

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 April update.

EMPLOYMENT AND BUSINESS

ENGINEERING/MANUFACTURING/CHEMICAL

Positive

- Teesport operator, **PD Ports**, are set to hit ambitious targets for growing shipping volumes by 40% this year.
- **UPDATE:** Discussions regarding the training package of £1.5m announced by **Corus** for approximately 290 workers to delay redundancy for another six months will resume in May.
- **UPDATE: Darchem Engineering**, Stillington, has secured more work in oil and gas and defence markets, to allow it to reduce the scale of planned job losses previously reported.
- Manufacturer of offshore wind turbine foundations, **Xanthus Energy**, is working with **Able UK** at Billingham on a feasibility study for a manufacturing facility in Tees Valley.
- **TAS Engineering Consultants**, based on Norton Road in Stockton, looks set to double its workforce to 60 and push further into European and Middle East markets after being bought by American company GSE Systems.

SERVICE SECTOR/RETAIL

Positive

- **Yarm Computers**, based on Yarm High Street, has sealed a five-figure contract to provide IT support services to Cleveland Police. The Company has seven employees and has recently taken on two new trainees.
- **UPDATE: The Range**, based on Portrack Lane in Stockton, has reported that initial trading figures are beyond initial expectations. It has already created 81 jobs, with plans to increase numbers on the back of strong trade.
- Car dealership, **Simon Bailes**, based at North Shore in Stockton, is among the first to install electric vehicle charge points at its three branches in Tees Valley.
- **UPDATE: Brulines**, based at Surtees Business Park, are anticipating profits to be broadly in-line with expectations, despite tough market conditions.
- **Colton Packaging** has relocated from its existing premises in Teesside Warehousing, to new premises on Teesside Industrial Estate, Thornaby. It is hoped that this move will create new jobs.
- **Decorative Panels Limited** is due to move into the space vacated within Teesside Warehousing within the next month.
- E-commerce solutions company, **Visualsoft**, has trebled its workforce to 48, since moving to its new premises on Portrack Lane a year ago.
- **WR Financial Management**, a firm of independent financial advisers, has announced its merger with Barrington Slimmings of Morpeth. The WR Financial Brand will be adopted, with many of the administrative operations centralised to its Teesdale based, Stockton offices. Further expansion is planned for the summer.
- A new, £4.1m care home has opened in Ingleby Barwick. **The Roseville Care Centre** will be home to more than 80 residents, and will employ 50 staff.
- **Begbies Traynor**, a business rescue, recovery, and re-structuring specialist will create 2 new jobs, when they open a new office from an outlet in Thornaby.
- **The Lettings Group**, solicitors who specialise in residential lettings, is due to open new premises in Yarm Lane, Stockton. Initially the move will create 2 new jobs, and more if sufficient work is generated.

ECONOMIC INDICATORS

- The Confederation of British Industry's latest quarterly Industrial Trends Survey highlighted the fastest increase in export orders for 15 years.
- According to the latest figures from Banksearch, an information consultancy business, 25.2% more businesses started up in Stockton-on-Tees in March 2010, than the same period last year. Nationally, during the same period, there was a 19% increase.
- Preston Hall Museum has secured a £7m grant to restore and refit the Grade II-listed building which will be completed in autumn 2012. This is in addition to the Heritage Lottery Fund grant of £3.7m earmarked in April 2008.
- Tees Valley Green Business Network has formally unveiled its awards scheme to showcase the companies that go furthest to shrink their carbon footprint. It is led by a range of local organisations, with an interest in supporting businesses and encouraging improved environmental performance.
- As part of the Tees Valley Bus Network Scheme, the Department of Transport has given the go ahead to a major new road layout at the Southern Gateway to Stockton Town Centre (junction of Bridge Road and Riverside Road). Total work including construction and land acquisition will total circa £6.5m.
- Stockton Borough Council NNDR (Business Rates) statistics show as of end of March 2010, 724 business properties were empty, which equates to 15.3% of the total stock of business properties.

