

ECONOMIC CLIMATE UPDATE REPORT

EMPLOYMENT AND BUSINESS

ENGINEERING/MANUFACTURING/CHEMICAL

Positive

- **Owen Pugh** and subsidiary company **HCS Drain Services** are co-locating two sites currently situated outside the Tees Valley, into a more centralised site, on the Arkgrove Industrial Estate, Portrack. The company plans to employ 30 staff at its new base.
- **Huntsman Pigments**, have announced plans to create a new global business centre at Wynyard Business Park. They are taking a 54,000 sq ft building that will include purpose built offices and creating 31,000 sq ft of innovative new laboratory space, to house its 290 employees.
- **Acquilo Environmental** has bought premises at Teesside Industrial Estate to house its environmental and waste management specialists and equipment.
- Property Developer **Terrace Hill**, which has a large office in Stockton, has seen its profits grow in last six months.
- **Storage and Handling Equipment (SHE) Ltd** have taken a lease on the 150,000 square foot, former Samsung factory at Cowpen Lane Industrial Estate. They specialise in the assembly of shopping trolleys for the retail sector.
- Billingham-based **SC Consulting Engineers**, is looking to boost its workforce by a third, following an upturn in work. The company which has recently won a string of orders, currently employs 16 staff.
- **K Home International** based in Thornaby have secured a £212m contract for a Saudi Arabian mining company in Ma'aden.
- An Engineering and design company has been launched called **Nortech Solutions** based at Wynyard, which hopes to create 25 jobs in the first year.
- **Update: Fujifilm** has now completed its takeover of MSD Biologics UK, which employs a total of 480 people in Billingham. The company has now changed its name to Fujifilm Diosynth Biotechnologies (FDB).
- **NPL Estates** plans to use an anhydrite mine beneath the former ICI site in Billingham as long-term storage. Stockton Borough Council Planning Committee have approved the scheme. The development will create 50 construction jobs and 30 full time jobs.
- **AMEC** has won a contract worth more than £30m to prepare a Tees Valley Plant, to process gas from a new field. Work will be carried out at the Teesside Gas Processing Plant (TGPP) at Seal Sands. The work will safeguard around 100 jobs at AMEC's Wynyard Park office.
- **Update: Nifco UK** has started work on its new £8.5m state-of-the-art facility, at Durham Lane, Stockton, which will create 128 new jobs and safeguarding 158. Building of the factory is expected to be complete by November, with the plant operational in the first quarter of 2012.
- **Pearson-Harper** an engineering and information management business based in Billingham, has confirmed the appointment of 22 new staff, to help manage new orders from Australia.
- There are positive signs of growth in a number of companies all of which are advertising jobs. **Sabic** (Teesside Industrial Estate) are advertising five new posts and a further one each are being advertised at **Huntsman** (currently at Haverton Hill) and **Grow How** (Billingham).

Negative

- 390 jobs are at risk at **Tata Steel**, at its Long Products facilities at Lackenby, Skinningrove and Darlington, in addition to the Pipe Mill at Hartlepool. The company is carrying out a major review as there is a declining market for steel, particularly following the collapse of the construction industry.

