodity supply chain

- support the logistics sector by utilising the spare capacity within the existing distribution service that is significantly affected by increased fuel prices and lack of trade.

Agriculture

Agriculture is an integral part of Suffolk’s food and drink sector and has been the basis for development of many local food and drink brands. However, issues affecting the agricultural sector are very different to those facing the broader food and drink sector and will need to be considered and addressed in different ways.

SWOT Analysis of the Suffolk Agriculture sector

Strengths	Weaknesses
Strong agricultural tradition	Agricultural sector is perceived as a declining industry in employment terms
Agricultural sector weathering the current recession and business diversification is proving successful	Agricultural businesses are often family owned and the next generation often unwilling to take on the family business
Influx of labour from Eastern Europe has brought a higher skill level of agricultural skills and often seen as key workers training other employees	High dependency on immigrant labour especially from Eastern Europe. Work is often seasonal
	Loss of technical farming skills and flexible skills to the agricultural sector
Opportunities	Threats
Increased demand and fair prices at farm gate will give producers the confidence to increase production	Food production is affected by climate changes e.g. water shortages, increased temperatures, change in land from flooding
New markets creating new opportunities for farming through growing of new crops e.g. Bio Fuels, Hemp and miscanthus.	World food shortages mean increased dependency on local producers
	Regulatory information overload, particularly for small stock farmers
	Closure or lack of local abattoirs, increased travel costs for transportation to and from suppliers

Some Key Facts

In 2007, agriculture accounted for 2,748 of Suffolk businesses. In 2009 just over 10,000 people were employed in agricultural labour in Suffolk.

Suffolk had almost 300,000 hectares (ha) of farmed land in 2009, accounting for more than 20% of agricultural land in the East of England, and second only to Norfolk in the region. In England as a whole, Suffolk is ranked 7th in terms of overall farmed area. Almost half of this land is utilised for cereal crop farming. The majority of cereal farming is wheat but there is also sizeable winter and spring barley production. In 2009, Suffolk had the largest amount of land dedicated to “other cereals” in the region, however this was down 11% on 2008.

Pig farming is an important factor for Suffolk, with 414,000 pigs in the county in 2009. Research by East Anglian Food Link also shows that 20% of the UK's outdoor reared pork originates from Suffolk. Poultry is also very important to Suffolk agriculture, though again the county is somewhat overshadowed by Norfolk in terms of sheer numbers of poultry. In 2009, poultry numbers totalled 7.4m in Suffolk, compared to 15.7m in Norfolk, though the next highest figure in the East of England is Essex with 3.2m.

Opportunities

Agriculture and farming of commodity produce is governed through national and European policy and therefore local public sector opportunities are limited. Skills will be an important area that the public sector can support for the sector and this is covered in more detail below.

Coastal erosion not only threatens the loss of agricultural land but will also affect irrigation systems for local farms. This needs to be considered as part of the coastal retreat and coastal protection options are developed in Suffolk and the public sector will need to support local farms in lobbying and influencing on these issues.

Skills

There is a significant skills issue in the agricultural sector, including;

- lack of business and marketing skills
- loss of technical skills

There is a decline in agricultural, horticultural and food skills provision. Otley College used to be a strong agricultural college but its offer has aligned more to mainstream education. The sector is finding it increasingly difficult to attract young people and the 'next generation' into effective training and education, partly due to a perception that it is a declining industry and that many jobs require low skills, therefore have low wages and is extremely hard work for little return.

A recent recruitment programme showed that knowledge in animal disease in the UK lagged behind other countries by up to 10 years and resulted in recruitment from Canada and the Netherlands.

Links with other Sectors

Tourism - Good quality food and drink provides part of Suffolk's tourism offer and the increasing numbers of food and drink festivals in Suffolk are continuing to attract more visitors each year.

Advanced Manufacturing - Many food and drink producers use advanced manufacturing processes and would classify themselves as advanced manufacturing businesses. Muntons is a good example of this type of business.

Biotech - Advanced food processing and agriculture uses technology such as the development of enzymes, preservatives, fertilisers etc. A strong food sector will attract research and development in these areas.

Ports and Logistics - Forms an important role in the distribution of food, even locally. Distribution costs make up 40% of food costs and having efficient logistics operations ensures food remains

fresh. Ipswich Port is Britain's most important grain exporter and is therefore an integral in the food supply chain.

Energy - offshore tankers require food and drink services and future offshore wind farms are likely to have permanent offshore accommodation which would need similar goods and services. If these goods and services could be sourced locally this would also support the priority for Suffolk to be the greenest county by reducing food miles. A growth in bio-fuels production will also support Suffolk's expanding energy sector.

Green Technology - Many of the counties' food businesses are exemplar businesses in demonstrating the cost effectiveness of environmental technology. Companies include Adnams, British Sugar and Muntons.

Retail – the majority of food produced or processed in Suffolk will ultimately end up in the retail market, whether it be local farm shops and farmers markets to multi-national supermarket chains.

Summary and Actions

Food, drink and agriculture play an important role in Suffolk's economy and link to a wide range of other sectors. Food and Drink are particularly important to Suffolk's tourism offer and further efforts will be made under the tourism sector to develop this.

Work is already underway to support the development of alternative markets and to enable local producers to effectively compete in the market through the development of the food hub, as set out above. However, the public sector can provide further support in this area to promote local procurement of food and drink within their own organisations and in other public sector organisations such as the NHS.

- Commence commercial operation of the Food Hub
- Support the growth of quality food and drink festivals in Suffolk
- Ensure that Suffolk's food and drink offer is an integral part of the county's tourism and Greenest County activities
- Encourage public sector buyers to procure local food supplies for their activities.

Information and Communication Technology

SWOT Analysis of Information and Communications Technology sector

Strengths	Weaknesses
Location of BTs global innovation and development headquarters in Martlesham	Speed of broadband especially in rural areas
High profile Telecommunications companies	Few large IT companies
Suffolk New College and University Campus Suffolk	Communications jobs are dependant on large companies e.g. BT
Establishment of IDEA Ltd to improve skills and opportunities in ICT	Attracting postgraduates to the sector
Opportunities	Threats
ICT is predicted to be a high growth sector	Shortage of available funding for improving broadband speeds
Development of Adastral park and Innovation Martlesham	Overseas competition for ICT contracts
Proximity to Cambridge and links to Cambridge Technopole through the Greater Cambridge Partnership	Less undergraduates studying IT
New offices of Huawei opened at Adastral Park, one of the largest technology companies in the world and ranked among the top five most innovative companies	

Background

Information and communications technology (ICT) is an umbrella term for a sector that includes businesses in hardware, software, consultancy, data and telecommunications. As well as the hardware it also encompasses the various services and applications associated with them such as video-conferencing and distant learning.

Some Key Facts

There are a large number of Information Technology (IT) companies in Suffolk. However Suffolk has proportionally less companies in IT than both the East of England and Great Britain. Similarly there are comparatively less workspaces in Suffolk than the East of England and Great Britain. Further to this these workspaces are smaller than workplaces in general for Suffolk. The largest number of people are employed in other software consultancy and supply (2800 people, 2008) as well as the most workspaces (800). While Waveney has the highest proportion of its employment in IT and the largest recent increase in people in employed in the sector, Suffolk Coastal has the most workplaces (300) related to IT. Suffolk created proportionally more new IT firms in 2008 than both the East of England and Great Britain.

Conversely telecommunications employment is derived from fewer companies, with the 3,600 jobs derived from just over 100 workplaces. This represents about 50% of the entire employment for the ICT sector. A large proportion of this employment relates to companies based at Adastral Park. The capabilities of companies based at the site range from pioneering

work in optical technologies and digital switching through to work in advanced software techniques and protocols.

In addition Adastral Park is recognised as one of the leading centres of technical innovation in the communication world. Adastral Park is BT's global innovation and development centre. It's also the home to Innovation Martlesham – a joint initiative by BT and East of England Development Agency (EEDA) to bring ICT related companies to the Park. Innovation Martlesham is an ambitious project to transform BT's research and development operation at Adastral Park into an open innovation park.

One of the key issues facing Suffolk companies is access to high speed broadband which is especially important for the ICT sector. This is particularly apparent in rural areas. As a result Suffolk County Council and other partners are working together to obtain funding that will improve broadband speeds/access. This has involved working closely with businesses to demonstrate to potential funding sources that broadband is essential for Suffolk businesses.

Areas of Growth

BT is proposing to expand Adastral Park and has submitted an outline planning application to Suffolk Coastal District Council (SCDC) for the regeneration of Adastral Park and surrounding land.

An area of land surrounding Adastral Park has been recommended by SCDC's Local Development Framework Task Group as the preferred option for housing growth to the East of Ipswich. Their vision is to create a new working and living community side-by-side and provide a centre of excellence that continues to support the local economy through employment, investment and education collaboration.

The proposals aim to deliver fit for purpose research and development facilities to ensure Adastral Park can maintain its position as a world-leading centre of excellence in technology and innovation. As a result it is expected that 2000 new jobs could be created by both new firms and BT. While an expansion of the university presence at Adastral Park, will provide skilled people e.g. graduates with job opportunities.

Further to this the overall ICT sector in the UK is expected to be one of fastest growing sectors in the UK. It is predicted that there will be 16,300 more UK jobs in this sector by 2016 (Research Insight report, 2008).

The 'Cambridge Technopole' is a geographic area of intense high-technology innovation activity encompassing the City of Cambridge and the sub-regional Greater Cambridge hinterland of approximately 25 miles radius. Forest Heath and St Edmundsbury districts both sit within the Greater Cambridge sub-region, enabling Suffolk to benefit from the growth in high-technology innovation in this area.

Skills

A report commissioned by the Council of Professors and Heads of Computing (CPHC) and a briefing report by the organisation indicate that there is a predicted skills shortage in the ICT sector. These challenges include increased competition from emerging nations (e.g. India) who are producing a large number of highly skilled ICT graduates. This is particularly apparent at post graduate level where there is a particular shortage. Further to this fewer pupils are studying

ICT at GCSE and A Level. Therefore it is likely there will continue to be a shortage of UK ICT graduates for the foreseeable future. Conversely it is recognised that there is currently tough competition for graduate jobs. However there is comparatively less competition in ICT than a lot of other sector e.g. Media.

IDEA aims to contribute to addressing the challenge of significantly enhancing businesses and technology skills at all levels by developing and delivering a unique skills escalator and associated business solutions for the digital economy. The project was launched in 2009. One of the actions being undertaken by IDEA is to expand apprenticeships opportunities in ICT and extend this into higher education. Suffolk is an integral part of this project and the Suffolk Chamber of Commerce are supporting IDEA's apprenticeship initiative.

IDEA Ltd is also currently working with University Campus Suffolk (UCS) to extend higher education opportunities through an innovative Foundation Degree in Network and Communications Technologies. UCS currently offers a range of ICT courses including Computing and Management. These range from a foundation degree to a full degree (some courses commence from 2011). While Suffolk New College offer level 1 to 3 ICT courses. These include an advanced diploma in IT.

