

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 December 2010 update.

EMPLOYMENT AND BUSINESS

ENGINEERING/MANUFACTURING/CHEMICAL

Positive

- **AMEC**, based on Teesdale, is playing a key design role in a Carbon Capture and Storage (CCS) scheme for National Grid in Fife. It is a study project ahead of a bid to bring a CCS scheme to Teesside.
- **UPDATE: PD Ports** has started the ground works at its Teesport facilities, as part of its multi-million pound expansion project.
- **UPDATE: Tees Alliance Group** of Billingham has confirmed a number of key appointments for its new offshore wind production facility. The new recruits will be part of the 100 strong workforce that is being assembled to operate the facility, expected to be operational in Spring 2011.
- **Cotsworld Manufacturing**, has moved to new premises on Teesside Industrial Estate. It currently employs 27 people and is forecasting further growth for 2011/12. An additional three new employees are expected to be recruited by the end of March 2011.
- An international aerospace project is moving into Stockton Business Centre. **Radiola Aerospace**, a New Zealand business, who specialise in the calibration of flight landing and navigation equipment, hope to create 5 new jobs.
- **Total Control & Distribution** who manufacture and distribute parts to the wholesale electrical market, have won the Rittal Distributor of the year award. The company, who employ 7 staff, have re-located to Preston Farm Industrial Estate, and received a Capital Grant from Stockton Borough Council to assist with equipment to diversify into new markets.

SERVICE SECTOR/RETAIL

Positive

- **Co-operative Funeral Care** of Norton Road in Stockton has invested £250,000 in its business, with a new fleet of vehicles.
- Billingham-based **Cosyseal** has been appointed to install insulation on a green housing project in Middlesbrough.
- **Vivid Cleaning Products** are re-locating from Stockton Business Centre into bigger premises on Portrack Lane after securing a large contract.
- **Orrick Marketing Solutions Limited** is due to move into Stockton Business Centre.
- Stockton-based car dealership, **Simon Bailes Peugeot** is positioning itself as a flagship electric car dealership by installing charge points, and is also receiving delivery of its latest 100% electric vehicles.
- **B & M Bargains** is opening a new outlet in Billingham Town Centre, creating a total of 40 new jobs. The store is planned to open in the summer and is taking over the former KwikSave unit on Queensway.
- Stockton-based **Jomast Developments** has announced that work is about to start on the £4 million restoration of the **Globe Theatre** in Stockton. In partnership with Stockton Borough Council, the rejuvenated Globe will create 23 new permanent and 72 construction jobs.

ECONOMIC INDICATORS

GENERAL INDICATORS

Numbers on JSA	December 2009	November 2010	December 2010	% WA pop	Change in Month	%	Change in year	%
Stockton	6,796	6,151	6,223	5.0	72	1.2	-573	-9.2
Tees Valley	26,207	24,498	25,090	5.9	592	2.4	-1,117	-4.5
NE	85,625	78,485	79,409	4.7	924	1.2	-6,216	-7.8
GB	1,513,921	1,356,439	1,368,310	3.5	11,871	1.0	-145,611	-10.6

- The total number of people on JSA increased for a fourth month in a row, with Stockton seeing a 1.2% increase in December.
- Nationally, the number of claimants increased by 1.0% in December.

New Claims to JSA	December 2009	November 2010	December 2010	Change in month	%	Change in year	%
Stockton	1,166	1,206	1,206	0	0.0	40	3.3
Tees Valley	4,353	4,692	4,864	172	3.5	511	10.5
NE	15,802	16,367	16,169	-198	-1.2	367	2.3
GB	281,891	299,468	282,543	-16,925	-6.0	652	0.2

- The number of new JSA claimants has increased across Tees Valley in the past month, with numbers remaining static in Stockton, whilst nationally the number reduced.
- Tees Valley has seen a 10.5% increase in the number of new JSA claimants since the same period last year.

Vacancies Notified	Dec 2009	Nov 2010	Dec 2010	Change in month	%	Change in year	%
Stockton	712	981	790	-191	-19.46	78	10.95
Tees Valley	2,769	3,106	2,721	-385	-12.39	-48	-1.73
NE	10,836	15,113	12,133	-2,980	-19.71	-1,297	11.96
GB	262,546	352,697	266,393	-86,304	-24.46	3,847	1.46

- There were **790** vacancies notified in Stockton in **December 2010**, **191 less** than in **November 2010**, including **81** in Public Administration, Health & Education, **496** in Banking, Finance & Insurance, **153** in Distribution, Hotels & Restaurants, **10** Construction jobs and **15** Manufacturing jobs.