SERVICE SECTOR/RETAIL

Positive

- A new coffee shop has opened on Church Rood called **Flavours**.
- Clothing store in Yarm, **Social Store**, has reported that monthly sales have hugely exceeded expectations in its early months of trading. Turnover is expected to be close to £500,000 in its first year.
- **Visualsoft** based on Portrack Lane in Stockton has taken on six apprentices as it looks to invest in young people to assist them with its growth plans.
- **Onyx**, of Portrack Interchange has acquired its second data centre in as many months. The 22,000 square foot centre in South Yorkshire, is in addition to a centre also purchased in North Yorkshire in March.
- **Tristar Homes, part of the Vela Group** has appointed Frank Haslam Milan and The Apollo Group, as well as its own contract services team, as strategic partners for its £140m home modernisation project in Stockton. Both organisations have pledged to provide local job opportunities during the course of refurbishment work, including apprenticeships and training opportunities.
- **Smyths Toy Store** have taken a 20 year lease on a 20,000 square foot building on the former Big W site at Portrack Lane. This has led to full occupancy of the former superstore, with other tenants being The Range, B & M and Discount UK.
- **HMRC** which has an office on Teesdale, have advertised 100 temporary fixed term jobs, which may last until March 2012.
- **Tees Active**, which operates Stockton Borough Council leisure facilities, has announced 38 new job opportunities in the area. The jobs, both full and part time are available at Billingham Forum, Thornaby Pavilion, Thornaby Pool, Splash and Tees Barrage International White Water Course.
- **Poundstretcher** has opened a new store in Thornaby Town Centre, creating seven new jobs.
- **Castle & Anchor Pub** has been bought by national chain, Amber Taverns and is currently undergoing a major refurbishment.
- **The Midnight Special Bar** has opened on Stockton High Street, in the former CJ's Bar, creating three new jobs.
- **Dawson & Sanderson Travel Agents** are due to expand and relocate into the former Internacionale store on Stockton High Street.
- **Billingham's Belasis Hall Business Park** has been sold to property fund manager Highcross. The park is currently 95% occupied, with tenants including Johnson Matthey, ABB and QSI Group.

Negative

- **Staples Office Superstore** has closed down its store on Portrack Lane and has consolidated its operations at its outlet at Teesside Park, with no job losses reported.

ECONOMIC INDICATORS

Numbers on JSA	April 2010	March 2011	April 2011	% WA pop	Change in Month	%	Change in year	%
Stockton	6,405	6,608	6,634	5.3	26	0.4	229	3.6
Tees Valley	25,452	26,727	26,470	6.2	-257	-1.0	1,018	4
NE	83,227	83,905	84,610	5.0	705	0.8	1,383	1.7
GB	1,512,278	1,466,985	1,461,644	3.7	-5341	-0.4	-50,634	-3.3

- For the sixth consecutive month, the total numbers of claimants has risen in Stockton (0.4% in April), which is above the level seen across Great Britain, which showed a 0.4% decrease.
- Total JSA claimants in Stockton are above those levels seen at same period last year (3.6% increase). Nationally there is a 3.3% decrease on total claimant levels.

New Claims to JSA	April 2010	March 2011	April 2011	Change in month	%	Change in year	%
Stockton	1,115	1,280	1,495	215	16.8	380	34
Tees Valley	4,090	4,780	5,680	900	18.8	1590	38.9
NE	14,540	16,215	20,330	4,115	25.4	5,790	40
GB	261,695	299,395	354,265	54,870	18.3	92,570	35.3

- Significant increase across all areas in terms of new JSA claimants, with 16.8% increase in Stockton, slightly below the national average of 18.3%.

Numbers on JSA (18-24 years)	April 2010	March 2011	April 2011	Change in Month	%	Change in year	%
Stockton (18-24 years)	1,945	2,060	2,065	5	0.2	120	6.2
Total JSA Claimants	6,405	6,608	6,634	26	0.4	229	3.6
% (18-24)	30.4	31.1	31.1	n/a	0.2	n/a	0.7

- In Stockton the number of JSA claimants (aged 18-24) has increased by 6.2% in the past year.

Vacancies Notified	April 2010	March 2011	April 2011	Change in month	%	Change in year	%
Stockton	907	696	1,199	503	72.2	292	32.2
Tees Valley	3,352	2,755	4,129	777	28.2	777	23.2
NE	13,633	13,150	17,327	3,694	28.1	3,694	27.1
GB	297,741	291,164	370,714	79,550	27.5	72,973	24.5

- There were **1,119** vacancies notified in Stockton in **April 2011**, 503 more than in **March 2011**, including **345** in Public Administration, Health & Education, **512** in Banking, Finance & Insurance, **132** in Distribution, Hotels & Restaurants, **32** Construction jobs and **44** Manufacturing jobs.