Links to other Sectors

ICT cuts across many other business sectors as the majority of businesses now rely on internet access and/or bespoke software to remain competitive. Limited broadband access could restrict the growth of Suffolk's economy and is possibly the biggest single issue that Suffolk's economy faces.

Creative Industries - Businesses involved in the publishing of software and other software consultancy and supply actually fall within the definitions for both sectors.

Energy - ICT will also become increasingly important for new developments in the energy sector e.g. the proposed smart grid.

Summary and Actions

One of the single biggest issues facing Suffolk's economy is the availability of broadband. This is not just an issue for the ICT sector, but impacts on all sectors across the county and the ability to local businesses to effectively compete. Further information on the issues relating to broadband and how organisations are working together in Suffolk to address these issues can be found in section **XX**.

- Continue to support the growth of the Innvation Martlesham cluster, including developing a link between the Enterprise Hub at UCS and the incubators at Adastral Park
- Promote the inward investment opportunities at Adastral Park, particularly linking to the China Friendly Suffolk initiative
- Support the development of superfast broadband for Suffolk

Ports and Logistics

SWOT Analysis of the Suffolk Ports and Logistics sector

Strengths	Weaknesses
Felixstowe – largest container port in UK	Limited capacity on A14, A12 and A146
Ipswich – largest agriculture exporter port in UK	Impact of freight movements on communities and environment
Lowestoft – support to renewable energy sector and oil and gas industry	Land required across the county to support Felixstowe port
Impact of recession limited at Felixstowe – 10% drop in containers compared with 18% nationally	Majority of containers from Felixstowe travel straight through Suffolk – no added value retained
	Employment land required to support sector provides low density employment
Opportunities	Threats
New capacity at Felixstowe to open within a year	European hub developed elsewhere – Felixstowe loses its USP in UK
300/400 new jobs once Felixstowe at capacity	Impact of developing Felixstowe as the European hub
1000 new jobs at Felixstowe in next 10-15 years	Deterioration of some none commercial quay headings in Lowestoft
To develop Felixstowe as European hub	
Improvements to Felixstowe to Nuneaton rail corridor	
To grow the number of agile manufacturing businesses around the ports	
Proximity to Sizewell C development for the movement of materials and goods	
Lowestoft Power Park development and implement of the area action plan	

Background

Proximity to ports is one of the key advantages for many businesses across Suffolk and historically the ports have underpinned economic growth for centuries. The ports are critical to the success of UK plc, exporting of grain from the Suffolk agricultural economy and the importing of timber from the Baltic states, aggregates to serve the Olympics and an increasing role in servicing offshore windfarms development.

Jobs

The Haven Gateway's ports, shipping and logistics sector has an annual turnover of approx £3 billion and indirectly employees 32,200 people (11.3% of total employee jobs) in the sub region.

The ports and logistics sector comprises of; road freight and transport services; water transport and services and cargo storage and warehousing.

Suffolk has around 900 employing establishments and 13,000 employees which represents an above-average share of the total employment base (4.4% vs. 1.7% nationally). Half of the sector's employment is in road freight transport and related services.

Employment in the logistics sector is dominated by operative trades – drivers, loaders, dockworkers and so on. Over 80% of the sector's employees are male and over 90% of employment is on a full time basis. This suggests a more stable workforce than for many other sectors in the economy.

Suffolk Coastal and Mid-Suffolk have the largest shares of Suffolk's total employment in the sector, with more than one in ten jobs in Suffolk Coastal being in logistics. Forecasts suggest that employment in the sector of Suffolk will grow by around 5% by the end of the decade, which is in line with the County's economy as a whole.

Felixstowe

The Port of Felixstowe is of major importance to the economy, not only to Suffolk but also the East of England region and the nation overall. The Port of Felixstowe is Britain's largest container port and the 7th largest container port in Europe (2007). The port, with its deep sea facilities and close proximity to the Channel shipping lanes, is one of the first points of call in Europe, along with Rotterdam, for the world's largest freight ships. Phase 1 of the Felixstowe South configuration is due to open later in 2010 and capacity at Felixstowe is set to expand by 50%. This will place increased demands on the rail and road network.

UK container traffic forecasts suggest continued growth over the next 10-15 years, once the current recession has eased. Notwithstanding this growth, the Port of Felixstowe is in a competitive environment with core competition from Southampton – which has ambitious deep sea port expansion plans and a desire to capture greater value-added activities – and in the not too distant future from London Gateway (perhaps as early as 2010/11).

Felixstowe South is the only container terminal under construction in the UK which, when it opens, will be able to accommodate the latest and largest container ships afloat. The new facility will be the first new deep-water container capacity in the UK since Felixstowe completed the development of Trinity Terminal in 2004. The first berths are now complete, with Phase 1 fully operational by late 2011.

There are currently only three berths available in the whole country capable of handling the world's largest container ships, and two of those are at Felixstowe's Trinity Terminal. The number of these ships is set to increase rapidly. At the beginning of 2009, there were only 25 ships in the world with capacities of excess of 10,500 TEU (standard sized containers). This is forecast to increase to over 200 by 2013.

In the future we are likely to see larger ships entering one port in Europe and the cargo being broken down and transferred to other locations in Europe via smaller vessels. Felixstowe Port's unique selling point (USP) is the size of ship that it can accommodate. This USP will be lost if only smaller ships are entering the UK. To ensure the success of Felixstowe port, it will therefore be necessary to promote Felixstowe as the European hub. Consideration will have to be given to the impacts and benefits that this will have on Suffolk and a co-ordinated approach developed to ensure that Felixstowe is promoted effectively.

Ipswich

Ipswich Port is part of Associated British Ports and is Britain's most important grain export facility. It handled 2.6 million tonnes of cargo in 2008 and handles container traffic from its West Bank Container Terminal, and from the Cliff Quay Container Terminal which has adjacent warehousing for distribution services. The port handles dry bulk goods including aggregates, grain, animal feed, fertilisers and cement.

The Port of Ipswich houses a state of the art timber treatment centre and currently handles around 25,000 cubic metres of timber products per annum. It also offers a liquid-bulk terminal, operated by Vopak, with capacity for 89,000 cubic metres of oil and chemicals.

Expertise gained by the current workforce in handling a wide variety of cargoes, such as heavy lifts, project cargo and all types of break-bulk cargoes, make Ipswich an ideal port for all types of offshore work relating to the energy sector.

In 2000, the Ipswich Haven Marina was opened, which is now an award winning 270 berth facility at the Port of Ipswich. The development of the marina has been integral to the regeneration of Ipswich's waterfront which now includes a range of bars, restaurants, the new University Campus Suffolk building and the Jerwood DanceHouse.

Lowestoft

The Port of Lowestoft is Britain's most easterly port, and is also owned by Associated British Ports. It is ideally located to service traffic to and from the industrial heartlands of Northern Europe, Scandinavia and the Baltic states. Lowestoft has experienced a significant increase in throughput in recent years, and offers a wide range of facilities for container, bulk and general-cargo.

The port serves as a major centre for servicing the North Sea offshore oil and gas industry. A large number of SME based supply chain companies exist in the port area with transferable skills and products linked to the existing offshore industry (gas and oil).

The port has been actively involved in development, construction and operations and maintenance of the offshore wind farms. The Operations and Management for Greater Gabbard (offshore windfarm) run from the port. The successful round three developers for the East Anglia array are considering the port as their base for operations and management. Located 25k from the windfarm, Lowestoft port is ideally positioned to support these functions. Lowestoft is also home to leading companies in the energy sector, including Scottish and Southern Energy, Airtricity, Smoulders (formerly SLP), Siemens and Bond Helicopters.

The port generates significant interest from the culture and tourism sectors in respect of the town's fishing heritage and there is a modern fish market with fish auction and processing facilities. Fifteen inshore fishing vessels are run from the Hamilton dock in the outer harbour. Traditional boat building/ repairs also operate in the port. There are significant developments in the marine leisure industry in the outer and inner harbours. The Royal Norfolk and Suffolk yacht club is located on the south side of the outer harbour.

Transport Links

Road infrastructure

The A14 forms part of the Trans European Network and runs directly from the Port of Felixstowe to the M1/M6 interchange in the Midlands. In a southerly direction the A12 connects the Haven Ports with the M25 and provides access to London and the South East. The importance of these routes to national supply chains has been recognised in the Government's response to the current economic crisis. The A12 and A14 will benefit from investment in vehicle management technology to improve traffic flow.

The A12 provides access from Lowestoft port to Ipswich and London in the south and Great Yarmouth in the North. The A12, A47 and A11 provide links to the West and North of the country and it is recognised that growth at Lowestoft port is constrained by transport servicing the town. The recent announcement that the A11 dualling is set to go ahead will provide some improvement.

Railway Infrastructure

Rail connections will also be upgraded. The Government highlighted the benefit to the Haven Ports specifically when announcing further investment in the North London Line, and major investment continues to improve the Felixstowe to Nuneaton line which connects the Port of Felixstowe directly with both West and East Coast Main Lines. Felixstowe has rail connections to 13 inland destinations, linking Felixstowe with strategic hubs in the South East, Midlands, North West, North East and Scotland. Improvements to the Felixstowe to Nuneaton line will allow more freight to be shifted from the port by rail, reducing congestion on the A14.

Hutchison Ports (UK) has recently completed a major upgrade of the South Rail Terminal, extending all three lines into the terminal and a new, third rail terminal with top-grade rail connections is on the way.

Permission was granted for a 4.25 mile section of double track on the existing single-track branch line between Trimley St. Mary and a point between Nacton and Trinity Park to the East of Ipswich with the scope to construct three additional 24-wagon sidings within the existing Ipswich marshalling yard. Network rail have also announced plans for a new double track chord to allow trains to run to the midlands without having to go into Ipswich station and therefore increasing capacity.

The port of Lowestoft currently has direct rail freight connections from Ipswich and Norwich, however this is infrequently used.

Land Requirements

The availability of 'inland' land for activities such as warehousing, container yards, agile manufacturing, office space and lorry parking, is crucial to Port development. Much of the employment land required in Suffolk to support operations, particularly for Felixstowe, will be low density in terms of the jobs available for the size of land required. The challenge for Suffolk will be to make the land available across the county, not just in the vicinity of the ports. Districts and Boroughs will need to work together to collectively address this issue.

Links to other sectors

The prosperity of the logistics sector is intrinsically linked to wider economic performance: the more goods that are demanded and produced, greater will be the demand for transport to move those goods. The sector's prosperity therefore reflects that of the wider economy.

There are however specific links with particularly sectors, often where the location of the ports gives Suffolk a competitive advantage to support the growth of other sectors. This includes:

Energy – Transportation of materials for offshore wind and oil and gas industry, particularly at Lowestoft.

Food, Drink and Agriculture – Ipswich port and export of agricultural goods.

Tourism – Marina developments in Lowestoft and Ipswich.

Summary and Actions

The ports in Suffolk are integral to much of Suffolk's economy and the public sector needs to ensure that the relevant infrastructure is in place to ensure that the ports continue to thrive. A lot of work is already being undertaken by Suffolk County Council and the district and borough councils to lobby for improvements to the road and rail infrastructure in Suffolk.