GENERAL INDICATORS

Numbers on JSA	Mar 09	Feb 10	Mar 10	% WA pop	Change in Month	%	Change in year	%
Stockton	6,155	6,973	6,692	5.6	-281	-4	537	8.72
Tees Valley	24,022	27,253	26,441		-812	-2.97	2,439	10.15
NE	84,344	89,639	86,448	5.4	-3,198	-3.56	2,104	2.49
GB	1,478,196	1,600,181	1,558,194	4.2	-41,987	-2.62	79,998	5.41

- The total number of people on JSA dropped across all identified geographical areas listed above in the past month. Stockton represented the largest reduction at 4%.
- Nationally the figures are now decreasing, following months of rising JSA claimants. The claimant figure dropped by 2.62%, although it is 5.41% above the figure from March 09.

New Claims to JSA	Mar 09	Feb 10	Mar 10	Change in month	%	Change in year	%
Stockton	1,300	1,275	1,125	-150	-11.76	-175	-13.46
Tees Valley	4,750	4,730	4,290	-440	-9.3	-460	-9.68
NE	17,600	17,190	15,155	-2,755	-16.02	-2,445	-13.8
GB	336,235	319,930	283,950	-35,980	-11.24	-52,285	-15.5

- Compared to the previous month, the number of new JSA claimants has reduced across all geographical areas. The largest reduction has been regionally, a 16% reduction in new claims, compared to 11.76% in Stockton.

Vacancies Notified	Mar 09	Feb 10	Mar 10	Change in month	%	Change in year	%
Stockton	693	895	951	56	6.25	258	37.2
Tees Valley	2,845	4,038	3,526	-512	-12.67	681	23.9
NE	12,254	13,936	14,513	577	4.14	2,259	18.4
GB	234,563	282,269	300,294	18,025	6.38	65,731	28.02

- There were 951 vacancies notified to the three Jobcentre Plus offices across Stockton in **March 2010, 56 more** than the previous month including **189** in Public Admin & Secretarial activities, **553** in Banking & Finance, **86** in Distribution occupations, **40** Construction jobs and **26** Manufacturing jobs.

Unfilled Vacancies	Aug09	Sep-09	Oct-09	Nov-09	Dec-09	Jan 10	Feb 10	Mar 10
No's on JSA	6,627	6,657	6700	6,685	6,796	7,116	6,973	6,692
Vacancies Unfilled	603	624	596	853	573	414	440	645
Jobseekers per vacancy	11	10.7	11.2	7.8	11.8	17.1	15.8	10.3

- Stockton had **645** unfilled vacancies in **March 2010**, including **13** in managerial positions, **21** plant operative and driving vacancies, **166** Sales & Customers Service Opportunities, **65** Associate Professional & Technical Occupations and **114** Skilled Trades.

ECONOMIC SUPPORT MEASURES

SUPPORT FOR BUSINESS

- The Evening Gazette has launched a major campaign to get Teesside working. It is offering every business in Teesside free recruitment adverts to promote vacancies, in addition to offering every job seeker a free wanted advert.
- A series of training sessions are to be held across the North East by Business & Enterprise North East, to help businesses improve their performance and supply chain management. The event in Stockton is to be held on 21 June 2010, Parkmore Hotel, Eaglescliffe.
- The data below provides a breakdown of the support provided by Business Enterprise North East (BENE) during Quarter 4 2009/10.

	Q4
Pre Start The number of individuals that are investigating starting up a business that have been assisted by BENE in the period	454
Start Up Number of new businesses that have been established within the Quarter, and have had some pre-start assistance	32
Businesses Assisted The number of businesses assisted during the period (including assisted start-ups)	554
Skills The number of businesses that have had an intervention by a BENE skills broker in the specified period	142
Survivals Assisted Start-ups surviving 12 months - Number of businesses that BENE have assisted, that are still operating after 12 months	36

SUPPORT FOR PEOPLE

- Work in addressing the NEET agenda is showing some good outcomes, in the face of the current challenging economic situation. Most recently reported monitoring data from the Connexions Client Caseload Information System (CCIS) shows a reduction in Stockton's 16-18 NEET rate as at March 2010, compared to March 2009:
 - improving from 10.3% to 9.3% based on residency; and
 - from 11.6% to 10.7% based on place of learning.

