

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 2nd September update.

EMPLOYMENT AND BUSINESS

ENGINEERING/MANUFACTURING/CHEMICAL

Positive

- **UPDATE: Corus** has signed a memorandum of understanding with Thai steel company, SSI, to acquire the Teesside Cast Products operation at Redcar. Although the deal will take a few months to be fully complete, the proposed deal will see a significant number of new jobs, as well as safeguarding hundreds more.
- **Update:** Following a management buyout earlier this year and more certainty in its marketplace, **Katmex** of Norton, has created 30 new jobs, in addition to the 60 jobs it previously safeguarded.
- Billingham based **Nicholson Transport** has employed two new drivers and two new members of staff in its warehouse and transport operations. This is in response to an upturn in workload, with freight quantities increasing by 10% over the year.
- Biofuels consultants **FiveBarGate** of Ingleby Barwick have secured a major contract to review the impact of biofuels laws on UK Industry.

Negative

- **Premier Foods**, a food manufacturer based in Billingham, has reported a fall in sales and profits.

SERVICE SECTOR/RETAIL

Positive

- Portrack-based company **Onyx**, has secured a contract with part of the Balfour Beatty construction group. They will supply IT services to the companies headquarters near Glasgow.
- Billingham-based storage company **Box Clever**, has increased its range of services and is now looking to expand across the country.
- Waste recycling firm **Winanton**, based in Billingham, has sold its Waste Electrical and Electronic Equipment reprocessing plant, which recycles fridges and freezers to Australian company, Sims Metal Management. The 79 employees will transfer under TUPE on completion.
- **In 'n' Out Services**, based on Portrack Lane, has been bought out of administration by a private investor, safeguarding 10 jobs.

Negative

- **Durham Tees Valley Airport** has made a further three staff redundant, bringing the total to 89 in the past 18 months.
- **NHS Stockton**, is set to make 80 staff redundancies over the next 2 months.
- **Geoban UK**, based at Teesdale, who provide back office support for Santander, has announced a total of 24 redundancies.
- **McDonalds** has closed on Stockton High Street, following a decision by the franchise owner to close the restaurant. The building is owned by McDonalds UK, however, as yet no decision has been made regarding its future. All current employees will be re-deployed at other outlets in the local area.
- **Wardrobe** clothing shop in Wellington Square is to close in September, with the loss of one full time job. The owner was the winner of 'Stockton Shopstart' competition, however, despite offers of support from the Business Development team, the business is not economically viable to continue.

ECONOMIC INDICATORS

- **Banks Developments** have been granted permission to build 150 homes at the Bowesfield Park site in Stockton.
- **Stockton Borough Council** has been named 'Overall Council of the Year for Service Delivery 2010' at the annual Association of Public Sector Excellence (APSE) Awards.

GENERAL INDICATORS

Numbers on JSA	August 2009	July 2010	August 2010	% WA pop	Change in Month	%	Change in year	%
Stockton	6,627	5,995	6,087	4.9	92	1.5	-540	-8.1
Tees Valley	25,186	24,308	24,377	5.7	69	0.3	-809	-3.2
NE	85,372	77,867	78,514	4.7	647	0.8	-6,858	-8.0
GB	1,548,678	1,383,990	1,397,008	3.6	13,018	0.9	-151,670	-9.8

- The total number of people on JSA increased for the first time in six months. The largest increase across Tees Valley was seen in Stockton (1.5%).
- The number of claimants has decreased across all geographical areas compared to August 2009.

New Claims to JSA	August 2009	July 2010	August 2010	Change in month	%	Change in year	%
Stockton	1,730	1,330	1,700	370	27.8	-30	-1.7%
Tees Valley	5,940	4,965	6,200	1,235	24.8	-260	-4.4
NE	21,110	16,885	20,485	3,600	21.3	-625	-2.7
GB	400,710	302,550	379,540	76,990	25.4	-21,170	-5.3

- The number of new JSA claims has increased for the second consecutive month, with the largest increase across Tees Valley seen in Stockton (27.8%).
- The UK has seen a 5.3% decrease since the same period last year in the number of new JSA claimants, compared to only 1.7% in Stockton.