- Collectively support and lobby for Felixstowe to become the European hub.
- Ensure employment land is allocated in LDFs across the county to support the ports and logistics sector, particularly to support the Port of Felixstowe's potential role as the European hub.
- Collectively support the ports of Lowestoft and Ipswich to capitalise on the opportunities that are occurring through the growth of the offshore wind energy sector.
- Support improvements to key road and rail infrastructure through critical corridors such as Ipswich to Cambridge and Ipswich to Lowestoft
- Work through the regions LEPs to lobby for infrastructure improvements

Tourism

SWOT Analysis for the Suffolk Tourism sector

Strengths	Weaknesses
Quality of countryside, broads and coastline	Limited tourist season results in seasonal employment
Number and variety of festivals	Limited tourism offer in centre of the county
Traditional and historic coastal resorts and historic market towns	Lack of skills for the tourism sector, particularly customer service skills
Reputation for good quality, local food and drink	Lower than average number of hotels and accommodation
Horse racing in Newmarket	Large sector but small gross value added (GVA1) compared to other sectors
Cultural and historical offer	Transport infrastructure
Maritime facilities in Suffolk	Lack of single strategy for tourism in Suffolk
Natural environment and heritage	
Opportunities	Threats
London 2012 Olympics	Reduction in public sector funding for Tourist Information Centre provision
Increasing the number of staying visitors, length of stay and length of season	Competition from other UK tourist locations for staying visitors
International markets	Increased competition for visitors from other international destinations
Developing skills and identifying career opportunities	Reduction in regeneration funding to pump prime new investment in traditional resorts
Development of sustainable travel to support tourism	Impact of coastal erosion and change and small coastal towns and villages
Development of Snoasis	

Background

Tourism plays a key role in the economy of Suffolk. It is worth £1.084bn to the economy and provides nearly 30,000 jobs in approximately 2,800 workplaces. However, despite being a large sector there is less gross value added (GVA) than other sectors in Suffolk.

Suffolk's heritage coast, broads historical market towns and areas of outstanding natural beauty provide a wide range of tourist attractions. Together with a growing reputation for good quality local food and drink and an increasing number of nationally recognised festivals, Suffolk is continually developing its profile in the tourism sector.

It is acknowledged that Suffolk needs to focus on the visitor economy, broadening the range of activities that are traditionally recognised under the term tourism. This allows inclusion of the

¹ GVA measures the contribution to the economy of each worker and is a measure of productivity

added benefits of tourism such as recreation and leisure activities. The term tourism within this paper is therefore not restricted to the typical tourism definition of 'a planned journey involving an overnight stay'. This seems particularly appropriate given that tourism in Suffolk is currently dominated by day visitors rather than staying visitors.

Some key facts

In Suffolk the percentage of employment in tourism and the proportion of workplaces in tourism are both above the national and regional averages. Tourism is particularly dominant in a number of Suffolk's Coastal towns. Southwold and Aldeburgh are historic seaside towns that rely on tourism. Not only are there traditional tourism businesses, such as hotels and restaurants, but also a range of independent craft shops, art galleries and tea rooms that rely on the tourist trade.

Lowestoft and, to a lesser extent Felixstowe, offer more traditional seaside resort activities. Lowestoft particularly relies on tourism to support the local economy, whereas Felixstowe's tourism economy, although important, is second to the ports and logistics sector.

The Maritime Industry and heritage of Suffolk has also resulted in a range of marinas, sailing clubs and supporting brokerage services across the county for sailing visitors and locals alike.

Tourism, however, is not restricted to the Suffolk coast. The horse racing industry in Newmarket, the county's connections with artists such as Constable and Gainsborough and the wealth of historic market towns, castles and country houses, ensures that the tourism sector is spread across the county.

It is Forest Heath rather than the coastal districts that has the highest proportion of its workforce in tourism:

- it is ranked 3rd highest in Great Britain for the percentage of employment in tourism;
- 9% of all employment in Forest Heath is in 'other sporting activities', the highest rate in Great Britain – reflecting the dominance of the horse racing industry in the area;
- The location of Center Parcs in Elveden provides a large number of jobs within the tourism industry.

The largest proportions of tourism workplaces are located in Newmarket, Bury St Edmunds, Lowestoft, Aldeburgh, Felixstowe and Ipswich. However, this can also bring a number of issues such as seasonal employment and/or second homes. These are particular issues in towns where the tourism sector is the most dominant sector in the economy, such as Southwold, Aldeburgh and Newmarket.

Suffolk has a growing reputation for its festivals and they have an important role to play in Suffolk's brand or tourism offer. Some of the most high profile festivals include:

- Aldeburgh Food and Drink Festival - gained extensive coverage by BBC Radio 4 in 2009
- Aldeburgh Music Festival – an internationally renowned festival now in its 63rd year
- Latitude Festival – grown significantly in recent years and is now covered on BBC Radio 2

- Lowestoft Seafront Air Festival – attracting approximately 400,000 visitors per year
- Harvest at Jimmy’s Farm – showcasing local food and drink as well as music
- IP-Art – Ipswich art festival established in 2003
- Bury St Edmunds Christmas Fayre – Winner of the Festivals category at the Suffolk Tourism Awards

Visitors to Suffolk rely on their car, not only for travel to the resort where they are staying, but also throughout their stay to travel between locations. The majority of day visitors also travel by car. This results in many tourist locations suffering from seasonal traffic issues. This is often the case on rural roads in small towns and village, for example Aldeburgh and Southwold.

Unlike other main towns that see a drop in traffic during the school summer holidays, Lowestoft does not see such a pronounced drop due to continued traffic from the number of visitors.

Opportunities

London 2012 Olympic Games

The London 2012 Olympics provides Suffolk with the opportunity to benefit from the increased number of tourists coming to the UK. Suffolk’s location on the main rail link to Stratford means that Suffolk is a prime location for visitors to stay whilst attending the games and for day visitors wishing to travel out of the capital. There are also opportunities for increasing tourism beyond 2012 through targeted marketing at visitors in the UK during the Olympic Games.

This opportunity to promote Suffolk via international markets raises the question about where Suffolk’s target audience should be. The US, China and India are all areas for tourism growth, but limited resources will need to be focused to ensure a positive return. The links with India via employees at BT offices in Martlesham provides a possible captive market for developing positive messages about Suffolk as a place to visit and stay. Partners across Suffolk will need to work effectively together to ensure a collective approach to marketing, particularly in the build up to and during the games. The Suffolk Tourism Partnership provides the ideal basis for this collaboration.

Increasing Tourism

As with almost all tourism destinations in the UK, Suffolk has a higher number of day visitors in comparison to staying visitors. There is therefore an opportunity to increase tourism by converting day visitors in to staying visitors. Encouraging visits to more than one attraction, combining tourist trips with other recreational and leisure activities, as well as increasing the length of stay will also increase the visitor spend and therefore increase the value of the overall sector. This would also benefit areas such as Newmarket where visitor numbers reduce significantly outside the racing season.

Some tourist locations in Suffolk are saturated during the summer seasons. Locations such as Aldeburgh and Southwold have little spare capacity during the summer months, partly due to below average levels of accommodation in the county. Therefore opportunities for increasing tourism in these locations is limited, but could be improved by extending the tourist season. This would also help to reduce the number of seasonal jobs and provide more stable employment for individuals working in this sector.

Snoasis

The development of Snoasis is set to start in 2011. It will provide a range of winter sporting activities and is expected to provide 1,800 new jobs and attract estimated 650,000 visitors per year.

Suffolk needs to ensure that it gains the added benefits of additional tourists generated by the complex. Locations surrounding Center Parcs in Forest Heath gain little economic value from the location of the holiday village in their vicinity, other than the employment provided, as guests rarely venture out of the park. Promoting a visit to Suffolk as part of a combined visit to the Snoasis will spread the economic benefits across the tourism sector.

Skills

Career opportunities within the tourism sector are often viewed as limited and more work needs to be done to highlight the opportunities for development beyond typical tourism related jobs such as housekeeping, waitressing, bar tending and customer services.

Employment in tourism is often in the front line of customer services and can be the first introduction that visitors have to place. Good customer service therefore has a high impact on the tourist's view and impression of a place. High quality customer service skills are therefore an essential part of the tourism offer and are an area for improvement in Suffolk. Many employers identify a lack of these skills in school leavers.

Links to other sectors

Food and Drink - Good quality food and drink provides part of Suffolk's tourism offer and the increasing numbers of food and drink festivals in Suffolk are continuing to attract more visitors each year.

Creative Industries - The good quality natural environment, which attracts visitors to Suffolk, is also an attraction for those working in the creative industries. This is particularly true for those working in the more artisan areas of the sector, where the environment and history of Suffolk provides a wealth of inspiration. These creative businesses also have a key role to play in the

Summary

Tourism plays a major role in Suffolk's economy and there is potential for future growth in the future. There is a lot of work already being undertaken in this area and although work has been undertaken to develop a brand for Suffolk, there is still a lack of a single strategy for tourism in the county. The development of different brands in Suffolk and individual organisations taking different approach to promoting tourism means that the Suffolk offer is being diluted.

The new East Anglia LEP is looking to focus on tourism as a key area for development across Norfolk and Suffolk and the public sector in Suffolk will therefore need to support this work.

- Rationalise the number of organisations involved in promoting the county's tourism offer
- Continue to promote the various brands that exist but integrate and improve the websites and ICT infrastructure underpinning these brands
- Ensure that the sector has an appropriately skilled work force to meet the needs of modern consumers

Places

Suffolk has a diverse landscape and economy. Although the county shares some commonalities, there are differences across the county. Partners wanted to ensure that those differences were recognised within the local economic assessment, but wanted to avoid dividing the county by local authority boundaries which do not reflect economic areas. In the same way that when we talk about sectors, issues do not begin or end at the county boundary and the sector chapter reflects the cross boundary and regional links, the place section looks at functional economic places in a way that communities or businesses would recognise them.

This section of the report therefore considers the role of Suffolk's three main towns in Suffolk's economy, along with the market towns (or key service centres) and the rural areas.

Main Towns

There are three main towns in Suffolk: the county town of Ipswich in the south east of the county; Lowestoft in the north of the county on the east coast and; Bury St Edmunds in the centre of the county.

The three main towns provide a focus for housing, employment, retail and services, but all play a different role in Suffolk's economy. They face different issues, have individual strengths and unique opportunities to develop and grow Suffolk's economy in the future. This section highlights these differences and sets out the roles of each with Suffolk's wider economy.

Insert map – district and borough boundaries with main towns and market towns

Ipswich

SWOT analysis for Ipswich

Strengths	Weaknesses
Finance, IT and Logistics sectors	Large proportion of public sector jobs
University Campus Suffolk, Suffolk New College and Suffolk One	10% fewer school leavers progress to 6 th form compared to Suffolk average.
Businesses Improvement District	Low adult skills levels.
Road and rail connectivity (A12, A14)	
Regional Centre	
Availability of development land for further provision of retail and employment	
Opportunities	Threats
Increased student presence could increase leisure sector.	Over reliance on public sector which is forecast to decline.
Maximise take up in education and development of research facilities at UCS	
Ipswich Major Scheme transport improvements	

Economic Geography

Economic Linkages

Ipswich is the historic county town of Suffolk and a major centre of population, economic activity and growth in the Eastern Region. It is a major centre for employment, shopping, administration and services. The town forms a key public transport hub' well connected by the A12 and A14 as well as offering a frequent rail service to London, Norwich and Cambridge.

