

ECONOMIC CLIMATE UPDATE REPORT

This report summarises the positive and negative economic changes that have taken place in the Borough during August and September 2011.

EMPLOYMENT AND BUSINESS

ENGINEERING/MANUFACTURING/CHEMICAL

Positive

- Stockton based industrial safety device supplier, **Lockout Tagout Safety Ltd**, has expanded rapidly over the past two years through the employment of apprentices.
- Billingham based **TAG Energy Solutions** has secured its first contract since completing its £20 million off-shore wind turbine facility at Haverton Hill. It will see them producing a test pile that will be used in trial fitting clamps for DONG Energy's Siri field in the Danish North Sea.
- The £16.7 million expansion of **PD Port's** container terminal is continuing with the delivery of four new rubber-tyres gantry cranes which are the only ones of this type supplied to the UK market. The Redcar steel plant will also start producing steel slab again under new owners SSI on December 8th after almost 2 years, creating more than 50 jobs at the port.
- Engineering firm **AMEC** has posted a rise in revenues and earnings following a number of major contract wins. The company employs more than 500 staff at its Wynyard and Darlington sites, employing a total of 27,000 people in circa 40 countries.
- Engineering information management specialist, **Pearson - Harper** has employed 13 more staff at their headquarters in Billingham (Belasis) after securing a £6.25m contract in Australia.
- Thornaby based, **Cotswold Manufacturing** which makes doorsets, doorkits and internal glazed screens is working closely with Stockton Council's Tees Achieve service to help place apprentices. They have employed 4 joinery apprentices to date and are considering employing a Business Administration apprentice in future.
- Engineering firms such as **Oceaneering** (Bowesfield) and **Resilient Power Solutions** (Belasis) have been recruiting a small number of additional staff recently.

SERVICE SECTOR/RETAIL

Positive

- Stockton based, **Franks the Flooring Store** has opened four new stores across Tyneside, Teesside (Hartlepool) and Northumberland, bringing the total to 32 stores and creating an additional 8 jobs.
- **B Safe Driver Training** which has a base in Stockton has signed a four year £2m contract to train soldiers at one of the UK's largest army bases. B Safe will now recruit 12 self-employed driving instructors for the new contract.
- **Wynyard Business Park** is to expand after having fully let the 10,000 sq ft Wynyard Park House in just over a year. An extra 5,000 sq ft is set to be added.
- **H&M** is opening at Teesside Park on October 13th creating 20 jobs, and resulting in the shopping park being 100% let.
- **Update** - Continuity Services Business **Onyx**, based on Portrack Business Park is one of three North East companies included in this year's Sunday Times Microsoft Tech Track 100 league table, which measures the fastest sales growth among technology companies over the last three years. Onyx Group has grown 37.69% over the period, putting its sales at £14.8m.
- Yarm based, **Studio 21**, is celebrating its first anniversary after a rapid year of growth, originally running Pilates classes only it has expanded into health and wellbeing classes.
- Thornaby based accountants' **Anderson Barrowcliff** has employed 3 new members of staff.
- Outsourcing firm **Northgate Public Services** are employing an extra 25 staff at Wynyard Business Park after securing new government contracts.
- In Stockton, **Kilimanjaro's** have moved to Castlegate Quay and a thai restaurant, **Suntara's** is opening on Nelson Terrace.
- **Suretrax** a company which is working with A4E to deliver a bespoke package of training to 14 – 19 year olds, and also adults to help them into work, has opened at **Stockton Business Centre**.

- Steve Gill has been appointed as the new director of **Durham Tees Valley Airport** and Robin Hood Airport in Doncaster. He was formerly the Group Environment and Facilities Director for Peel Airports and Managing Director of City Airport.

