

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 August update.

EMPLOYMENT AND BUSINESS

ENGINEERING/MANUFACTURING/CHEMICAL

Positive

- **N-sign**, based on Maritime Road, has bought Intersign, a former sign-maker which recently went out of business for a nominal sum. Business will now continue as normal for Intersign, with the new owners hoping to re-instate some of the five former staff.
- **Leven Bridge Engineering**, based on Teesside Industrial Estate are looking to diversify into new markets such as renewable energy, creating 6 new jobs and safeguarding a further 25.
- **UPDATE: Corus** has unveiled plans for a £31.5m wind turbine plant on Teesside. The facility will build steel foundation structures for turbines and will potentially create 220 jobs.
- **Johnson Matthey** has indicated it hopes to re-deploy the majority of the 50 staff at its Billingham-based **Vertec** operation, which announced it was closing earlier this year.

Negative

- **Armstrong World Industries**, a flooring manufacturer based at Teesside Industrial Estate, has announced it is to close, with the loss of around 160 jobs.

SERVICE SECTOR/RETAIL

Positive

- **Gold Buying Centres** has opened up a new unit in the Castlegate Centre, creating one new job.
- **Wynyard Golf Club** has unveiled plans for a hotel, leisure and residential development. The multi-million pound scheme will create around 30 permanent jobs.
- **Access Renewables**, a green energy installation company, based in Bowesfield have won a £50,000 contract to install solar panels at a housing development in Bolton, and a £25,000 contract to install panels in three schools in Stockton.
- Plans for a multi-million pound riverside casino development have been revived in Stockton. **Grosvenor Casinos** has confirmed it is aiming to open a new site at Chandlers Wharf Retail Park.

Negative

- NHS Tees' four **Primary Care Trusts (PCTs)** in Middlesbrough, Stockton, Redcar and Cleveland and Hartlepool, will lose 197 of their 551 employees, as part of an organisational restructure, in a bid to cut £6.6m in management costs by April next year.

ECONOMIC INDICATORS

Important Notice

During August 2010, the labour market indicators changed from the former working age definition (16-59 for women and 16-64 for men) to a 16-64 basis for both men and women. The following figures will be affected:

- Claimant count and DWP working-age client group
- Annual Population Survey

- Jobs density.

The tables below have been amended to reflect the changes.

GENERAL INDICATORS

Numbers on JSA	July 2009	June 2010	July 2010	% WA pop	Change in Month	%	Change in year	%
Stockton	6,286	6,022	5,995	4.8	-27	-0.44	-291	-4.62
Tees Valley	24,399	24,633	24,308	5.7	-325	-1.31	-91	-0.37
NE	85,038	78,253	77,867	4.6	-386	-0.49	-7,441	-8.75
GB	1,521,709	1,388,761	1,383,990	3.6	-4,771	-0.34	-137,719	-9.05

- The total number of people on JSA continued to drop for the fifth consecutive month in Stockton, with a reduction of 27 claimants in the past month.
- JSA claimants have reduced across all areas, from the same point the previous year. Nationally by 9%.

New Claims to JSA	July 2009	June 2010	July 2010	Change in month	%	Change in year	%
Stockton	1,420	1,240	1,330	90	7.25	-90	-6.3
Tees Valley	4,995	4,945	4,965	20	0.40	-30	-0.60
NE	17,470	15,105	16,885	1,780	11.78	-585	-3.34
GB	333,075	251,520	302,550	51,030	20.2	-30,525	-9.16

- Although the number of new claimants decreased last month, the number of new JSA claimants increased in July. Locally by 7.25%, however the national average, by a more dramatic 20%.
- Across all areas however, the number of new claimants has reduced from same period last year.

Vacancies Notified	July 2009	June 2010	July 2010	Change in month	%	Change in year	%
Stockton	749	844	1,329	485	57.4	580	77.4
Tees Valley	2,992	3,744	4,980	1,236	33	1,988	66.4
NE	11,762	14,994	17,579	2,585	17.2	5,817	49.4
GB	266,020	328,988	322,902	6,086	1.84	56,882	21.3

- There were **1,329** vacancies notified in Stockton in **July 2010**, **485 more** than the previous month including **288** in Public Administration, Health & Education, **787** in Banking, Finance & Insurance, **127** in Distribution, Hotels & Restaurants, **28** Construction jobs and **29** Manufacturing jobs.

Unfilled Vacancies	Dec-09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	June 2010	July 2010
No's on JSA	6,796	7,116	6,973	6,692	6,405	6,180	6,022	5,995
Vacancies Unfilled	573	414	440	645	670	766	564	856
Jobseekers per vacancy	11.8	17.1	15.8	10.3	9.6	8.1	10.6	7.0

- Stockton had **856** unfilled vacancies in **July 2010**, **167** in Public Administration, Health & Education, **513** in Banking, Finance & Insurance, **87** in Distribution, Hotels & Restaurants, **22** Construction jobs and **25** Manufacturing jobs.