Ipswich has a key role as a driver of economic growth in the Haven Gateway sub-region which covers the whole of Tendring, Ipswich and Colchester; the eastern half of Babergh; the southern part of Suffolk Coastal and five wards of Mid Suffolk that are on the edge of Ipswich. The urban area of Ipswich and it's environs extend well beyond its administrative boundaries.

Business and Enterprise

Structure of Local Economy

Ipswich has a successful commercial sector. Employment in Ipswich is dominated by three main sectors: public services (31.4%), finance and IT (26.3%) and distribution, retail, hotels and restaurants (22.7%). (ABI 2008). Manufacturing has declined in Ipswich between 2001 and 2008 by 3,400 jobs. (6,500 to 3,100 or 9.6% to 4.5%). (ABI 2008).

The economic structure of Ipswich predominantly comprises tertiary sector activities which encompass more than 80% of the total employment. The overall structure of Ipswich is fairly similar to the national mean average except for in the manufacturing sector, for which the figures are significantly lower than in Suffolk, the east of England and nationally. There is a strong reliance on public sector employment, including two councils, a hospital trust and University Campus Suffolk (UCS).

The economic activity rate for Ipswich is above those for the region and the country but so too is the unemployment level.

Key local economic sectors identified are:

- port and logistics
- financial services
- education and applied research
- culture
- health, social work
- construction
- distribution and hotels
- public sector

Continued strength is expected in financial and business services with a decline in public services. Education and health will remain a key growth sector together with transport and communications. There remains interest for hotel investment in Ipswich and potential in the retail sector. Ipswich is in need of major retail upgrading as it is underperforming as a county town. Ipswich is the third largest regional centre in East Anglia, behind Norwich and Cambridge. However, the market perception is that of a strong sub-regional centre rather than a regional centre.

Ipswich is home to Ipswich Port, part of Associated British Ports which currently handles container traffic from its West Bank and Cliff Quay Container Terminal's. The port caters for commodities such as dry bulks, liquid bulks, forest products, aggregates and general cargo. In addition, the port offers a unique waterfront-conference facility and a 250 berth leisure marina. Due to its prime location on the lower East Coast of the UK and served by excellent road links to and from the Midlands and Great London area, the port is ideally located for the wind farm market and energy sector.

Ipswich market takes place every Tuesday, Thursday, Friday and Saturday on the Cornhill. Ipswich also hosts a variety of specialist markets throughout the year, including a Continental market and an Italian market. The International Market on the Butter Market is a 2 day weekend event with up to 20 stalls representing a variety of countries.

The town has a diverse annual events and festivals programme that includes major concerts, outdoor film screenings, the award winning IP-Art festival, Pulse festival, Ipswich music day, Ipswich mela and an annual fireworks display at Christchurch Park. More than 500,000 visitors have attended the annual Ip-Art Festival since its inception in 2003, bringing an estimated £11.9m into the local economy (Summer Survey 2010 by East of England Tourist Board).

Enterprise and Innovation

Ipswich has five prominent industrial estates that house units relating to business, light industry and storage and distribution companies. These are

- Boss Hall Industrial Estate;
- Hadleigh Road Industrial Estate;
- Ransomes Europark

- Riverside Industrial Park;
- Whitehouse Industrial Estate Whitehouse Business Park

IP City has been developed to house 40 small and growing businesses with the focus on innovation. Compared to the regional and sub regional average, Ipswich has a low ratio of business to residents, but ranks close to the regional average of new businesses forming.

UCS is working with professional, industry and trade bodies representing the collective interests of their constituents. Currently, these include: Suffolk Chamber of Commerce; Suffolk Tourism Partnership; Haven Gateway Partnership; Arts Council East; Local Authorities; Business Link; Enterprise Agencies; East of England Strategic Health Authority and; Local NHS Trusts.

The Business Development Team at UCS has a broad remit to drive business and community engagement at UCS and build partnerships with public, private and third-sector organisations in areas such as continuing professional development, applied research, consultancy and knowledge exchange.

The Working with Businesses department part of Suffolk New College, provides a conduit for the college to reach businesses and a mechanism for businesses to easily access the college. Their purpose is to offer a range of training solutions to adult learners, to develop them vocationally, professionally and/or personally and to address the effects of skills gaps currently experienced by many businesses throughout Suffolk.

People and Communities

Demography and Geography

The Office of National Statistics (ONS) mid year estimates for 2008, show the population of Ipswich as 122,300. This is broken down into the following age profiles:

- Under 5 yrs (pre school age) 7%
- 5 to 15 yrs (school age) 12%
- 16 to 64 yrs (working age) 66%
- 65 to 85 yrs (retirement age) 13%
- 85 yrs and over (very elderly) 2%

The latest ethnicity data are the ONS 2007 district estimates. This data for Ipswich Borough and the county as a whole is shown below. Both show an increasingly diverse ethnic mix, however, Ipswich has a much higher proportion of black and minority ethnic people than Suffolk as a whole, most noticeably a higher proportion of Ipswich residents from Asian communities.

- White 89.4% (Suffolk – 94.4%)
- White British 85.7% (89.6%)
- Mixed 2.6% (1.5%)
- Asian or Asian British 4.6% (1.8%)
- Black or Black British 2.1% (1.3%)
- Chinese or other 1.3% (1.0%)

Labour Market

The employment rate in Ipswich in 2009 was 80% compared to 81% in Suffolk and 77% in the east of England. Like much of the county, and indeed the country, Ipswich saw a dramatic rise in Job Seekers Allowance (JSA) claimants from October 2008 to March 2009 as the global economic downturn gathered pace. The claimant count gradually declined after March 2009, but has increased again in early 2010. Males generally account for around two thirds of the total JSA claimant count. In percentage terms, around 5.2% of the working age population (males aged 16-64 and females aged 16-59) are claiming JSA. This is above the county, regional and national level.

Skills

Ipswich has a wide range of skills within its workforce. Expansion of Felixstowe Port and activity at Ipswich Port will increase the need for the transport and logistics industries centred around the ports and maritime activities; tourism and information and communications technology, research and training.

Ipswich has a higher than the regional and sub-regional average of 18-24 year olds who are unemployed. Based on the population figure this equates to 896 unemployed young people in Ipswich. 51% of Ipswich pupils achieved 5+ GCSE grades A*-C (2004/5).

Ipswich however has considerably lower working age skill levels, especially at degree level than the county as a whole, and is even further below the regional and national level. Only 40% of school leavers progress to sixth form, less than the 20% average for the county (Connexions, 2008). Year 13 destinations are more encouraging, where Ipswich is only 2% lower than the county average of 51% of leavers going on to higher education.

Skills levels in the working age population in Ipswich are lower than the Suffolk, East of England and national averages. Ipswich shows a smaller proportion in working age people with qualifications lower than the Suffolk, East of England and National averages at all levels except for NVQ level 1 and equivalent. There is a significantly lower proportion of people with an NVQ level 4 equivalent or above with on 15.3% compared to 21.5% for Suffolk and 29% nationally.

Economic and Social Exclusion

In 2007 Ipswich was ranked 99th in the indices of deprivation. It is the worst district for deprivation in Suffolk and the 5th worst in the Eastern Region behind Great Yarmouth, Norwich, Luton and Peterborough.

Deprivation is widespread across the Borough with nearly half of (lower super output areas) LSOAs ranked in the worst 40% in the country. Ipswich has the highest proportion of deprived areas of any local authority in Suffolk. However, the Borough also has almost a quarter of the LSOAs which rank in the 40% least deprived in the county. Of the 79 LSOAs in the District, 9 are ranked in the top 20% least deprived LSOAs in the country, 14 in the best quintile, 18 in the mid quintile, and 19 in the second worst quintile.

Sustainable Economic Growth

The Natural and Historic Environment

Ipswich is a large town of historic importance. The town centre retains the physical character of a much smaller market town. The prevailing scale of the town centre reflects its history including that of its medieval and earlier origins. Buildings rarely exceed four stories in height. The town centre sits in a shallow drainage basin of the River Gipping with well landscaped Victorian

developments and large parks which disguise the extent of modern development which extends beyond its administrative boundaries, especially to the east.

The town has 602 Listed Buildings; 10 scheduled monuments; 14 conservation areas; 3 registered parks, gardens and cemeteries.

Transport Provision and Other Infrastructure

The town has strong transport links. Train services provide access to London in an hour and links to Norwich and Peterborough but the network also serves the East coast and Felixstowe, all essential routes for containerised freight. Ipswich is also closely connected to the trunk road network with the A12 giving access to London, the M25 and Stansted Airport and the A14 linking the Midlands and the Port of Felixstowe. There are congestion problems within and around the town and the A12/A14 junction at Copdock is a particular bottleneck.

Central Ipswich is the destination for almost 50% of journeys to work within the greater Ipswich area. Ipswich also serves as an employment and service centre for outlying areas and around 27,000 people travel into the town to work, a large proportion by car. Congestion problems are largely related to peak hour travel, which is strongly influenced by journeys to work and school.

The proposed Major Scheme 'Ipswich - Transport Fit for the 21st Century' aims to reduce congestion and improve accessibility by providing an integrated package of sustainable transport measures. This includes changes to the town centre bus interchanges; expansion and improvement of other bus facilities; an urban traffic management and control system; a real time passenger information system; and a detailed programme of improvements to walk/cycle routes and crossings in and around the town centre.

Housing

The average annual house build in Ipswich from 2001 to 2009 has been 773.5 dwellings. 95% of these have been built on previously developed land.

Ipswich Housing Study found a net shortfall of 798 affordable homes per year. The Study showed an overwhelming need for social rented housing among households unable to afford market prices as well as a small but significant need for shared ownership housing. The study showed significant shortages of affordable housing of all sizes, particularly smaller 1 and 2 bedroom properties, but because large numbers of small flats are being developed in Ipswich, they are now concentrating on supplying adequate family sized affordable housing.

A recent Gypsy and Traveller Accommodation Assessment has identified a need for 36-38 additional pitches in the Ipswich area by 2011 and highlighted unmet health, social care and educational needs.

Economic Competitiveness

Overall Economic Competitiveness of Area

As an engine of growth for the East of England, Ipswich has a thriving commercial sector, high levels of entrepreneurship and a wide range of skills within the workforce. The range and types of employment has changed in recent years with half the manufacturing jobs in Ipswich being lost between 2001 and 2007. Ipswich also provides a wide range of cultural, sporting and retail provision which serves the needs of the sub-region. The town has a diverse and multi-cultural population and is one of the fastest growing urban centres in the UK.