ECONOMIC INDICATORS

Number of claimants	August 2010	July 2011	August 2011	% WA pop	Change in month	%	Change in year	%
Stockton-on-Tees	6,087	6,467	6,634	5.3	167.0	2.6	547	9.0
Tees Valley	24,377	26,418	26,731	6.3	313.0	1.2	2,354	9.7
North East	78,514	84,975	86,625	5.1	1,650.0	1.9	8,111	10.3
Great Britain	1,397,008	1,481,158	1,515,030	3.9	33,872.0	2.3	118,022	8.4

- In the last month the number of claimants has increased in Stockton (2.6%) more greatly than in the Tees Valley, North East and Great Britain. However last month Stockton did not experience the rise in claimants that occurred in the other areas.

New Claimants	August 2010	July 2011	August 2011	Change in month	%	Change in year	%
Stockton-on-Tees	1,700	1,610	1,315	-295	-18.3	-385	-22.6
Tees Valley	6,200	5,990	4,560	-1,430	-23.9	-1,640	-26.5
North East	20,485	20,690	16,445	-4,245	-20.5	-4,040	-19.7
Great Britain	379,540	378,485	300,105	-78,380	-20.7	-79,435	-20.9

- There has been a big reduction in the number of new claimants in Stockton over the last month and year, a trend which has been repeated across the sub-region, region and country. However it should be noted that this follows a significant increase in claimants in the previous month.

Numbers on JSA (18-24 years)	August 2010	July 2011	August 2011	Change in month	%	Change in year	%
Stockton (18-24 years)	1,860	2,100	2,255	155	7.4	395	21.2
Total JSA Claimants	6,087	6,467	6,634	167	2.6	547	9.0
% (18-24)	31	32	34	2	3.1	3	2.0

- The number of JSA claimants (aged 18-24) in Stockton has increased significantly in the last month.

Vacancies Notified	August 2010	July 2011	August 2011	Change in month	%	Change in year	%
Stockton-on-Tees	1,189	1,303	1,050	-253	-19.4	-139	-11.7
Tees Valley	4,659	4,254	3,611	-643	-15.1	-1,048	-22.5
North East	18,761	18,077	14,833	-3,244	-17.9	-3,928	-20.9
Great Britain	383,344	384,258	325,466	-58,792	-15.3	-57,878	-15.1

- There were **1,050** vacancies notified in Stockton in August 2011, 253 less than in July 2011, including **725** in Banking, Finance and Insurance, **126** in Distribution Hotels and Restaurants, **67** in Public Administration, Education & Health, **49** in Other Services, **27** in Manufacturing, **21** in Construction and **5** in Agriculture and Fishing.

Unfilled Vacancies	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11
No's on JSA	6,543	6,596	6,608	6,634	6,491	6,469	6,467	6,634
Vacancies unfilled	545	743	611	740	732	901	838	923
Jobseekers per vacancy	12.0	8.9	10.8	9.0	8.9	7.2	7.7	7.2

- The number of unfilled vacancies in Stockton has increased in August; however the number of jobseekers per vacancy has shown a significant overall reduction since January.

Unemployment Rates

The press have recently been reporting an increase in unemployment figures again, with latest figures showing 2.51 million people across the UK are out of work. Young people aged between 18-24 are stated as having been particularly badly affected this quarter alongside the biggest increase of women out of work since 1988. However it should be noted that there are two methods that are generally used to measure the level of unemployment.

The general term used by the media for unemployment is based on a measurement using the Labour Force Survey which is a count of jobless people who want to work, are available to work, and are actively seeking employment, which could include students and people above state pension age. These estimates are published for three month rolling average time periods, once a month. The data is neither up to date at sub-regional levels nor does it provide sufficient analysis at low geographic levels (e.g. districts) mainly due to the sampling errors involved.

It is different from the unemployed claimant count (used in this report), which measures only those people who are claiming unemployment-related benefits (Jobseeker's Allowance) on a particular day each month. The estimates normally only include those between 18 years and state retirement age, as individuals outside these brackets are not usually eligible to claim JSA. The advantages of this as a source are that the claimant count is updated monthly, is very up to date and data can be produced for very small geographical areas.

As a result of these differences the number of unemployed people in the UK is substantially higher than the unemployed claimant count, as not everyone who is unemployed is eligible for, or claims, Jobseeker's Allowance (JSA). Many unemployed people (especially women) are not eligible for JSA because they have a partner who is in work and/or because of their financial position. Consequently the two data sets are not directly comparable.

