

## ECONOMIC CLIMATE UPDATE REPORT

Following the report to Cabinet in December 2008 a regular update of the local economic climate was requested to be reported to each Cabinet meeting. The following is a summary of the positive and negative economic changes that have taken place since the previous 1st October update.

### EMPLOYMENT AND BUSINESS

#### **ENGINEERING/MANUFACTURING/CHEMICAL**

##### Positive

- Stockton based fertiliser manufacturer has unveiled a £15m upgrade to its Portrack plant. This self funded investment will see the **Grow How** site increase annual production by 80,000t. In addition to this emissions and dirty water discharge are reduced to virtually zero.
- **UPDATE: SITA UK** has opened its £70m 'energy from waste' plant a Haverton Hill, which has effectively trebled its capacity, whilst creating an extra 20 permanent jobs.
- **UPDATE:** Steel Company **Corus** has won orders until the end of the year, for its Teesside Cast Products (TCP) plant.
- **UPDATE:** Renewable Energy firm, **Gaia Power**, based in Yarm, have been given planning approval for their £200m Biomass Power Station, which is to be built in Billingham.

##### Negative

- **Northumbrian Water**, have said that 30 of its staff at its Bran Sands treatment Plant at Teesport are under threat.
- **UPDATE:** 150 Jobs at **Petroplus Oil Refinery** are at risk, as the swiss-based owners of the Seal Sands site, appeared to dismiss interest in the site.

#### **SERVICE SECTOR/RETAIL**

##### Positive

- IT firm **Onyx**, has held its official opening for its new 20,000sq.ft premises, Onyx House, in Portrack, Stockton. The building will house 40 of the company's 109 staff. The Company is on track to achieve annual sales of £23m this year.
- Health & Beauty retailer, **Semi-Chem** has announced they are to open a new store in Billingham Town Centre, creating 8 new jobs.
- Taxi Operator, Middlesbrough Boro Cars has set up a new base in Mandale, Thornaby, called **Stockton Boro Cars**, the site will employ 150 drivers and control staff by the end of the year.

##### Negative

- **Wine Cellar**, which operates the **Booze Buster** and **Simply Drinks** brand has been broken up by the administrators. Although a number of stores have been saved, 95 jobs in the North East will be lost, which will affect 3 stores in Stockton (job losses unknown at this stage).
- **Stockton International Family Centre**, an award winning multi-racial community centre in Stockton has gone into administration, with the loss of 20 jobs.

## ECONOMIC INDICATORS

### GENERAL INDICATORS

Numbers on JSA Stock	Sep-08	Aug-09	Sep-09	% WA pop	Change in Month	%	Change in year	%
Stockton	4,082	6,627	6,657	5.6	30	0.5	2,575	63.1
Tees Valley	16,891	25,367	25,485	6.2	118	0.5	8,594	50.9
NE%	55,300	85,372	85,076	5.3	-296	-0.3	29,776	53.8
GB%	914,931	1,548,678	1,537,620	4.2	-11,058	-0.7	622,689	68.1

- The total number of JSA claimants within the Tees Valley shows an increase of **118** from August 2009, with an overall increase of 8,594 from September 2008.
- Stockton shows a slight increase of 30 in the number of JSA claimants, in the last month. This is similar to the % level increase seen across the Tees Valley.

New Claims to JSA	Sep-08	Aug-09	Sep-09	Change in month	%	Change in year	%
Stockton	1,049	1,730	1,386	-344	-19.9	337	32.1
Tees Valley	4,024	5,984	5,057	-927	-15.5	1,033	25.7
NE	15,289	21,111	17,746	-3,365	-15.9	2,457	16.1
GB	246,308	400,712	322,459	-78,253	-19.5	76,151	30.9

- The total number of new JSA claimants has dropped by 15.5% to **5,057**.
- With regard to new claimants, Stockton has seen a decrease of **344** from last month.