As a university, maritime, telecoms and financial industries centre, Ipswich is developing dynamically and prosperously. Finance, IT and business activities account for almost a quarter of the workforce, with a similar proportion in distribution, hotels and restaurants, the latter demonstrating the role of Ipswich in sub-regional tourism and the strong night-time economy. This growth is supported at a central, regional and local government level enabling Ipswich to develop whilst acknowledging the sense of place established by many historic buildings and areas and its large landscaped parks.

In April 2007 a town centre Business Improvement District was established, called Ipswich Central. The company has been established to manage the town centre in a new way and bring £3.2m of investment into the retail heart of Ipswich to benefit businesses, residents and visitors.

Summary and Actions

Ipswich is the county town of Suffolk and is therefore a focus for growth and development. Much work is already focused in Ipswich, but all public sector partners could work together to ensure continued improvements in the town by working together to support the development and implementation of Ipswich Borough Council's masterplan for Ipswich. This will help to deliver physical improvements to the town and bring clarity to Ipswich's brand.

- Implement the Ipswich masterplan
- Support the development of a digital media hub
- Deliver the Ipswich Fit for the 21st Century programme
- Support the aspirations of Ipswich Central and especially the need to promote the cultural and evening visitor economy in the town

Bury St Edmunds

Swot Analysis

Strengths	Weaknesses
Sub-regional centre	High dependency upon public sector employment
Central position in the region	Lack of appropriate infrastructure
A14 and railway station	Poor train links to Cambridge and London
Good retail offer	Lack of premises for business incubation
Strong image as heritage town	Lack of premises for large businesses
Very good amenities	
Self-contained labour market	
Opportunities	Threats
Development of Suffolk Business Park	Capacity and condition of the A14
Development of A14 corridor	Risk of development spoiling town
Development of University Campus Suffolk	

Economic Geography

Economic Linkages

The historic market town of Bury St Edmunds is centrally placed in the region. It has a large rural hinterland and a wide range of shops and services. It is well-served by the A14 and it has the only railway station in St Edmundsbury which links it with Ipswich to the east and Cambridge and Peterborough to the west, although there is no direct link to London. Within the economic sub-region of West Suffolk, the Bury St Edmunds area forms a distinct, relatively self-contained market.

Business and Enterprise

Structure of Local Economy

The largest employment sectors in Bury St Edmunds are the public sector (34.3%), distribution, hotels and restaurants (28.1%) and financial services (14.4%) (ABI 2008). Manufacturing (11.6%) is also significant. The public sector accounts for over a third of all employment, largely because the town is the site of some sub-regional public sector employers, such as West Suffolk Hospital and West Suffolk College.

Many of the biggest commercial employers are food and drink related, reflecting the town's position at the centre of a large agricultural area. This includes Green King, Premier Foods, Dalehead Foods and British Sugar. There are some large technological companies, including Sealeys, Vintens, Roper Industries and STL Technologies. The supermarkets Tesco, Asda, Sainsbury's and Waitrose are also large employers.

Bury St Edmunds has a proud tradition of local independent businesses starting in the town, such as Greene King, Denny Brothers, Glasswells and Sealeys. The majority of businesses in Bury St Edmunds remain small and there is a huge variety. Traditional agriculture-related businesses sit side by side with hi-tech enterprises.

Enterprise and Innovation

There are 12 business parks and industrial estates in the town. The newest is Suffolk Business Park, close to the A14, and home to several important local businesses such as Denny Bros and Sealey Power Products. A proposed 68 hectare extension to the business park along the A14 has recently been approved so that eventually it will stretch out to the Rookery Crossroads at Rougham and provide enough space for business expansion for the foreseeable future. The *Employment Land Review* recommends carrying out an assessment of the other employment areas in the town to look at the possibility of regenerating or reusing them for other purposes and concentrating future business development at Suffolk Business Park. MENTA (Mid-Anglia Enterprise Agency) offers advice and support to small and medium sized enterprises and people wanting to start new businesses. It also has 21 units available for new and small businesses to rent, but these are usually all occupied and more units are needed in the town.

Business Needs

Bury St Edmunds businesses responding to St Edmundsbury Borough Council's survey want the council to reduce costs of services, help with rates and improve transport and parking. According to the *Employment Land Review*, agents consider that the current lack of large new stock is a hindrance to Bury St Edmunds's offer, and that there is also a high level of demand for smaller workspace units. The development of Suffolk Business Park is intended to meet the need for larger units and the borough council plans to establish a new incubation centre at Suffolk Business Park to help meet the need for smaller units.

People and Communities

Demography and Geography

Bury St Edmunds has grown considerably in the past 70 years, more than doubling in size from 16,922 in 1931 to 35,473 in 2001. The population was estimated to be 36,910 in 2007, which makes it the third largest town in Suffolk after Ipswich and Lowestoft.

Bury St Edmunds's population is broken down as follows:

- Under 5 yrs (pre school age) 6%
- 5 to 15 yrs (school age) 12%
- 16 to 64 yrs (working age) 64%
- 65 to 85 yrs (retirement age) 15%
- 85 yrs and over (very elderly) 3%

Labour Market

The unemployment rate in Bury St Edmunds was 2.9% in January 2010, slightly above the rate for the district as a whole. Within the town, the unemployment rate was highest in the Eastgate ward of the town (5% in January 2010) followed by Minden ward (4.1%) and Northgate ward (4%). The incapacity benefit rate is 5% in the town, again slightly above the rate for the district as a whole. The number of people claiming job seekers' allowance reached a peak of 1290 in July 2009; it fell to 965 in October before rising again to 1163 in January 2010.

Census figures showed that in 2001, a high proportion (almost 70%) of Bury St Edmunds residents worked in the town and it was also an employment centre, attracting over half the commuters from many of the surrounding villages. Only a relatively small proportion of the town's

residents (3.5%) worked in Cambridgeshire and just 1.2% of the residence of Bury St Edmunds travel to Ipswich for work.

Skills

Less than half of all school leavers at age 16 in Bury St Edmunds enter sixth form, below the district average, but this is compensated for by the fact that over a third go on to some other form of higher education. 6.2% become 'NEET' (not in employment, education or training), a rather higher rate than in the district as a whole.

Bury St Edmunds is home to West Suffolk College, which in 2007 became one of the University Campus Suffolk sites and is offering a wide range of higher education courses. It also houses the Suffolk School of Management. The College has a strong focus on employers and works closely with local businesses to provide students with the skills businesses need. In 2008, it was the first training provider in the country to achieve the Training Quality Standard (TQS) for excellence in seven areas of provision. An investigation in 2008 into the socio-economic impact of the College showed that it brought a benefit of £193.2m to the region through stimulating economic growth, increasing earnings for learners and savings for the public.

Economic and Social Inclusion

The 2007 indices of deprivation show that parts of Northgate ward are in the lowest 20% of wards in the country for education and skills deprivation, and part of the Mildenhall Estate is in the lowest 20% of wards nationally for income deprivation. Part of Northgate ward has the worst health deprivation and disability score of the whole borough. Bury St Edmunds is a town of contrasts: recent surveys have shown that in Moreton Hall, average life expectancy is 93.4 years, the highest in the country.

Sustainable Economic Growth

The Natural and Historic Environment

Bury St Edmunds is an exceptionally fine medieval town, with its Norman street plan, cathedral, abbey ruins and attractive timber-framed and Georgian buildings. It is becoming a tourist destination. The East of England Plan identifies the town as a key centre for development and change and requires the council to deliver high levels of housing, employment and retail growth.

Transport Provision and Other Infrastructure

The A14 is extremely important to Bury St Edmunds businesses, but it has only two lanes for most of its length and it is liable to become congested or to seize up after an incident. There are three junctions giving access to Bury St Edmunds, but two of these, the central and eastern junctions, become congested at peak times. The Local Development Framework identifies the provision of good quality green infrastructure as another priority, and singles out the growth of West Suffolk College and UCS, the potential relocation of West Suffolk Hospital and the need for a new upper school as major issues to be addressed.

Housing

In 2001, Bury St Edmunds had 15,591 households with residents (Census). The town has accommodated a consistent level of growth for many years, averaging 225 new homes a year since 1991, but further growth is likely to be hampered by the lack of appropriate infrastructure. The LDF estimates that, by 2031, the Council will need to find sites for at least 3,500 new homes, over and above those that are already identified in the local plan or are being built at the moment.

Economic Competitiveness

Bury St Edmunds appears to be thriving. Its retail sector expanded considerably in 2009. A new £100 million retail and residential development, arc, opened in March, one of the few new shopping centres to open in England in 2009. The development, by Centros, consists of a large Debenhams department store, 35 smaller shops, 62 town centre apartments and a new underground car park. Initial feedback suggests that not only are the retailers in arc doing well, but the traders in the existing town centre are benefitting from the increased footfall it has attracted. In addition, the development brought about 400 new jobs to the town.

A new ASDA opened in the west of the town, also in March 2009, bringing 370 new jobs. At the end of 2009, there were approximately 478 shops and commercial premises in the town centre and 28 vacancies: a vacancy rate of 5.8%. The Association of Town Centre Managers guidelines indicate that a vacancy rate of 5-10% is healthy, and the town centre is comfortably within this range. In the past two years some large scale redundancies have been reported, including CML Innovative Technologies (30 in November 2008), Havebury Housing (25 in November 2008), Vintens (22 in December 2008), Ridgeons (95 in December 2008), HM Revenue and Customs (40 in December 2008), Howarth Timber Engineering (25 in February 2008) and Smith and Wareham (22 in April 2009). Most of these are in manufacturing or construction, two of the sectors worst-hit by the recession (Suffolk Recession Tracker).

Summary and Actions

No response from Andrea – need to chase

Lowestoft

Swot Analysis

Strengths	Weaknesses
Tourism	Higher than average unemployment and incapacity benefit claimants
Good quality beaches	Higher than average levels of deprivation
Proximity to Norfolk and Suffolk Broads	Inadequate links to the main national road networks
Port of Lowestoft	
Proximity to offshore windfarm developments	
Orbis Energy	
Opportunities	Threats
Growth in offshore wind	Traffic in the town centre and transport links to the rest of the county/region
Development of Power Park	

Economic Geography

Economic Linkages

Lowestoft is Waveney's largest town and the 2nd largest in Suffolk. It is the most easterly town in the country and is situated between the eastern edge of The Broads National Park and the North Sea. Lowestoft shares many issues with Great Yarmouth to the north and the towns form the Great Yarmouth and Lowestoft sub region. 1st East, an urban regeneration company, has also been established across the two towns to address regeneration.

Lowestoft also looks to Norwich, with many people travelling north to Norwich for work and retail, rather than to Ipswich.

The A12 links Lowestoft with both Ipswich and London to the South and Great Yarmouth to the north. However, local businesses continue to raise concerns that the A12 between Ipswich and Lowestoft limits the economic growth of the town.

Business and Enterprise

Structure of Local Economy

Lowestoft has a traditional economic structure characterised by a large manufacturing sector, a smaller services sector and a noticeable dependence on larger employees within key sectors such as food and drink. The manufacturing sector has continued to decline and growth employment has occurred in retail, tourism, service, construction and public service sectors.