The table below shows the unemployed claimant count (JSA) for the past twelve months across the Tees Valley. The latest data (August 2011) shows that Stockton has the lowest JSA claim rate in the Tees Valley, now lower than that of Darlington, which historically has tended to be the lowest in the Tees Valley. In Stockton, over the twelve months there has been an increase of 547 people claiming JSA, which represents an increase of 0.4%. This is the lowest rise across all the other boroughs. The largest rise in Stockton occurred in January 2011, but since then there has only been a 0.1% increase.

Date	Darlington		Hartlepool		M'brough		R & C		Stockton	
	number	rate	number	rate	number	rate	number	rate	number	rate
August 2010	2,796	4.4	3,932	6.8	6,582	7.0	4,980	5.8	6,087	4.9
September 2010	2,826	4.4	3,933	6.8	6,543	7.0	5,099	5.9	6,137	4.9
October 2010	2,800	4.4	3,993	6.9	6,555	7.0	5,118	5.9	6,158	4.9
November 2010	2,786	4.4	3,962	6.8	6,501	6.9	5,098	5.9	6,151	4.9
December 2010	2,894	4.5	4,033	6.9	6,636	7.1	5,304	6.1	6,223	5.0
January 2011	3,175	5.0	4,314	7.4	7,021	7.5	5,655	6.6	6,543	5.2
February 2011	3,293	5.2	4,259	7.3	7,142	7.6	5,718	6.6	6,596	5.3
March 2011	3,247	5.1	4,273	7.3	7,064	7.6	5,535	6.4	6,608	5.3
April 2011	3,192	5.0	4,192	7.2	7,007	7.5	5,445	6.3	6,634	5.3
May 2011	3,294	5.2	4,109	7.1	6,929	7.4	5,323	6.2	6,491	5.2
June 2011	3,304	5.2	4,076	7.0	6,926	7.4	5,225	6.1	6,469	5.2
July 2011	3,407	5.4	4,143	7.1	7,017	7.5	5,384	6.2	6,467	5.2
August 2011	3,458	5.4	4,223	7.3	7,004	7.5	5,412	6.3	6,634	5.3

SUPPORT FOR BUSINESSES

- The Skills Minister has announced a package of measures that should make it easier for firms with government contracts to train apprentices. This will include simplifying payments, streamlining contracts and eliminating a number of data returns and audit requirements as well as providing employers with an online plain English toolkit, clearly setting out the processes to recruit apprentices.
- New Stockton Borough businesses are being encouraged to enter the 12th Tees Valley “**Best New Business Awards.**” Any business under three years old is eligible to enter and have the chance to win £500 in one of the 8 categories of Award and a cash prize of £1000 will be awarded to the winner. To find out more visit www.bestnewbusinessawards.com
- Businesses are being encouraged to take part in the 2012 “**North East Better Health at Work Award.**” The award entails a partnership between workplaces, their local Primary Care Trust Public Health departments and other health improvement specialists. Through this partnership, it is hoped to maximise opportunities for health improvement and to achieve benefits such as improved workplace health, increased productivity and reduced absenteeism. To find out more about how to take part in the scheme email roz.elms@nhs.net or richie.andrew@nhs.net
- **Food and Drink meet the Buyers** (Tuesday 11 October) businesses have an opportunity to meet and sell to regional and national food and drink suppliers at the Xcel Centre in Darlington. visit www.bizgenerator.co.uk

