

## **ECONOMIC CLIMATE UPDATE REPORT**

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

### **EMPLOYMENT AND BUSINESS**

#### **ENGINEERING/MANUFACTURING/CHEMICAL**

##### **Positive**

- The **Tetley Tea Factory (Tata Global Beverages site)** at Eaglescliffe, which employs almost 500 staff has been named the best in Britain at the National Training Awards for helping improve the skills of its workforce in recognition of its outstanding contribution and commitment to training, learning and development in the workplace.
- Teescraft Engineering based in Bishop Auckland believes its partnership with **Stockton Casting Company** on Portrack Lane will boost the prospects of both firms, when they make a joint trade mission to China this month in the hope that their combined expertise will win bigger contracts.
- **Update - Tees Alliance Group** at Haverton Hill secured their first order this month from Wilton Engineering Services in Stockton to test clamps for an oil and gas project off the coast of Denmark.
- **Update** – The first of 1,000 new recruits have started work at **SSI**.

#### **SERVICE SECTOR/RETAIL**

##### **Positive**

- Newly refurbished the **InShops** in Thornaby Town Centre, re-opened on 15 October. Retailers include a Noodle Bar, Tattoo Parlour, Grocers, Hardware store, Florist, Personal injury lawyer and a Ladies hairdresser is coming soon.
- Housing organisation **Vela Group** in Stockton and Hartlepool, is creating 23 new jobs through apprenticeships.
- **Cosyseal Insulation** in Thornaby is employing an additional 20 new staff after securing a £10m contract to provide cavity wall and loft insulation for a national housing provider. The 40 year old company is also expanding with the development of a new solar power division and the opening of new depots and offices.
- Sunderland Football Club has signed a deal with fitness specialists **Body 2 Fit** based at Wynyard Park to deliver weekly pilates and yoga classes to help its players avoid injuries.
- Kathryn Hardy, the proprietor of Café Hardy's in Stockton Business Centre has won Asda's cupcake photo competition from 400 entries through Kathryn's additional business **MuchAdoAboutMuffins.co.uk** which is promoted alongside Café Hardy's.
- **Aldi** has opened on Yarm Lane, creating 15 Full time or equivalent jobs.
- In Stockton Town Centre, **Past Times** has opened in Wellington Square, the former Che Bar has been revamped and re-launched as **McShane's Pub** and the **Don Andrea Italian Restaurant** (formerly Moby Grapes) is opening at the end of October. A modern bistro, **The Chefs Table** has also opened above Carpaccio's, owned by the same proprietors, it caters for to 85 people and offers live music on Friday and Saturday nights.
- The estimated occupancy of **Stockton Business Centre** is 77%. During October, Top10search Limited a website design and search engine company have moved into a unit, and Suretrax, a training company which helps people get back into work have also taken on an additional unit.
- **Update** - Continuity Services Business **Onyx**, based on Portrack Business Park has announced that private investment firm ISIS Equity partners has paid £27m for a majority stake in the fast growing business as well as pledging an additional £15m to fund the future growth of the company. Onyx believes this will enable them to expand from a medium sized business to a larger operation.
- **Update** - Stockton based **Elite Service UK** which provides luxury serviced apartments and chauffeuring services has agreed a deal to provide chauffeuring services for private charter company, Western Aviation.

- **Stockton Town Centre Occupancy Update** - Although the national picture for Town Centres continues to decline both in terms of footfall and number of void units, Stockton Town Centre has had a welcome influx of new businesses relocating and moving onto the High Street which corresponds to the reduction of voids from 17.5% in Q1 to 15.7% in Q2. This decrease in voids is partly a reflection of the work carried out by the Town Centre Management team to encourage and support independent retailers. There have been at least 44 businesses that have set up, relocated and expanded into Stockton Town Centre during 2011.

#### Negative

- **Thomas Cook** has announced the closure of 24 stores nationally. The store in Stockton will be closing. The **Toni and Guy** franchise has gone into liquidation and closed in Stockton. Officers have made contact with the staff at both retailers and are trying to assist them where possible.

**ECONOMIC INDICATORS**

Number of claimants	September 2010	August 2011	September 2011	% WA pop	Change in month	%	Change in year	%
Stockton-on-Tees	6,137	6,634	6,687	5.3	53	0.8	550	9.0
Tees Valley	24,538	26,731	27,013	6.3	282	1.1	2,475	10.1
North East	78,909	86,625	88,155	5.2	1,530	1.8	9,246	11.7
Great Britain	1,381,106	1,515,030	1,517,197	3.9	2,167	0.1	136,091	9.9

- In the last month the number of claimants has increased marginally in Stockton (0.8%) more greatly than Great Britain (0.1%) but less than across the Tees Valley and North East.

New Claimants	September 2010	August 2011	September 2011	Change in month	%	Change in year	%
Stockton-on-Tees	1,290	1,315	1,290	-25	-1.9	0	0.0
Tees Valley	5,170	4,560	4,670	110	2.4	-500	-9.7
North East	17,390	16,445	16,780	335	2.0	-610	-3.5
Great Britain	303,070	300,105	294,445	-5,660	-1.9	-8,625	-2.8

- The reduction in the number of new claimants in Stockton over the last month has continued and reflects the national trend. However there has been an increase in both the Tees Valley and North East.

Numbers on JSA (18-24 years)	September 2010	August 2011	September 2011	Change in month	%	Change in year	%
Stockton (18-24 years)	1,980	2,255	2,335	80	3.5	355	17.9
Total JSA Claimants	6,137	6,634	6,687	53	0.8	550	9.0
% (18-24)	32	34	35	1	2.7	3	2.0

- The number of JSA claimants (aged 18-24) in Stockton still represents the greatest proportion of total new claimants during the last month.