The tourism industry provides 12% of all jobs in the District (2008). The town enjoys a reasonable level of tourism in the summer months with a large number of tourist attractions in close proximity - the most significant being the award-winning beaches where the Lowestoft Seafront Air Festival is held annually which has attracted in excess of 400,000 people over two days. In 2010 the beaches Lowestoft North of Claremont Pier and Lowestoft South of Claremont Pier were awarded prestigious FEE Blue Flag Awards.

200 jobs have recently been secured at the Pontins Pakefield holiday park as the business was brought out of administration by the Britannia Hotel Group. Although detailed plans have not yet been revealed, there are signs that the new owners are prepared to invest in the business to restore the park to its 'former glory'.

Pleasurewood Hills is East Anglia's premier tourist attraction with over 200,000 visitors each season. In 2009 it was voted The Best Visitor Experience by Tourism in Suffolk Awards and was runner up for the Best Large Attraction. They have a team of 22 full time staff and employ a further 150 staff on a seasonal basis. The park has recently been bought by global investment firm HIG Capital France along with six other parks. The company plan to invest 20 million Euros in the seven parks in the next 5 years. Pleasurewood Hills will see the launch of a range of new attractions, including a £65,000 indoor laser labyrinth game, an educational nature trail and a new train station.

The decline in oil and gas exploration and fishing in UK waters has impacted on economic and employment levels in the town but the UK's need for alternative energy sources places the area in an enviable position with various major investments encouraging this development, most notably the establishment of OrbisEnergy and investments in the Port to support the operations and maintenance of offshore windfarms.

The announcements made by the Crown Estates on the locations of offshore wind farms around the UK sees Lowestoft in a prime position to reap the benefits from the £15bn windfarm development entitled the 'East Anglian Array' which is to be built off the Suffolk and Norfolk coast, and forms part of the Round Three phase of developments. 'East Anglian Array' windfarm will be one of the largest with at least 1,000 turbines located about 15 miles offshore between Lowestoft and Great Yarmouth.

Some key employers in Lowestoft include:

Food & Drink:

- Birds Eye – 700

Call Centres:

- Essex & Suffolk Water – 200
- Ipsos Mori – 300
- Hoseasons - 240
- Advanced Travel Partners – 120

Manufacturing/Engineering:

- Smulders (formerly) SLP – 900
- AKD Engineering – 100
- SSDM – 140

Leisure:

- Pontins – 180
- Pleasurewood Hills – 160

Others:

- Centre for Environment, Fisheries and Aquaculture Science (CEFAS) - 330

Enterprise and Innovation

Lowestoft has been crowned Enterprise Capital of Britain for 2009. Much of the success, which swayed judges of the Enterprising Britain award, has been attributed to the work of Norfolk and Waveney Enterprise Services (NWES). Lowestoft secured the accolade after transforming itself from a town in decline hit by industry downturn into a breeding ground for business growth and job creation, with NWES Lowestoft helping to start up over 5,000 new businesses that have created 10,000 jobs in the whole eastern region since 1982.

People and Communities

Demography and Geography

Lowestoft has a population of 58,660 (2008) which increases to 71,180 if the growing parishes of Carlton Colville and Oulton are included. Demographic patterns indicate an ageing population with those aged 65 and over set to increase at a high rate.

The age structure of Lowestoft (from 2001 census) is:

- Under 5 yrs (pre school age) 5.7%
- 5 to 15 yrs (school age) 14.4%
- 16 to 64 yrs (working age) 59.5%
- 65 to 85 yrs (retirement age) 17.7%
- 85 yrs and over (very elderly) 2.7%

Labour Market

The latest unemployment rate (April 2010) based on job seekers claimants is slightly higher in Lowestoft, at 5.2%, compared to other areas of the District and higher than the county average (3%), regional average (3.4%) and UK average (4.1%). The rate varies across the district as whole e.g. Harbour ward at 10.1% compared with 1.8% for the Saints.

Dependency on benefits is also an issue within the Waveney district as there are currently more people on incapacity benefit than are unemployed (as is the case in the County as a whole) and Waveney, particularly Lowestoft, has significant incapacity rates.

Waveney has one of the higher percentages of single parent households and there appears to be little annual change in the figure. Around 50% of the families in South Lowestoft are described as hard pressed or moderate means.

Skills

Educational performance in St Edmundsbury is good. In 2008, 74.8% of year 11 pupils in St Edmundsbury gained five or more GCSEs at A* to C grade. Secondary school attainment rates in the district have consistently been well above both the county, regional and national rates, and in recent years there has been a sharp rise in attainment. Half of all school leavers enter sixth form, a third go on to some other form of higher education, but 5.5% become 'NEET' (not in employment, education or training). These rates are very similar to those of the county generally (St Edmundsbury Profile).

St Edmundsbury's skills and qualifications are similar to the county average, but below the regional average. In 2004, 21.28% of the population were qualified to level 4 or above.

Economic and Social Exclusion

30 neighbourhood areas (Super Output Areas) in the whole of Suffolk fall within the most deprived 20% in England, of which eleven are in Lowestoft. Five neighbourhood areas in Lowestoft are within the most deprived 10% in England.

- Between 2004 and 2007, the high level of deprivation along the Lowestoft seafront and north and south of the river has intensified.
- Lowestoft seafront and areas across the town are some of the worst in Suffolk for income deprivation and child poverty.
- Nearly all of Lowestoft ranks high in terms of employment deprivation.
- There are high levels of health and disability deprivation in the town.

Sustainable Economic Growth

The Natural and Historic Environment

For an urban area Lowestoft has an extraordinary wealth of wildlife, with twelve designated Biodiversity Action Plan habitats represented in and around the town.

Lowestoft's high quality beaches contribute to the towns tourism economy, along with the Norfolk and Suffolk Broads which boarder the west of the town.

Low Carbon Economy

Lowestoft is well placed to maximise the opportunities presented by the renewable energy industry and a number of objectives have been identified to ensure the area reaps the rewards, including:

- Community Strategy Aim: Develop a sustainable, market leading, nationally and internationally recognised offshore and renewable energy sector.
- Waveney Regeneration Strategy: To become leaders in renewable energy and environmental services

Lowestoft (along with the sub-region) has the opportunity to maximise its potential in the low carbon economy, renewable energy and environmental services sectors and become a wealth generator in the East of England. This is in response to a combination of inward investment, diversification of traditional industry and coordinated planning by 1st East. Waveney District Council and Suffolk County Council are working in partnership with East of England Energy Group (EEEGr), Great Yarmouth Marketing Initiative (GYMI), Norfolk and Waveney Enterprise Services (NWES) and Renewables East to market the area to potential employers and investors and with the development of OrbisEnergy as the physical hub for the evolving offshore renewables industry in Lowestoft, this will further highlight the opportunities for the area including establishing energy conferences and seminars.

Additionally WDC, SCC and 1st East are promoting the establishment of a dedicated Power Park to assist cluster development of energy related companies. This activity will also complement and support the existing employment importance in the established oil, gas and nuclear sectors.

Transport Provision and Other Infrastructure

Congestion in Lowestoft is confined to a small number of junctions, due to the physical nature of the town. The worst problems occur on the approaches to the opening bridges over Lake Lothing,

where traffic congestion is greatest and there are air quality concerns. The bridge openings lead to unpredictable and extended journey times. Traffic entering from the south west of the town on the A146 and via Oulton Broad, also experience significant congestion and delays, particularly on the A1117 at the railway level crossing.

Bus patronage in Lowestoft is currently around three million passengers a year, and services are well used. The reliability of bus services in the town has suffered due to congestion and the major local commercial operator in the town is reluctant to consider service enhancements until the congestion issues are addressed.

A relief road for south Lowestoft has been completed in recent years. This scheme included a package of other transport improvements. These measures included bus priority measures, reduced speed limits, traffic calming, junction improvements and variable message signing. At the heart of the scheme is real time passenger information, integrated with a new urban traffic management and control system. Significant levels of traffic were removed from London Road South, greatly improving the quality of life for residents and also addressing localised air quality issues.

Housing

Waveney needs to identify land to accommodate at least 2,374 dwellings from 2007 to 2025. Around 70-80% of total housing growth 2001-2025 should be in Lowestoft, (including Carlton Colville and Oulton) as the main town. To achieve the middle of this range (75%), around 2,200 of

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Summary and Actions

The energy sector provides the largest opportunities for the economy in Lowestoft. Not only does it present opportunities for growth in new skills around the renewable energy, particularly offshore energy, but also links to the ports and logistics sector.

The development of the PowerPark, as set out in the Energy section of the report, will therefore be the most beneficial action that can be developed in Lowestoft.

- Grow OrbisEnergy from a regional centre of excellence in offshore wind to an European centre of excellence
- Support the creation of the Power Park as an all energy park on land around OrbisEnergy
- Develop the transport infrastructure that supports the town including,
 - Commercial Road
 - South Lake Lothing
 - A12
 - New pedestrian/cycle crossing
- Implement the Skills for the Future strategy on raising aspirations among young people

Market Towns/Key Service Centres

Following much debate, Suffolk has identified Market Towns and Key Service Centres as being areas that provide a hub for shops, services and employment, therefore attracting people from the surrounding rural hinterland. Market Towns/Key Service Centres are not therefore identified by population size. In fact some areas have larger populations than the towns/centres identified, but do not contain supporting services or employment opportunities and are therefore not included.

Market Towns/Key Service Centres in Suffolk are identified as:

Babergh:	Hadleigh Lavenham Long Melford Sudbury	St Edmundsbury:	Clare Haverhill
Forest Heath:	Brandon Lakenheath Mildenhall Newmarket	Suffolk Coastal:	Aldeburgh Felixstowe Framlingham Leiston Saxmundham Wickham Market
Mid Suffolk:	Debenham Eye Needham Market Stowmarket	Waveney:	Woodbridge Beccles Bungay Halesworth Southwold

INSERT MAP

Economic Geography

Economic Linkages

Market towns/Key Service centres offer a range of services, usually including a range of independent shops, a bank, GP, post office and library, and therefore draw in users from the surrounding rural areas. Larger market towns also often provide leisure facilities, national high street stores and supermarkets and a larger range of services. The majority of towns/centres also contain some form of industrial estate, business incubator centres or office space which provides local employment opportunities. The exceptions to this are; Aldeburgh, where tourism is the predominant employment sector; Lakenheath where the USAF airbases provide the majority of employment opportunities and; Clare which has a niche retail offer and is located between Sudbury and Haverhill which have a range of business units and industrial facilities.

Market towns act as hubs for the surrounding rural areas and the relationship with those rural areas is so deep that it is difficult to look at the two areas in isolation. In order to maintain this function and not leave the rural hinterland and market towns communities needing to travel further to access work, shops, leisure, training or education, market towns need to retain a mix of provision (both business and community based) that ensures their vitality. This mix should involve a diverse retail offer local services and a range of community/ leisure opportunities where possible.