OTHER ECONOMIC NEWS

- Business activity in the North East contracted for the first time in over two years during August, according to the respected Lloyds TSB North East Business Activity Index, and the region’s private sector fell behind the rest of the UK. However job creation continued in August as it had done for the past 18 months, but the growth rate was at its slowest since February.
- Six businesses in the Borough have made it into **Ward Hadaway’s Fastest 50 list 2011** for the region. The list focuses on the fastest growing profit making, private, regional companies, based on turnover growth. They include; **Falck Nutec Limited** in Billingham – the world’s largest provider of safety training for the offshore industry; **Renoir Holdings Ltd** in Thornaby which sells footwear across the UK and Eire; **The Clinkard Group Ltd** in Stockton which is the leading independent footwear retailer in the North East; **The Hambleton Group Ltd** in Thornaby which offers services ranging from contract packaging to warehousing and caravan storage; **The MN Film Partnership No 2 LLP** in Billingham which specialises in acquiring films, leasing and distributing them as well as acting as licensor and **Tinsley Special Products Ltd** in Stockton which develops customised vehicles and specialist trailers.

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>August 2010 – 10,447</p> <p>May 2011 – 8,801 June 2011 – 9,046 July 2011 – 10,224 August 2011 – 11,284</p> <p>The new system of direct notification of changes to tax credits direct from HMRC systems continues to increase workload.</p>	<p>Applications on the Council's Housing Register (including transfers)</p> <p>August 2010 - 3,956</p> <p>May 2011 – 3,873 June 2011 – 3,830 July 2011 – 3,786 August 2011 – 4,214</p>
<p>Number of households accepted as homeless by the Housing Options Service</p> <p>August 2010 - 0</p> <p>May 2011 - 12* June 2011 – 3 July 2011 – 2 August 2011 - 4</p>	<p>Number of housing options customers seeking assistance with mortgage/rent arrears</p> <p>August 2010 - 42</p> <p>May 2011 – 39 June 2011 – 49 July 2011 – 36 August 2011 - 36</p>
<p>Number of approaches to the Housing Options service</p> <p>August 2010 - 277</p> <p>May 2011 - 209 June 2011 - 210 July 2011 – 205 August 2011 – 188</p> <p>The approaches in August were lower than the average. However this is usual due to a seasonal trend with approaches on the grounds of housing needs, and generally August is a quieter period than the other months.</p>	<p>Mortgage Possession Claims Issued per 1,000 households</p> <p>April – June 2010 - 1.14</p> <p>July – September 2010 - 1.14 October – December 2010 - 1.14 January – March 2011 – 1.20 April – June 2011 – 1.14</p>
<p>Number of House Sales in the borough (source: land registry)</p> <p>May 2010 - 157</p> <p>January 2011 - 110 February 2011 – 139 March 2011 – 179 April 2011 – 170 May 2011 - 178</p>	<p>Average monthly House Prices in the borough (source: land registry)</p> <p>July 2010 - £117,376</p> <p>March 2011 - £115,055 April 2011 - £113,774 May 2011 - £112,644 June 2011 - £115.056 July 2011 - £112,071</p>

Stockton and District Advice and Information Service (SDAIS) statistics

General	2009/10 April 10 – June 10	2010/11 April 11 – June 11
Welfare Benefits	2,049	2689
Debt	3,651	3986
Employment	549	655
Housing	709	651
Family	146	245
All Enquiries	7,970	9265

Next update: October 2011

Property sales

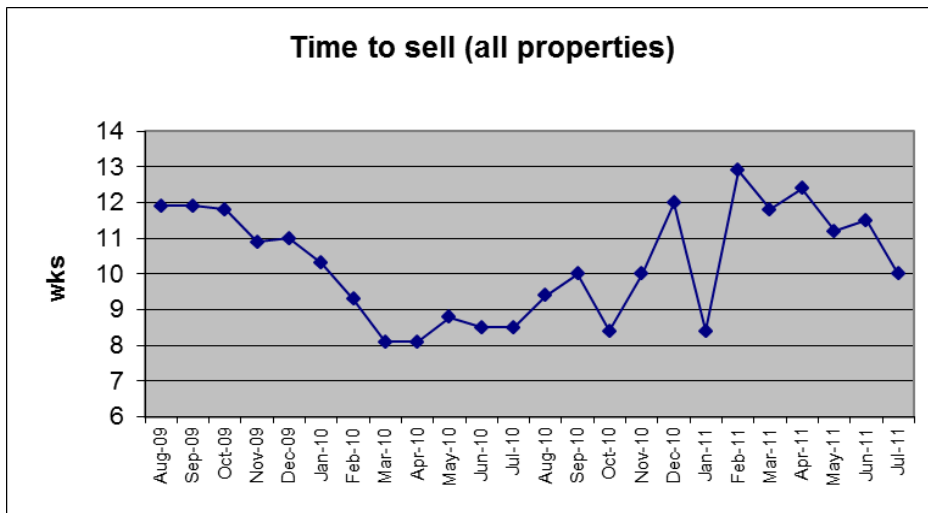
It has been reported in the press that house sales in the north east dipped slightly in the last quarter as holidays, economic uncertainty and lack of mortgage finance showed its full effect.