Unfilled Vacancies	August 2010	October 2010	November 2010	December 2010	January 2011	February 2011	March 2011	April 2011
No's on JSA	6,087	6158	6,151	6,223	6,543	6,596	6,608	6,634
Vacancies Unfilled	658	936	826	681	545	743	611	740
Jobseekers per vacancy	9.3	6.6	7.4	9.13	12.0	8.9	10.8	8.9

- Stockton had 740 unfilled vacancies in **April 2011**, **235** in Public Administration, Health & Education, **280** in Banking, Finance & Insurance, **108** in Distribution, Hotels & Restaurants, **25** Construction jobs and **9** Manufacturing jobs.
- Nationally Stockton compares favourably against many of parts of the UK in terms of the number of job seekers per vacancy. As highlighted above the current rate in Stockton is 8.9, compared to 40.3 in West Dunbartonshire, 29.3 in Haringey, 22.9 in Hackney and 19.1 in Lambeth.

SUPPORT FOR PEOPLE

- The Evening Gazette and The Journal's campaign to create a 100 apprenticeship places over 100 days, has been a huge success after surpassing its target of 100 apprentices, with a total of 1,355.
- Stockton Borough Council has worked with Nordic Pioneer (experts in Training and Environmental services) in organising a recruitment event to fill 24 apprenticeship posts. 80 applicants were received and all positions filled.
- **Communities Fund** - to date in 2010/11 (April to March) the Communities Fund providers have engaged with 1,075 people, helping 659 into work, of whom 329 have sustained that employment for six months.
Since the start of the Communities Fund (April 2009 to March 2011) the three providers have engaged with 2,716 people, helping 1,037 people into work, of whom 401 have sustained that employment for six months.
- **Work Programme** - the successful preferred delivery partners for the Work Programme have been announced, for the North East the successful bidders were Avanta Enterprise UK Ltd (TNG) and Ingeus UK Ltd (both private sector companies).

The table below shows the breakdown of expected subcontractor activity across each sector by both Providers. Please note, these percentages relate to the North East as a whole and we are unable to break it down to Stockton at this stage.

	Avanta Enterprise UK Ltd (TNG)	Ingeus UK Ltd
Voluntary	30.00%	15.71%
Public	21.00%	3.10%
Private (incl SMEs/Third sector)	2.00%	31.78%

- **New Enterprise Allowance Scheme** – expressions of interest to operate the mentoring and loan scheme closed on Friday 8 April.

SUPPORT FOR BUSINESSES

- The second round of Regional Growth Fund (RGF) opened on 12 April. The £1.4bn programme of support for businesses, allocated £26m to Tees Valley companies in round one earlier this year. A series of briefing events have been hosted by Tees Valley Unlimited, with the Stockton event held on 23 May.
- On the back of the launch of second round of RGF, The Evening Gazette along with The Journal have teamed up with Business & Enterprise North East, to launch the 'Let's grow' campaign. The aim is to put together bids from smaller firms, to form a consortium of projects, which will ask for more than the £1m grant threshold.
- From October 2011 there will be improved, and personalised support on the Business Link website for anyone who wants to work for themselves or who has recently started a business. A range of tools, guides, interactive learning and checklists which have been tested by people with businesses will be available.
- HSBC has launched an initiative called "Business Thinking" to identify and support the UK's leading businesses, stimulate international growth and reward British companies that can demonstrate true innovation. HSBC is looking for 18 businesses who could benefit from up to £6 million of lending, have the opportunity to go on one of five global Thought Exchanges and receive a financial reward of up to £120,000.
- A new £2.5 billion equity investment fund has been established to help small and medium sized businesses with an annual turnover of around £10m to £100m. It is backed by Barclays, HSBC, Lloyds, RBS and Standard Chartered and is working in collaboration with the British Bankers Association. The Business Growth Fund will invest between £2 million and £10 million per

business in return for a minimum 10 per cent equity stake and a seat on the board for a BGF director.