Structure of Local Economy

Suffolk's Market Towns often rely on one dominant sector to sustain the local economy. For example; coastal towns such as Southwold and Aldeburgh as well as Newmarket rely on tourism;

Felixstowe relies on ports and logistics; Needham Market and Woodbridge the public sector; Sudbury and Haverhill manufacturing and; Lakenheath and Mildenhall the USAF airbases. The predominance of particular sectors can become an issue when those sectors come under pressure. For example, Needham Market and Woodbridge may find rates of unemployment increase rapidly as the public sector contracts over the next few years.

Market Towns often provide a platform for smaller independent retailers encouraging local entrepreneurship and linking to local supply chains. This contrasts with larger towns where independent retailers face stronger competition from chain outlets.

Enterprise and Innovation

Enterprise and innovation is mixed across the market towns. Many of the towns have a strong business community, often represented through an active business association. However, this is not true in all cases, for example, Framlingham does not have a business association.

In some towns there are a number of vacant retail units, for example in Woodbridge, where the closures of some high street names and independent stores during the recession have not been replaced. However, in Clare, there is a waiting list for retail units to become available.

In many market towns, such as Eye, Needham Market, Brandon and Sudbury, there is interest from businesses wishing to locate in the area. One of the issues stopping these businesses moving in is the amount, quality and size of available business space. In some towns, such as Beccles, we are seeing industry outgrow the space on industrial estates. This clearly shows that business are growing and/or wanting to locate in market towns, but is in some cases being restricted by the infrastructure available.

All market towns struggle to some extent with a balance between vitality and sustainability. For example, the location of the supermarket within or on the outskirts of a town can impact on independent retailers. This impact could be positive, by drawing more people into the town, or negative, drawing shoppers away from independent stores. This balance will need to be managed according to the local situation, with measures to suit the needs of the individual area.

People and Communities

Demography and Geography

The majority of market towns show similar age structures. In most cases the predominant age band is 45-64, followed closely by the over 65s. The exceptions are:

- Mildenhall: the predominant male age band is 30-44, likely to be due to the American airbase
- Newmarket: 30-44 is the predominant age band for both male and females possibly linked to the horse racing community
- Lakenheath: the predominant male age band is 16-29 and for females 0-15 likely to be due to the American airbase

4% of the total Suffolk population claim disability benefits. The percentage of disability claimants is above or the same as the county average in 11 out of the 24 towns/centres. The lowest rate of disability claimants is in Lakenheath, where 1.8% of the population claim disability benefits. This is probably due to the much lower age profile in the area.

Labour Market

The percentage of job seekers allowance (JSA) claimants is below the county average in the majority of cases with the exception of Sudbury and Brandon. The percentage of JSA claimants in Felixstowe reflects the county average of 3.2%.

Many market towns are a focus for employment and business; however that is not to say that those living in the town are the same as the people that work in the town. The last travel to work info was taken from the census in 2001 and is therefore out of date and not a reliable source of information. We do however know that some market towns have a lack of local employment with the majority of residents commuting to work elsewhere. This is a particular issue in Stowmarket.

As highlighted above, the majority of market towns have some form of business or industrial space, from office units to industrial estates.

Skills

The majority of market towns have a higher percentage of people with low or no qualifications than the county average of 44.9%. Exceptions include Aldeburgh, Framlingham, Woodbridge, Southwold, Lavenham, Eye and Lakenheath.

The East of England has seen faster growth of rural knowledge based businesses than in urban areas (inclusive of market towns and rural areas). The EERF report 'Vibrant Rural Communities' highlights that, "the growth of these businesses is constrained by a lack of qualified local employees and poor broadband infrastructure. The number of unqualified adults, at 35% of the rural workforce, is well above the urban average of 28% and is a major constraint on growth in a knowledge based economy".

Economic and Social Exclusion

Small pockets of deprivation can be masked in some of our market towns. Information above has shown that most market towns have below average percentage of job seekers allowance claimants.

Eight of the 24 towns/centres have some level of deprivation, highlighted either through the IMD or the OCSI report. This includes; Leiston, Saxmundham, Haverhill, Sudbury, Felixstowe, Beccles, Stowmarket, Mildenhall and Newmarket.

The Natural and Historic Environment

The majority of market towns have an historic centre, often the focus of a conservation area, and containing a range of listed buildings and monuments. However, some of our market towns have not fared so well and do not have such an attractive environment. For example, Brandon suffers from a number of poor shops and shop fronts.

The Rural Quality of Life Survey 2008 by Halifax found that four of Suffolk's local authority areas feature in the top 30 of the Rural Authorities in Great Britain, which highlights the positive impacts that the combined effects of market towns and their rural hinterlands can have on people's wellbeing.

Transport Provision and Other Infrastructure

Lack of high speed broadband is an issue for many parts of Suffolk, including market towns. Bungay, Halesworth, Clare and towns in Forest Heath and Babergh all suffer from limited broadband access. This limits the ability of local firms to do business, as well as restricting self employment and those wishing to work from home.

Public transport is a particular issue for a rural county like Suffolk, and there is a reliance on owning a car. Current developments in passenger transport are focusing on market towns as hubs. There is also a move to demand responsive transport and away from timetabled bus services, making travel much more suited to the individual.

Businesses in a number of market towns would list traffic and congestion as an issue in their areas. However, congestion is limited to a few towns and at specific times of the day. These areas include Felixstowe, Beccles, Bungay, Sudbury, Stowmarket, Haverhill, Brandon and Newmarket. Southwold and Aldeburgh also suffer from seasonal traffic issues due to the number of tourists visiting the area.

As identified above, most market towns have some form of business or industrial space but it is unclear if this is adequate in all areas. The amount, size and quality of business space in market towns can restrict business formation and business growth.

Some market towns have seen large increase in population growth, but growth in community facilities has failed to keep up. This is a particular issue in Stowmarket.

Housing

All market towns have seen some form of growth in the last few years (with the exception of Southwold where the numbers reflect an increase in second home ownership). The rate of growth has varied across the towns with Stowmarket and Haverhill seeing the largest growth with an average annual housing stock growth of 183 and 139 homes respectively. On the other hand towns such as Wickham Market and Lavenham have had an average annual housing stock growth of 1 house per year.

Summary and Actions

Market towns and key service centres provide vital services not just for local residents but for the surrounding rural areas. It is important that these towns and centres are therefore protected, not only to secure their vitality, but also to enable them to develop and achieve growth in the future. In the current financial climate it will become more and more difficult for the public sector to invest in these areas and we have already seen a reduction in support from Action for Market Towns. The focus of future work will therefore be on enabling and supporting local businesses and communities to take a leading role in securing the future of their local area.

The public sector will therefore need to facilitate the formation and continuation of business led groups or partnerships, along with parish/town councils, to take a lead role in developing and securing the town's service and retail offer. This includes the development of BIDs and working closely with business representative organisations to support growth in local chambers and business forums.

- Support Suffolk Chamber and local business groupings to develop BIDs in market towns

Rural Areas

SWOT analysis of the Rural Economy

Strengths	Weaknesses
Flexibility and innovation of micro and small businesses	Lack of access to broadband
High quality of life combined with low rents and low labour costs	Low skills in some areas
Low business crime rates	Lack of access to services/ training/ public transport
Thriving local food production	Lack of SME quality accommodation provision
Close proximity to London and international gateways at Stansted and Felixstowe	Few available local employment opportunities
Attractive, unspoilt character	
Opportunities	Threats
Land allocated for development	Ageing population
Maximising opportunities from the energy sector.	lack of affordable housing
	Government cuts – e.g. business advice in rural areas may suffer as delivery is more resource intensive

Economic Geography

Economic Linkages

The economy of rural Suffolk is sparse and varied. Linkages throughout the county are formed through supply chain links (e.g. from field to fork – local farmers supplying to farm shops, local restaurants, butchers etc), or through geographic links e.g. industrial estates outside towns forming relationships with neighbouring businesses. Linkages for sole traders and micro businesses are often formed through word of mouth or local advertising if on a small scale, or feed into larger supply chains or commercial structures in on a larger scale. Owing to the presence of large-scale intensive farming and large industrial areas (e.g. on former airfields) there are some significant national links.

The market towns form important hubs for the more rural businesses. The linkages for many of the micro-businesses are internal to the County, but there are also good links with London in places. Market towns act as hubs for the surrounding rural areas and the relationship with those rural areas is so deep that it is difficult to look at the two areas in isolation. This paper should be read in conjunction with the market towns paper.

The depth and spread of connectivity in rural areas and in market town economies contributes to their ongoing economic prosperity. Many rural areas have patchy broadband availability and limited public transport networks. Given the limited links both virtually and geographically, additional access to new and existing markets (connectivity) could provide rural businesses with increased opportunities.

Business and Enterprise

Structure of the Local Economy

Suffolk has a wide range of sectors spread across its rural areas. Sectors that will achieve growth in rural areas in specific districts are:

- Babergh – tourism; creative industries; food production and related services; hospitality/ leisure.
- Forest Heath – tourism, equine-related services, bio-tech.
- Mid Suffolk – construction, health, food production and related services
- St. Edmundsbury – public sector; manufacturing; hospitality/ leisure; tourism
- Suffolk Coastal – Utilities (largely due to the proposed Nuclear Power Station); creative industries; tourism; some smaller port-related industries (although largely focussed in more built up areas); ICT food production; and related services.
- Waveney – Food and drink; tourism; agriculture.

Whilst agriculture has relatively low numbers of employees, it forms an important aspect of the tourism sector contributing to local food supply and small business development as part of farm diversification activities. This sector is predicted to decline in terms of employee numbers but will remain vital to sector development in tourism and local food and also in managing the landscape.

There is little room for growth for many rural industries owing to a combination of factors. Planning regulations are often not sympathetic to commercial development in rural areas and the prevalence of home-working can prevent growth owing to the restrictions of the domestic setting.

The East of England has seen faster growth of rural knowledge based businesses than in urban areas (inclusive of market towns and rural areas).

Enterprise and Innovation

The 'Rural Prospects' report produced by the centre for rural economy identified that between 1998 and 2006, an overall growth period in the national economy, the most growth was seen in rural areas in terms of VAT registered businesses. Rural districts had a growth rate in VAT registered businesses of 2.7% against a decline of 0.3% for England as a whole. However, rural districts have lower gross value added per head, lower wage levels and lower overall levels of investment than urban districts. The implied logic is that if Suffolk wishes to raise GVA as the economy begins to pick up again, then the rural economy could be an area of focus.

Most businesses in rural areas are sole-traders and micro-businesses, many of which are not VAT registered. This means that a large portion of the rural economy cannot be quantified statistically. This makes assessment of enterprise levels (particularly business start-up figures, normally measured by VAT registrations) extremely unreliable.

Business Needs

Businesses in rural areas have distinct needs owing to both the physical and virtual infrastructure. Physical geographic linkages are smaller scale than in urban areas owing to the narrow country roads. For this reason there is a greater need for virtual linkages in order to enable businesses to access markets that are not limited by geographic access. The need for high speed broadband to enable businesses to remain sustainable and competitive is arguably the most significant need for rural businesses.