Support for People

- A Recruitment Fair is scheduled for Thursday 9 September (10am-2pm) at Teesside Park Information Centre. The focus of the event is recruitment for forthcoming Xmas period, for businesses at the Retail Park. A similar event is also being planned for Stockton Town Centre, for retail businesses in that location.
- Corus today announced plans to extend its support to a skills and training scheme for workers at risk of redundancy from Teesside Cast Products. Corus has now pledged to continue paying the bursaries awarded to people on the scheme for a further three months until the end of November. At the same time, regional development agency One North East and the Government have agreed to provide a further £300,000 through the Tees Valley Industrial Programme to extend the training provision.

Support for Businesses

- The data below provides a breakdown of the support provided by Business Enterprise North East (BENE) during Quarter 1 2010/11.

	Q1 2009	Q4 2009	Q1 2010
Pre Start The number of individuals that are investigating starting up a business that have been assisted by BENE in the period	344	454	430
Start Up Number of new businesses that have been established within the Quarter, and have had some pre-start assistance	30	32	29
Businesses Assisted The number of businesses assisted during the period (including assisted start-ups)	377	554	408
Skills The number of businesses that have had an intervention by a BENE skills broker in the specified period	172	142	162
Survivals Assisted Start-ups surviving 12 months - Number of businesses that BENE have assisted, that are still operating after 12 months	41	36	118

- As of the end of July 2010, £1,346,672 of the additional funding for grants to businesses made available through the Tees Valley Industrial Programme (TVIP) has been awarded to 235 new and existing businesses across the Tees Valley. 79 of these businesses are Stockton-based companies who have received a total of £363,118.

ECONOMIC SUPPORT MEASURES

HOUSING AND DEVELOPMENT

- The first phase of Northshore is set to start this autumn following confirmation of £2.6 million in funding from the Homes and Communities Agency (HCA). The Home Zone at Northshore will comprise an initial phase of fifty homes.
- £2.46m funding from the Homes and Communities Agency has been secured by Fabrick Housing Group to develop a state-of-the-art Extra Care Housing Scheme in Thornaby. The 42-unit scheme for older people which will cost over £5.7m in total is planned for the former Parkview Care Home site.
- Homeowners on low incomes with no affordable financial alternatives can now seek financial assistance from Stockton Council through Helping Hand, the North East's home loans scheme to make much needed home repairs and improvements. The borough has received an allocation of £195,000
- Ministry of Justice statistics for August show that mortgage possession claims fell nationally and locally (36%) in April -June 2010 compared to 2009. However in the same period, demand for the Housing Options service that provides struggling homeowners with advice increased by 58% and is expected to continue increasing.

KEY STATISTICS

Monthly Housing Benefit Workload July 2009 – 7,301 June 2010 – 8,541 July 2010 – 8,694	Applications on the Council's Housing Register (including transfers) July 2009 – 2,323 June 2010 – 3,646 July 2010 – 3,621
Number of households accepted as homeless by the Housing Options Service July 2009 - 25 June 2010 – 4 July 2010 - 2	Number of housing options customers seeking assistance with mortgage/rent arrears July 2009 - 33 June 2010 – 32 July 2010 - 56
Number of approaches to the Housing Options service July 2009 - 239 June 2010 – 226 July 2010 - 246	
Number of House Sales in the borough (source: land registry) April 2009 – 152 March 2010 – 188 April 2009 – 152	Average monthly House Prices in the borough (source: land registry) June 2009 – £112,846 May 2010 - £121,695 June 2010 – £119,081

- 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 2010 (Q4)	69	48
April to June 2010 (Q1)	56	35
July and August 2010 (Q2 to 16.8.10)	26	15

STOCKTON BOROUGH COUNCIL RESPONSES

- Tees Valley Unlimited, on behalf of local business leaders, regeneration bodies and the five Tees Valley Councils, has declared an interest in becoming the Local Enterprise Partnership. The Government is looking for LEPs to have functions that include: planning and housing, local transport and infrastructure, employment and enterprise and supporting the transition to a low carbon economy. Ultimately the LEP aims to help create jobs and new businesses, improve skills and opportunities for local people, support and grow a more broader-based economy and progress regeneration schemes.
- As of June 2010 the Communities Fund has engaged with 2,014 people. 513 people have secured employment - 103 have been in post for 6 months or more. Of the 513 people, 6 have been unemployed for longer than 1 year, 68 for longer than 2 years, and 50 for longer than 3 years.