- Business Generator workshops are being held which will demonstrate how people can compete effectively for Tristar and other construction/social housing contracts. The workshops are scheduled for 8 and 14 June, 9.30-3.30pm at the Wynyard Rooms.
- There are grants available through the home working fund, to help companies employ Home Workers across the North East. The Home Working Fund can provide direct financial support, up to a maximum of £3,000 per full time equivalent worker. The £1.1m Fund is open until September 2011 and is designed towards the costs of establishing home workers.
- The final two eMarketing sessions for SME's are to be held in June. Search Engine Optimisation is on the 7th June and Social Media Marketing is on the 21st June. The workshops are part of the 'Over the Threshold' Project and are free to Stockton businesses.
- The results of round one of the Regional Growth Fund have been announced, with the Tees Valley receiving funding for five projects, securing more than £26m of funding. This will result in around £100m of capital investment, creating over 1,200 new jobs and safeguarding a further 1,400. Stockton based Nifco UK, was awarded £1.65m, to help assist with its expansion.

Within the Tees Valley, the other projects awarded funding are:

- **Cleveland Potash** – have received funding of £15m towards the world's first commercial production of polyhalite.
- **Lotte Chemical UK** – given approval for £6.7m of funding towards the construction of a new Polyethylene Terephthalate manufacturing plant, to be built upon its existing Wilton assets.
- **AV Dawson** – has received £1.2m of support towards the development of its Bio-Freight Terminal.
- **SSI** – has secured £1.2m of funding towards training after finalising the deal to buy Teesside Cast Products.

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>April 2010 – 7,507</p> <p>February 2011 - 9,912</p> <p>March 2011 – 12,048*</p> <p>April 2011 - 7,927**</p>	<p>Applications on the Council's Housing Register (including transfers)</p> <p>April 2010 – 3,665</p> <p>January 2011 – 4,348</p> <p>February 2011 – 4,349</p> <p>March 2011 – 3,836</p> <p>April 2011 - 3,820</p>
<p>Number of households accepted as homeless by the Housing Options Service</p> <p>April 2010 - 5</p> <p>January 2011 – 2</p> <p>February 2011 – 6</p> <p>March 2011 – 9</p> <p>April 11 - 4</p>	<p>Number of housing options customers seeking assistance with mortgage/rent arrears</p> <p>April 2010 - 39</p> <p>January 2011 – 43</p> <p>February 2011 – 53</p> <p>March 2011 – 40</p> <p>April 2011 - 42</p>

Number of approaches to the Housing Options service April 2010 - 275 January 2011 – 274 February 2011 – 326 March 2011 – 292 April 2011 – 216*	
Number of House Sales in the borough (source: land registry) January 2010 - 111 October 2010 – 189 November 2010 – 214 December 2010 -184 January 2011 - 108	Average monthly House Prices in the borough (source: land registry) March 2010 - £118,978 December 2010 - £116,520 January 2011 - £117,078 February 2011 - £114,356 March 2011 - £112,253

* Increase in March is predominantly due to tenants being notified of annual private sector rent increases around this time which can lead to changes in housing benefit entitlement and an increase in workload for the Benefit Service.

** Reduction in April likely to be due to the closure of the service due to 3 bank holidays in the month.

Stockton and District Advice and Information Service (SDAIS) statistics

General	2009/10 January 10 – March 10	2010/11 January 11 – March 11
Welfare Benefits	2351	2806
Debt	3552	3646
Employment	561	658
Housing	874	771
Family	162	268
All Enquiries	8376	9319

Next update: July 2011

STOCKTON BOROUGH COUNCIL RESPONSES

- The first phase of development at **Northshore** is under way with the Home Zone Phase 1, which is adjacent to David Lloyd Leisure Centre at the platform edge of the site and will bring forward 50 units (including 15 affordable units). Remediation works and a start on site of the housing development commenced on 21.3.11. A sales presence will be on site by 15.8.11 and completion of the two show homes by the first week of November.
- **Enterprise Zones** - Tees Valley was named as a one of the first four areas to be awarded 'Enterprise Zone' status. There is currently no 'pre-defined site', with discussions currently on-going with the Local Enterprise Partnership to identify a suitable location within the Tees Valley.
- **Stockton Town Centre Prospectus** has been launched, the improvements will be implemented over a 5 year period, with work commencing later this year. Broad consultation has been on-going for the past month, with views and opinions being canvassed from a diverse section of the community, via a shop unit on Stockton High Street (1,700 people have visited), feedback forms (200 completed), website (12,000 hits), Twitter and Facebook. In addition a number of presentations have been made to community groups and thematic partnerships in the borough.