The following list highlights some of the most pressing needs for rural businesses:

- Access to high speed Broadband
- Access to skilled workforce
- Ability for workforce to get to work
- Access to a larger working age workforce
- Access to training
- Support with planning regulations
- Access to new and existing markets (supply chains)
- Access to government funding
- Access to business support
- Procurement in the public sector
- Access to shared information, news and experiences – sector based
- Support with business rates
- finding appropriate business premises

A business survey conducted for the St. Edmundsbury area highlighted that rural businesses want help with transport, procurement and planning regulations.

People and Communities

Demography and Geography

The estimated population for rural areas of Suffolk in 2008 was 257,436. This is 35% of the total population of Suffolk. The age profile for rural areas generally reflects the national picture, with the predominant age band as 45-65 year olds.

Labour Market

The percentage of employed people in rural Suffolk falls just below the county average of 54%, at 52%. The percentage of job seekers allowance claimants also falls well below the county average at 7% compared to the county average of 3.2%.

Skills

Skills in rural areas show a mixed picture. Overall there are a higher percentage of people with level 4 skills (19.3%) than the County average of 16.5%. A lower percentage of people have no qualifications in rural areas: 27.1% compared to the county average of 30.2%. However, the OCSI Suffolk Rural Deprivation report highlighted areas such as Upton where 71% of residents have no qualifications.

Economic and Social Exclusion

According to the index of multiple deprivation, very few areas of deprivation exist outside of main towns and market towns in Suffolk. However, it is acknowledged that small pockets of deprivation are masked by more affluent surroundings in rural locations.

The OCSI Deprivation in Rural Suffolk report identified that although very few areas in rural Suffolk fall in the most deprived 10% in the region, a significant number fall into the most deprived 30%. The report also states that rural areas are most likely to be highly deprived in terms of the 'Living Environment' and 'Skills'.

Economic and social exclusion in rural areas can be caused or exacerbated by lack of transport. Travelling in rural areas is often dependent on owning a car as public transport services have decreased over several years. However, those without a car, or those in single car households are disadvantaged in their ability to access every day services such as healthcare, employment opportunities and education.

Suffolk (and Forest Heath in particular) is emerging as one of the worst affected by fuel poverty. Households in fuel poverty are defined as those that spend more than 10% of their income on keeping warm.

Sustainable Economic Growth

The Natural and Historic Environment

Rural Suffolk has a striking natural and historic environment that contributes strongly to the tourism, agriculture, food and drink and creative enterprise sectors. Rural Suffolk is home to internationally renowned heritage, being associated with Benjamin Britten and Peter Pears, Thomas Gainsborough and John Constable. The landscape that inspired the paintings and music of the past continues to inspire now as the businesses and entrepreneurs of the county link their products and services to the landscape through food production and consumption, attracting visitors, and importantly, providing the quality of life that they desire for employees of larger companies and their families.

The east coast and south of the county area Areas of Outstanding Natural Beauty (AONBs). There are a large number of Sites of Special Scientific Interest (SSSIs) located across the county, along with a vast number of listed buildings.

The agricultural history of Suffolk has been developed from the sandy landscape areas of the east provide excellent growing conditions for vegetable production. The clay heartlands of Suffolk are also ideal for arable land.

Low carbon economy

Suffolk's Creating the Greenest County Initiative has shown that many businesses have renewable or low carbon ethos at the heart of their activity and this is a trend that is anticipated to grow. In West Suffolk the possibilities for developing clean-tech manufacturing are being explored drawing upon the expertise in Cambridge.

The map below illustrates the geographic spread of low carbon industries across Suffolk, many of which are located outside the main towns and market towns.

Transport provision and other infrastructure

The rural areas are linked by the main arterial roads of the A12 in the East of the County and the A14 running from East to West. Much of the rural road network is unsuitable of HGVs.

As discussed above, transport provision is often poor in rural areas of Suffolk, although Demand Responsive Transport and Community Transport schemes are present in some rural areas.

Home based businesses are becoming increasingly important in rural economies and this reduces some of the need to commute. However, poor broadband provision is restricting growth in home based businesses and the ability for employees to work from home.

Broadband

Broadband access in rural areas is variable but with a significant number of communities having very poor access (under 2MB).

A recent report outlining Broadband Services in Suffolk identified that the average predicted broadband speed in Suffolk is over a little over 4 Mbps (4,254 kbps 5Mbps) but this masks regional variations within the county. While almost a quarter of the community may experience at least 6 Mbps, above the national average, 19% of homes are likely to fall below the proposed 2 Mbps Universal Service Commitment. Of these approximately 3,120 postcode areas have no access to alternative solutions such as Virgin Media's cable network.

A recent business survey in Suffolk Coastal highlighted what businesses would like to achieve if they had access to better broadband, including;

- Enabling music auditions on-line.
- Enabling businesses to track produce from when it leaves their fields to when it arrives on supermarket shelves.
- Providing on-line shopping services.
- Providing a central booking system for accommodation and faster internet speeds to guests.

Housing

The numbers of housing completions in rural areas have steadily increased from 2004/05 until 2009/10. This is however spread across the county and the level of increases in housing stock varies from area to area.

In addition to household heating issues, affordable housing is increasingly problematic, as demand for second homes often has the effect of raising house prices in rural areas. In addition to more affordable housing, there is also the need for local infrastructure and facilities to support this.

Summary and Actions – Rural economy

- Bring partners together to form a Suffolk Rural Partnership to facilitate rural economic and community development (linked to the LEP) and act as a vehicle to lever funding into rural areas
- Establish a common vision for the rural economy
- Collectively support the principle of and promote the need for business support activity in rural areas.
- Develop a new programme to support vital village businesses/services such as shops and pubs.

Cross Cutting Issues

There are two key issues that cut across all Suffolk's sectors and places. Both will restrict the growth of Suffolk's economy and therefore need to be addressed. These are the availability of broadband and skills levels in the Suffolk population.

Broadband

Broadband is the key issue for Suffolk in the 21st Century. It is the fourth utility that will enable our rural areas to develop as prosperous and vibrant living and working environments. Without it we will continue to lag behind our more connected neighbours.

There are a total of 130 exchanges serving Suffolk of which 113 are designated by Ofcom as Market Type 1 i.e. there are no alternative suppliers to BT Wholesale. These exchanges serve approximately 43% of the total number of premises in Suffolk and it is highly unlikely that superfast services will be available from them without some form of intervention. The vast majority of 'not spots' are in areas served by these exchanges.'

There is a high concentration of arts related businesses in Suffolk Coastal District of which 40% are software development type activities, These types of businesses are likely to be consumers of high bandwidth (in excess of 10mpbs). Other businesses that are high bandwidth consumers include off shore energy (operational widgets for wind turbines etc), almost any business using CAD and design companies – fabric, electronics, software, proto-typing.

Businesses increasingly need more interactive web sites and they need faster speeds to deliver these as well as their customers needing faster broadband speeds to use them effectively. Nationally approx 15 minutes per business per day is lost due to slow connections. However as this is only an average some businesses are losing significant competitive advantage in terms of time spent dealing with slow connections that could be used instead fro creating new business.

Suffolk has focused on three particular areas of need for improving broadband and the public sector is working together to try and address these - these are:

1. Business:

Businesses report that not only do they lose contracts due to poor broadband access, but they can also lose overall competitiveness. Inability to bid effectively for tenders means that they are not recognised to be 'in the game' and therefore they may lose or fail to gain a place on the preferred supplier list due to poor broadband access. Lost business can translate into a loss of 60% of enquiries – business premises in Rural East Suffolk have reported that 6/10 enquiries do not proceed to viewing due to poor broadband access.

Broadband is an issue across all sectors, but particularly the ICT and creative industries sectors where the need for superfast broadband is an essential requirement. Small local businesses are restricted by the lack of broadband, particularly in rural areas. They are unable to develop into new markets because lack of broadband means they cannot expand their business online, either through marketing or e-commerce.

2. Skills

Suffolk has poor levels of attainment in skills and poor levels of aspiration among its young people. The newly launched virtual learning platforms are accessible to those with broadband but many pupils and parents do not have access to broadband per se or have access to very slow broadband which makes effective access difficult. In rural areas this is compounded by poor transport and working patterns that make flexible use of school facilities difficult. Children will continue to achieve less than they are capable of if we do not address this fundamental issue. Recent research from the Home Access Pilots indicates that if a child is given internet access via a good broadband connection their GCSE results can improve by up to 10 points. Conversely if internet access is taken away their results can drop by up to 20 points – moving house is therefore an issue in a rural area that can affect life chances.

3. Health

There is a huge opportunity for improved health services in rural areas of reliable broadband access can be provided. This is one of a number of areas where it may be possible to reduce costs whilst improving service. The health agenda spans from improved prevention of common ailments through monitoring of chronic long term illnesses and conditions through to enabling technology to allow people to remain in their homes for longer when elderly. The Partnership has been working with West Suffolk Hospital to look at developing webcam access in GP's surgeries to improve early diagnosis and to reduce acute hospital referrals.

The Faster Broadband for Suffolk Programme Board and Suffolk County Council have been working to pull together a strategy and action plan to articulate how we will address the need for superfast broadband across Suffolk. Suffolk are leading on this work with strong support from SCC in terms of statistics and demand stimulation. The Faster Broadband for Suffolk Programme Board includes representatives from business, local authorities and the farming sector. Broadband Development UK (BDUK – part of BIS) has made £530 million available to address the issue of superfast broadband nationally until 2015 with another £200 million from 2015-17. The first round of bidding for this funding will occur in April 2011 with future funding being available on an ongoing basis. Local areas (generally County or LEP geographical areas) will be expected to have produced a Local Broadband Plan and to have identified a range of investment that the BDUK funding can contribute to.

Skills

The level of skills in Suffolk falls well below the regional and national averages. This includes skills in the working age population as well as current attainment levels at school. There are currently 1,600 young people aged 16-18 years not involved in education, training or employment and over 4,000 18-24 year olds are unemployed.

Local businesses have identified a shortage of skills including ICT and tourism. We also know that growth in sectors such as energy will require skilled workers. If Suffolk cannot fulfil the demands for skilled workers within the local workforce then employers will bring in skilled workers from other regions or countries, diminishing the benefits of economic growth in local communities.

Availability of skills is also a consideration for companies looking to locate in Suffolk and lack of skills could therefore reduce new investment in the county.

The establishment of UCS in 2007 is a good starting point for improving attainment at degree level and retaining young people with higher qualifications within the county. However, more needs to be done at all levels to improve skills and qualifications in both young people and adults. This ranges from engaging young people from the age of 11 years and upwards in obtaining the skills and qualifications relevant to the jobs available in growth sectors in Suffolk, to supporting young people to gain on the job training and experience through apprenticeships and enabling adults to retrain and gain new skills.

The Skills for the Future Strategy 2011 to 2015 aims to do just that. The strategy focuses on three key areas including:

- Backing Young Suffolk – to develop aspirations and skills in young people;
- Enterprise for All – encouraging business start ups and social entrepreneurship;
- Skills for the Economy – to improve skills in the working age population and address skills shortages in growth sectors.