HOUSING AND DEVELOPMENT

KEY STATISTICS

Monthly Housing Benefit Workload	Applications on the Council's Housing Register (including transfers)
April 2009 – 7,337	April 2009 – 3,127
March 2010 – 9,171	March 2010 – 3,431
April 2010 – 7,507 (reflects reduced numbers during to Easter holidays)	April 2010 – 3,665

Number of households accepted as homeless by the Housing Options Service April 2009 – 25 March 2010 – 8 April 2010 – 5	Number of housing options customers seeking assistance with mortgage/rent arrears April 2009 – 23 March 2010 – 49 April 2010 – 39
Number of approaches to the Housing Options service April 2009 – 240 March 2010 – 306 April 2010 – 275	
Number of House Sales in the borough (source: land registry) January 2009 - 85 December 2009 – 267 January 2010 – 110	Average monthly House Prices in the borough (source: land registry) March 2009 - £122,205 February 2010 - £115,125 March 2010 - £118,745

Regulation changes in November 2009 mean that child benefit is disregarded as income in the assessment of housing and council tax benefit entitlement. This means that more people became eligible to claim. Reassessments were out in November for everyone currently receiving benefit to take this change into account, and leaflets were distributed to schools in the borough to encourage a wider take up.

- On the 8th and 9th May an Affordable Homes Show was held in the Borough. The event, organised by Time2Buy (run by Stockton Borough Council, Fabrick Housing Group, Housing Hartlepool and Endeavour Housing Association) attracted over 140 residents and gave advice to households looking for a home of their own that cannot purchase one on the open market.
- 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, and NewBuild HomeBuy.

<u>Month / Quarter</u>	<u>Applications</u>	<u>Approvals</u>
April to June 2009 (Q1)	41	25
July to September 2009 (Q2)	111	71
October to December 2009 (Q3)	71	64
January to March 2009 (Q4)	69	48
April 2010 (Q1 to 27.4.10)	21	9
Total	313	217

STOCKTON BOROUGH COUNCIL RESPONSES

- A 'Kick-Start Your Own Business' event was held on the 22nd April in the Open Technology Centre within Stockton Library. The event designed to give advice and guidance to residents who have started or aim to start their own business. The event was supported by a number of partner organisations including Inbiz, Enterprise Made Simple, HMRC and The Five Lamps. Potential new businesses for the Borough were given advice and guidance on how to access the range of business support currently on offer.
- During the Easter break 10 year 9 pupils took part in the 'Stockton Youth Markets' event as part of the Enterprise Culture in Schools project to coincide with the 700 years of markets celebrations. The pupils applied to operate a market stall in their Easter holidays, promoting their business and selling products. The winner was GFS Printzone – a print company operating in Grangefield School. The enterprising youngsters received an £11,500 grant to make their business ideas a reality. The two market days were a great success, with the company currently working on several orders obtained from the days.
- As of March 2010 the Communities Fund has engaged with 1,691 people – with 322 people securing employment, of which 76 have been in post for 6 months or more.

- Stockton Borough Council officers carried out 7 business engagement visits in April 2010. There has been a steady number of general business enquiries, both phone and internet, with a total of 49 enquiries received and responded to in the same period.
- The Stockton Borough Council Small Business Grant scheme has issued a total of 53 grants in the past year: 40 start-up grants totalling £30k and 13 established grants totalling £45k.
- A successful Employer Engagement Breakfast Event was held on 27th April, jointly organised by Regeneration and Economic Development, and the Stockton 14-19 Partnership. The aim of the event was to provide local employers the opportunity to learn more about diplomas, work experience and apprenticeships. Workshops were led by local employers who had been involved in and benefited from their previous engagement with schools, colleges and training providers. The event was attended by 37 businesses, and 16 of those have asked for further information.