

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 February 2011 update.

EMPLOYMENT AND BUSINESS

ENGINEERING/MANUFACTURING/CHEMICAL

Positive

- **Fujifilm Corporation** have announced the acquisition of Billingham based **MSD Biologics**. The acquisition is part of Fujifilm's long term plan to become a Healthcare/Pharmaceutical Company. As part of the sale, MSD will be retained as a long term partner to provide services.
- **Update:** the deal to sell the former **Corus** plant from Tata Steel to **SSI** of Thailand has been officially signed. The definitive sale agreement covers certain assets of Teesside Cast Products in a deal valuing the business at £291m. The deal is to create 800 jobs at the site, adding to TCP's current workforce of around 700.
- Government have confirmed the £4.5bn contract with **Hitachi** to build a fleet of trains in Newton Aycliffe. More than 500 permanent jobs will be based at the new European assembly and manufacturing plant, with 9,000 more jobs created in the supply chain in the North East.
- **Update:** Stockton based environmental firm **Cbio** is developing a new product for air conditioned products. It builds on the success of a recent product, where sales have doubled year on year since its launch in 2007.
- **Air Products** have submitted a planning application for a Tees Valley Renewable Energy Facility, at the New Energy Technology Park near Billingham. It would see pre-processed household and commercial waste, converted into renewable power for 50,000 homes in the North East.

SERVICE SECTOR/RETAIL

Positive

- Yarm based consultancy, **FiveBarGate**, is helping to shape Government policy on Britain's emerging biofuels industry. Last year they were commissioned by the Renewable Fuels Agency to review the impact of biofuels industry.
- Online health and fitness resource **i-exercise**, based on Preston Farm, has expanded its website to cater for professionals helping clients lead a healthier lifestyle. Previously the business has received a start-up grant from Stockton Borough Council.

ECONOMIC INDICATORS

GENERAL INDICATORS

Numbers on JSA	January 2010	December 2010	January 2011	% WA pop	Change in Month	%	Change in year	%
Stockton	7,116	6,223	6,543	5.2	320	5.1	-573	-8.0
Tees Valley	27,496	25,090	26,708	6.3	1,618	6.4	-788	-2.9
NE	90,769	79,409	83,936	5.0	4,527	5.7	-6,833	-7.5
GB	1,597,855	1,368,310	1,445,379	3.7	77,069	5.6	-152,476	-9.5

- The total numbers of claimants has risen by 5.1% in January compared to December in Stockton.
- The claimant level is still 8% lower than same period last year in Stockton and 9.5% less across Great Britain.

Numbers on JSA (18-24 years)	January 2010	December 2010	January 2011	Change in Month	%	Change in year	%
Stockton (18-24 years)	2,255	1,890	1,965	75	4.0	-290	-12.9
Total JSA Claimants	7,116	6,223	6,543	320	5.1	-788	-8.0
% (18-24)	31.7	30.4	30.0	n/a	0.3	n/a	1.7

- In Stockton number of JSA claimants (aged 18-24) has reduced by 12.9% in the past year.
- All areas have shown an increase in claimants from December to January, due to people returning to benefits following seasonal employment.

New Claims to JSA	January 2010	December 2010	January 2011	Change in month	%	Change in year	%
Stockton	1,565	1,205	1,620	415	34.4	55	3.5
Tees Valley	5,565	4,865	6,200	1,335	27.4	635	11.4
NE	20,910	16,170	20,765	4,595	28.4	-145	0.7
GB	351,585	282,545	357,030	74,485	26.4	5,445	1.5

- Significant increase across all areas of the borough in terms of new JSA claimants, with largest increase seen in Stockton with a rise of 34.4%.

Vacancies Notified	January 2010	Dec 2010	January 2011	Change in month	%	Change in year	%
Stockton	782	790	660	-130	-16.5	-122	-15.6
Tees Valley	3,049	2,721	2,577	-144	-5.3	-472	-15.5
NE	10,978	12,133	10,616	-1,517	-12.5	-362	-3.3
GB	222,171	266,393	233,983	-32,410	-12.2	11,812	5.3

- There were **660** vacancies notified in Stockton in **January 2011**, **130 less** than in **December 2010**, including **111** in Public Administration, Health & Education, **359** in Banking, Finance & Insurance, **56** in Distribution, Hotels & Restaurants, **39** Construction jobs and **10** Manufacturing jobs.

Unfilled Vacancies	May 10	June 10	July 10	August 10	October 10	November 2010	December 2010	January 2011
No's on JSA	6,180	6,022	5,995	6,087	6,158	6,151	6,223	6,543
Vacancies Unfilled	766	564	856	658	936	826	681	545
Jobseekers per vacancy	8.1	10.6	7.0	9.3	6.6	7.4	9.13	12.0

- Stockton had 545 unfilled vacancies in **January 2011**, **200** in Public Administration, Health & Education, **210** in Banking, Finance & Insurance, **33** in Distribution, Hotels & Restaurants, **24** Construction jobs and **6** Manufacturing jobs.