Across the Borough it is evident from the table below that in line with the press, property sales to date this year in Stockton are significantly lower than in 2009, however figures are only until the end of August.

However despite the figures the press suggests that sale expectations remain positive for the coming months. Indeed 3 houses have now sold 'off plan' at the new Vivo development at North Shore, and the Mandale regeneration scheme is still performing well with 2 new homes on Phase 3 already having been bought 'off plan' shortly after release. First Buy, the latest government HomeBuy product to assist households into homeownership, launched last month also seems to be doing well. In total since Time2Buy took over the various government HomeBuy schemes in April 2009, 202 households have been helped into homeownership in Stockton. In addition the time it is taking to sell properties in Stockton has been reducing overall since February which is a further positive indicator for the housing market.

Property Sales in Stockton	Second Hand Sales (Flat)	New Build Sales (Flat)	Second Hand Sales (House)	New Build Sales (House)
2007	157	236	3,525	520
2008	59	144	1,664	423
2009	31	62	1,561	360
2010	59	77	1,711	263
2011 (to date)	24	11	674	45

Source: Hometrack



Source: Hometrack

STOCKTON BOROUGH COUNCIL RESPONSES

Enterprise Arcade - Following the success of the inaugural Stockton Enterprise Arcade (at 147 Stockton High Street), Stockton Council is again inviting start-up businesses to take space in the shop. Each business will also receive individual business coaching to help its development and growth, tailored to its particular needs to ensure the new businesses will be better equipped to make the most of the opportunity and look to continue their success at the end of the six month project. Advice will also be given to the businesses about identifying suitable premises after the incubation period. Traders just need to buy their own stock and take out their own insurance. To apply for a place at the Stockton Enterprise Arcade, or to find out more about it, contact Mike Bowron at Stockton Council on (01642) 526028 or email mike.bowron@stockton.gov.uk

Stockton Enterprise Week - Stockton Council is encouraging families to bid for £50 from an 'Enterprise Bank' by coming forward with their business idea. The best twenty ideas will be challenged to make as much money as possible in the weeks running up to this year's Stockton Enterprise Week (14-18 November.) The idea which raises the most money will be announced in Enterprise Week and all entrants will be eligible to take part in workshops which are designed to explore the key elements of starting a business. Anyone interested in taking part in the Family Enterprise Challenge should contact Gary Lynch on 01642 528705 or email gary.lynch@stockton.gov.uk

The **Council's Minor Works Suppliers List** is due for renewal next April, so Officers in Regeneration & Economic Development are currently working with Corporate Procurement and Facilities Management to advertise the Expression of Interest opportunity now. The tender process for the framework agreement will be completed electronically via Pro-Contract. There will be an information session at The Education Centre for businesses to sign up to Pro-Contract. Our aim is to give as many local businesses as possible the chance to get onto this list.

Town Centre Business Awards - The award ceremony for the Borough's first Town Centre Business Awards which recognises shops and eateries within six different categories for their trading excellence is being held on 30th September. The winners will each receive £250.

Heritage Skills Training Programme - A series of lectures and technical days are being held at the Georgian Theatre in Stockton during October and November as part of the Heritage Skills Training Programme for the Central Stockton Townscape Heritage Initiative (THI). Places are free. To book or find out further information contact elizabeth.marsh@stockton.gov.uk