Unfilled Vacancies	Apr 10	May 10	June 10	July 10	August 10	October 10	November 2010	December 2010
No's on JSA	6,405	6,180	6,022	5,995	6,087	6158	6,151	6,223
Vacancies Unfilled	670	766	564	856	658	936	826	681
Jobseekers per vacancy	9.6	8.1	10.6	7.0	9.3	6.6	7.4	9.13

- Stockton had 681 unfilled vacancies in **December 2010**, **196** in Public Administration, Health & Education, **330** in Banking, Finance & Insurance, **92** in Distribution, Hotels & Restaurants, **11** Construction jobs and 8 Manufacturing jobs.

SUPPORT FOR PEOPLE

- Businesses across the North East are being encouraged to consider taking on an apprentice. Working in partnership with the National Apprenticeship Service, the Evening Gazette and The Journal '100 in 100 campaign', they aim to generate 100 apprenticeships in 100 days. Stockton Borough Council is supporting the campaign and co-ordinating the efforts of learning providers across the borough to raise the profile of apprenticeship opportunities.
- As of December 2010 the Communities Fund has engaged with 2,481 people. 826 people have secured employment – 246 have been in post for 6 months or more.
- A new website is helping young people in Stockton to choose careers which mean they can continue living, working and earning in the area. The Stockton Wall at www.stocktonwall.co.uk, which was launched on the 18 January, is packed with information on local careers and industries.
- 100 residents have received a minimum of 3 hours of enterprise coaching in the period October-December 2010 via the Stockton Enterprise Gateway Project. Since October 2009 the total number of residents receiving assistance is 437.

SUPPORT FOR BUSINESSES

- A total of 19 project proposals have been endorsed by the LEP for submission to Round 1 of the Regional Growth Fund. The total proposal is £80.9m, of which £37.2m is for private sector led businesses, with public-private partnerships seeking a further £43.7m for economic development, transport infrastructure and housing projects.

ECONOMIC SUPPORT MEASURES

HOUSING AND DEVELOPMENT

KEY STATISTICS

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

<p>Monthly Housing Benefit Workload</p> <p>December 2009/January 2010 – 15,569</p> <p>October 2010 – 8,743</p> <p>November 2010 - 10,825</p> <p>December 2010/January 2011 – 19,631 (Significant increase of 26% mainly due to increased numbers of people reporting changes of circumstances. It is possible that this may indicate earlier receipt of expected benefit changes in 2011/12, rather than an increase due to the economic climate)</p>	<p>Applications on the Council's Housing Register (including transfers)</p> <p>January 2010 – 3,135</p> <p>October 2010 – 4,117</p> <p>November 2010 – 4,181</p> <p>December 2010 – 4,272</p> <p>January 2011 – 4,348</p>
<p>Number of households accepted as homeless by the Housing Options Service</p> <p>January 2010 - 2</p> <p>October 2010 – 6</p> <p>November 2010 – 5</p> <p>December 2010 – 5</p> <p>January 2011 - 2</p>	<p>Number of housing options customers seeking assistance with mortgage/rent arrears</p> <p>January 2010 - 21</p> <p>October 2010 – 47</p> <p>November 2010 – 24</p> <p>December 2010 – 24</p> <p>January 2011 - 43</p>

Number of approaches to the Housing Options service January 2010 - 309 October 2010 – 250 November 2010 – 231 December 2010 – 141 January 2011 - 274	
Number of House Sales in the borough (source: land registry) October 2009 - 187 July 2010 – 212 August 2010 – 191 September 2010 – 162 October 2010 - 183	Average monthly House Prices in the borough (source: land registry) December 2009 - £115,670 September 2010 - £116,915 October 2010 - £115,241 November 2010 – £116,448 December 2010 - £117,066

Stockton and District Advice and Information Service (SDAIS) statistics

Type of Support/Advice	October 09 – December 09	October 10 – December 10
Welfare Benefits	2362	2288
Debt	3482	3349
Employment	562	529
Housing	729	671
Family	181	233
All Enquiries	8243	8070

Next update: April 2011

- 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 to the end of December 2010.

<u>Month / Quarter</u>	<u>Applications</u>	<u>Approvals</u>
October to December 2009 (Q3)	71	64
January to March 2010 (Q4)	69	48
April to June 2010 (Q1)	56	35
July to September 2010	43	23
October to December 2010	19	10

STOCKTON BOROUGH COUNCIL RESPONSES

- Update:** Stockton Enterprise Arcade, an initiative to allow test trading for aspiring businesses in Stockton, is to open from the middle of February 2011. A total of 5 businesses that are new to the retail market have been selected and will operate in the building for up to 6 months.
- The Stockton Sparkles Festival once again proved a success, despite the poor weather conditions. The Christmas Market attracted a total of 28 traders, with each confirming that they would like to return for the event in 2011. Due to the success, a Craft Market is being planned for June.
- Over the festive period, the Castlegate Centre reported pre-Christmas trading up by 6%, with Wellington Square also reporting increased trading.