Vacancies Notified	Sep-08	Aug-09	Sep-09	Change in month	%	Change in year	%
Stockton	1,470	1,263	1,047	-216	-17.1	-423	-28.8
Tees Valley	4,572	4,302	3,960	-342	-7.95	-612	-13.4
NE%	18,480	17,484	14,806	-2,678	-15.3	-3,674	-19.9
GB%	405,470	341,538	292,845	-48,693	-14.3	-112,625	-27.8

- There were **1,047** vacancies notified to the three Jobcentre Plus offices across Stockton in September 2009, **216** fewer than the previous month, including **311** in Sales and Customer Services, **182** in Administration, **160** in Health and Social Care, **5** in Information & Technology, **36** Functional Managers, **68** in electrical and construction, **140** in machinist, plant operatives and vehicle trades.

Date	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
<b>No's on JSA</b>	6,072	6,155	6,208	6,211	6,247	6,286	6,627	6,657
<b>Vacancies Unfilled</b>	741	398	585	520	570	476	603	624
<b>Jobseekers per vacancy</b>	8.2	15.5	10.6	11.9	11	13.2	11	10.7

- Stockton had **624** unfilled vacancies in September 2009, including **69** in construction, plant operative and driving vacancies, **52** functional managers, (**50** in Thornaby), **173** in sales and customer service related positions, and **130** in health and social care.

## **ECONOMIC SUPPORT MEASURES**

### **SUPPORT FOR BUSINESS**

- An online centre to give North East companies information and advice on how to start selling overseas, has been launched as part of a multi-million pound export support scheme. Business & Enterprise North East has secured £6m from the European Union, through the Regional Development Agency, One NorthEast, plus a further £3m from UK Trade & Investment to vastly expand the range of help given to companies in the region to sell overseas.

### **SUPPORT FOR PEOPLE**

- The creative potential of North East business women is set to be explored thanks to a £100,000 grant. Networking organisation WIN has secured the cash to engage businesswomen in the arts as part of a 'learning for pleasure' innovation spearheaded by Department for Business, Innovation and Skills.

## **HOUSING AND DEVELOPMENT**

### **KEY STATISTICS**

- The statistics below show key data from the Housing Service and compares them with previous data.

<p><b>Monthly Housing Benefit Workload</b></p> <p>September 2008 - 6203</p> <p>July 2009 – 7,301 August 2009 – 8,749 September 2009 – 7,091</p>	<p><b>Applications on the Council's Housing Register (including transfers)</b></p> <p>September 2008 – 4,896</p> <p>July 2009 – 2,323 August 2009 – 2,425 September 2009 – 2,692</p>
<p><b>Number of households accepted as homeless by the Housing Options Service</b></p> <p>September 2008 - 35</p> <p>July 2009 – 25 August 2009 – 7 September 2009 – 4</p> <p>Although approaches to the Housing Options Service have increased by 111 since September 2008, the number of households accepted as homeless has reduced due to officers undertaking more preventative work to find alternative accommodation / solutions.</p>	<p><b>Number of housing options customers seeking assistance with mortgage/rent arrears</b></p> <p>September 2008 - 33</p> <p>July 2009 - 33 August 2009 – 28 September 2009 - 45</p>
<p><b>Number of approaches to the Housing Options service</b></p> <p>September 2008 - 173</p> <p>July 2009 – 239 August 2009 – 228 September 2009 - 284</p>	

<b>Number of House Sales in the borough (source: land registry)</b>	<b>Average monthly House Prices in the borough (source: land registry)</b>
June 2008 – 255	August 2008 – £135,263
April 2009 – 152	June 2009 - £112,067
May 2009 – 164	July 2009 - £113,347
June 2009 - 203	August 2009 - £112,640

- The table below reflects the overall number of applications and approvals to live in Stockton-on-Tees to Time2Buy, for HomeBuy Direct, First Time Buyers Initiative, NewBuild HomeBuy to the end of September 2009.

<b><u>Month</u></b>	<b><u>Applications</u></b>	<b><u>Approvals</u></b>
April	13	10
May	10	9
June	18	6
July	27	11
August	37	32
September	47	28
<b>Total</b>	<b>152</b>	<b>96</b>

#### **STOCKTON BOROUGH COUNCIL RESPONSES**

- Stockton Borough Council officers carried out 26 Business Engagement visits in September, compared to 15 in August.
- There has been an increase in the number of general business enquiries, both by phone and internet, with a total of 53 enquiries compared to 50 in August.