SUPPORT FOR PEOPLE

- Update: the '**100 in 100 campaign**' campaign between the National Apprenticeship Service, Evening Gazette and The Journal has increased its original targets. The revised target is to create 500 apprenticeship places in 100 days, following the schemes initial success, in achieving 214 in three weeks.
- As of January 2011 the **Communities Fund** has engaged with 2,528 people. 890 people have secured employment – 303 have been in post for 6 months or more.
- Through the **Enterprise Culture Project**, 374 learners have been involved in 'intensive enterprise activities' (>15 hours) and 2130 learners have been involved in 'enterprise awareness activities' (<15 hours). In addition and 6 new businesses have joined the Steering Group.
- Job Centre Plus are actively engaging with local employers and other organisations to encourage them to set-up or support **Work Clubs** to encourage more sharing of skills and experience. They would design and run Work Clubs with advisers, signposting customers to those available locally. There are currently 6 work clubs operating around the Borough of Stockton.

SUPPORT FOR BUSINESSES

- '**If we can, you can**' challenge is due to be launched on 14 March 2011, with applications accepted through to 8 May 2011. The North East wide competition is looking to find individuals to be crowned a Face of Entrepreneurship 2012.
- The '**North East Business Barometer**' in partnership with Barclays for Q4 2010 has been published. It shows an encouraging picture, with balances for domestic sales and orders at their highest level since early 2008, and exports still performing strongly. However, this has yet to feed through into increases in workforce or other investment, and it appears growth still needs to be strengthened and sustained before this confidence returns across the board. There is also a marked discrepancy between manufacturing and services firms, with the former much more positive.
- The data below provides a breakdown of the support provided by **Business Enterprise North East** (BENE) during Quarter 3 2010/11.

	Q3
Pre Start The number of individuals that are investigating starting up a business that have been assisted by BENE in the period	387
Start Up Number of new businesses that have been established within the Quarter, and have had some pre-start assistance	33
Businesses Assisted The number of businesses assisted during the period (including assisted start-ups)	471
Skills The number of businesses that have had an intervention by a BENE skills broker in the specified period	103
Survivals Assisted Start-ups surviving 12 months - Number of businesses that BENE have assisted, that are still operating after 12 months	100

ECONOMIC SUPPORT MEASURES

HOUSING AND DEVELOPMENT

KEY STATISTICS

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

Monthly Housing Benefit Workload	Applications on the Council's Housing Register (including transfers)
February 2010 – 8,790	February 2010 – 3,270
December 2010/January 2011 – 19,631	January 2011 – 4,348
February 2011 - 9,912	February 2011 – 4,349

<p>Number of households accepted as homeless by the Housing Options Service</p> <p>February 2010 - 6</p> <p>January 2011 – 2</p> <p>February 2011 - 6</p>	<p>Number of housing options customers seeking assistance with mortgage/rent arrears</p> <p>February 2010 - 42</p> <p>January 2011 – 43</p> <p>February 2011 - 53</p>
<p>Number of approaches to the Housing Options service</p> <p>February 2010 - 277</p> <p>January 2011 – 274</p> <p>February 2011 - 326</p>	
<p>Number of House Sales in the borough (source: land registry)</p> <p>November 2009 - 197</p> <p>October 2010 – 183</p> <p>November 2010 - 206</p>	<p>Average monthly House Prices in the borough (source: land registry)</p> <p>January 2010 - £115,112</p> <p>December 2010 - £117,066</p> <p>January 2011 - £115,900</p>

* Reductions in November and December are due to the change in the way the service is provided (noted in November's report) and due to seasonal variations. The months before Christmas are traditionally quieter as residents give less attention to seeking housing advice. The increase in January reflects that seasonal variation.

STOCKTON BOROUGH COUNCIL RESPONSES

- Stockton Town Centre Prospectus will be launched on the 10 March with a series of public consultation events for 3 weeks. A unit on the High Street will be occupied by officers with information on proposals available to members of the public. Comments can be submitted via feedback forms available in the town centre unit and on the Council's website, Twitter and Facebook pages. The document presents proposals for the redevelopment of the town centre across a number of years.
- Stockton Borough Council officers carried out 24 business engagement visits in January 2011. Of the visits, 14 businesses were expressing growth potential, 6 were general enquiries, 3 seeking retail support, 1 IT assistance and 1 relating to redundancies. There has also been an increased number of general business enquiries, both by phone and internet.
- The Stockton Borough Council Small Business Grant scheme has issued a total of 106 grants in the past year: 93 start-up grants totalling £67k and 13 established grants totalling £33k.
- Stockton Enterprise Arcade is open for business in Unit 147, High Street. The five tenants are receiving ongoing support from a specialist Business Support and PR Company, which will continue for the lifetime of the scheme.
- Tees Achieve has received CITB Accreditation Centre status, which will improve opportunities for construction apprenticeships in Stockton and links directly to the work of the labour market co-ordinator.