Vacancies Notified	August 2009	July 2010	August 2010	Change in month	%	Change in year	%
Stockton	1,243	1,329	1,189	-140	-10.5	-54	-4.3
Tees Valley	4,302	4,980	4,659	-321	-6.4	357	8.2
NE	17,484	17,579	18,761	1,182	6.7	1,277	7.3
GB	341,538	322,902	383,344	60,422	18.7	41,806	12.2

- There were **1,189** vacancies notified in Stockton in **August 2010**, **140 less** than the previous month including **157** in Public Administration, Health & Education, **815** in Banking, Finance & Insurance, **96** in Distribution, Hotels & Restaurants, **28** Construction jobs and **23** Manufacturing jobs.
- Slightly fewer jobs in Stockton, compared to August 2009, when Tees Valley and North East increased.

Unfilled Vacancies	Jan 2010	Feb 10	Mar 10	Apr 10	May 10	June 2010	July 2010	August 2010
No's on JSA	7,116	6,973	6,692	6,405	6,180	6,022	5,995	6,087
Vacancies Unfilled	414	440	645	670	766	564	856	658
Jobseekers per vacancy	17.1	15.8	10.3	9.6	8.1	10.6	7.0	9.3

- Stockton had **658** unfilled vacancies in **August 2010**, **93** in Public Administration, Health & Education, **396** in Banking, Finance & Insurance, **101** in Distribution, Hotels & Restaurants, **20** Construction jobs and **13** Manufacturing jobs.

Support for People

- 207 residents have received enterprise coaching via the Enterprise Gateways since October 2009. The Enterprise Gateway in Billingham is now open based in Billingham Community Centre. Activities to engage with residents are increasing with additional activities planned for Global Entrepreneurship week in November.

Support for Businesses

- The Tees Valley 'InWork Support' Project (TVIWSP) has been launched to raise awareness of the full range of services available to both employers and employees, in order to keep the workforce fit, healthy and able to continue in work. There are 5 project officers, one located within each of the Tees Valley Local Authorities, offering advice and support to SME's, in particular those businesses that do not have designated HR resources.
- 'The Future of Offshore Wind' conference has been scheduled for 21 October at Hardwick Hall and is free of charge. The event will provide the prospective supply chain with a greater understanding of emerging opportunities for market entry and growth.
- Business Link is hosting a fully funded Procurement training course on 6 October at the Wynyard Rooms. The course will identify contract opportunities, the tendering process, and how to win contracts.
- The 'Over the Threshold' project, which offers vital support to small businesses experiencing barriers to their growth, has to date, offered support to more than 20 local businesses.

ECONOMIC SUPPORT MEASURES

HOUSING AND DEVELOPMENT

KEY STATISTICS

Monthly Housing Benefit Workload August 2009 – 8,749 July 2010 – 8,694 August 2010 – 10,447	Applications on the Council's Housing Register (including transfers) August 2009 – 2,425 July 2010 – 3,621 August 2010 – 3,956
Number of households accepted as homeless by the Housing Options Service August 2009 - 7 July 2010 – 2 August 2010 - 0	Number of housing options customers seeking assistance with mortgage/rent arrears August 2009 - 28 July 2010 - 56 August 2010 – 42
Number of approaches to the Housing Options service August 2009 - 228 July 2010 - 246 August 2010 - 277	
Number of House Sales in the borough (source: land registry) May 2009 - 168 April 2009 – 154 May 2010 - 150	Average monthly House Prices in the borough (source: land registry) June 2009 – £112,846 June 2010 – £119,081 July 2010 - £116,392

- 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>
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 13.9.10)	39	22

STOCKTON BOROUGH COUNCIL RESPONSES

- The Stockton Riverside International Festival (SIRF) and Stockton Riverside Fringe Festival has reported visitor numbers around the 100,000 level. Each person who visited, contributed between £11 and £40 to the local economy, which totals around £1.1 to £4 million to the local economy.
- Works are well underway to improve Preston Hall Museum & Park's river jetty and pathway, as part of Stockton Council's ongoing £7million redevelopment of the site. A brand new jetty is currently being installed by Stockton Council, in partnership with civil engineering specialists, Birse Civils. This replaces the former jetty which had been worn out after many years of use.
- Footfall figures continue to rise in Stockton Tourist Information Centre, with 2,296 desk enquiries in August 2010, compared with 850 in August 2009. Although SIRF statistics are captured separately, the impact of the festival and increased number of visitors into the Town Centre will have impacted on the general levels of enquiries.
- Stockton Borough Council continues to support a number of businesses via its Grant schemes. Since April 2010, a total of £22,870 has been awarded to 34 start-up businesses, and £10,250 to 3 existing companies.