Vacancies Notified	September 2010	August 2011	September 2011	Change in month	%	Change in year	%
Stockton-on-Tees	950	1,050	918	-132	-12.6	-32	-3.4
Tees Valley	3,591	3,611	3,361	-250	-6.9	-230	-6.4
North East	15,957	14,833	14,713	-120	-0.8	-1,244	-7.8
Great Britain	331,262	325,466	346,042	20,576	6.3	14,780	4.5

- There were **918** vacancies notified in Stockton in September 2011, 132 less than in August 2011, including **593** in Banking, Finance and Insurance, **103** in Distribution Hotels and Restaurants, **76** in Public Administration, Education & Health, **62** in Construction, **33** in Manufacturing, **28** in Other Services, **0** in Energy and Water and **0** in Agriculture and Fishing.

Unfilled Vacancies	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
No's on JSA	6,596	6,608	6,634	6,491	6,469	6,467	6,634	6,687
Vacancies unfilled	743	611	740	732	901	838	923	935
Jobseekers per vacancy	8.9	10.8	9.0	8.9	7.2	7.7	7.2	7.2

- The number of unfilled vacancies in Stockton has only increased by 12 in September, which is reflected by the fact that the number of jobseekers per vacancy has remained the same.

### Unemployment Rates

The media have been reporting again that the unemployment total for 16-24 year olds has hit a 17-year record high, nationally. However, as noted in October's report these figures are based on the Labour Force Survey which is a count of jobless people who want to work, are available to work, and are actively seeking employment. 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 is more accurate. 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 table below shows the unemployed claimant count (JSA) for September over the past 17 years in Stockton, the Tees Valley, North East and Great Britain. It is evident that the claimant rate, which measures the numbers of 18-24 year olds claiming JSA from the total number of people claiming JSA is actually lower than 17 years ago.

Numbers on JSA (18-24 years old)	Stockton-on-Tees		Tees Valley		North East		Great Britain	
	number	rate	number	rate	number	rate	number	rate
September 1995	2,695	19.3	10,710	19.1	37,370	16.1	613,085	12.1
September 1996	2,410	17.9	9,655	18.1	32,780	14.8	538,290	11.0
September 1997	1,980	14.9	7,920	15.4	26,080	12.1	385,550	8.1
September 1998	1,755	12.8	7,095	13.7	22,300	10.5	324,370	6.8
September 1999	1,670	12.0	6,550	12.6	20,700	9.6	285,035	6.0
September 2000	1,555	10.7	5,950	11.2	18,755	8.7	246,500	5.2
September 2001	1,325	9.0	5,230	9.8	17,015	7.8	226,760	4.7
September 2002	1,330	8.7	5,350	9.7	16,800	7.4	235,010	4.7
September 2003	1,285	8.1	5,045	8.8	16,210	6.9	242,490	4.8
September 2004	1,075	6.7	4,360	7.4	13,950	5.8	224,735	4.3
September 2005	1,120	6.8	4,700	7.8	15,460	6.2	251,315	4.7
September 2006	1,260	7.4	5,240	8.5	16,955	6.7	283,205	5.2
September 2007	1,260	7.2	5,135	8.2	16,265	6.3	249,300	4.5
September 2008	1,440	8.1	5,900	9.2	19,170	7.3	290,105	5.1
September 2009	2,285	12.6	8,630	13.4	27,680	10.4	469,595	8.2
September 2010	1,980	10.9	7,615	11.7	24,910	9.1	402,755	7.0
September 2011	2,335	12.9	9,095	14.0	29,775	10.9	466,250	8.1

## **SUPPORT FOR BUSINESSES**

- A **£2m support programme** has been announced in the North East aimed at providing 1,700 people with better business skills and helping to create more than 400 new companies. Two day 'Boot Camps' will be offered on Enterprise Coaching, Starting a High Growth Business and Understanding Finance for Business. Support will also be given to 164 existing small and medium sized businesses to improve skills. The scheme is jointly funded by North East Enterprise Agencies Ltd and the European Regional Development Fund. Support will be provided across the North East through 20 centres; the Five Lamps will be the local provider for Stockton and Hartlepool. The programme will start in this area in April and will be a great scheme to build on the success of the Enterprise Gateway contract when it finishes in March.
- The Journal, Northern Echo and Evening Gazette have all joined the **Local Business Accelerators Initiative**, backed by Dragons' Den judge Deborah Meaden, in which nearly 500 regional and local publications are pledging £15m of free advertising to dynamic young businesses. They are looking for North East companies, between one and three years old, that may have a great idea / product or have developed a new market, and that will create jobs. Apply online at [www.accelerateme.co.uk](http://www.accelerateme.co.uk) by November 14. Three successful firms will be awarded free advertising and business advice and one business will be put forward for the national competition to win a chance to gain Deborah Meaden as a mentor. Chris Petty founder of Stockton based Cornerstone solutions, Alastair Thomson, Dean of Teesside University Business School and Mike Matthews, Managing Director of Nifco UK are all on the judging panel.
- As part of the Local Enterprise Partnership, Tees Valley Unlimited held a free **Business Innovation and Skills Event** on 20 October to brief businesses on the changes to business support services and discover new opportunities for growth.

## **SUPPORT FOR PEOPLE**

- The **Tees Valley Production Technician Awards** have celebrated the success of 15 young apprenticeships that have graduated this year and moved into permanent employment. Apprentices included Lucite International sponsored students Michael Ball from Stockton and Daniel Wray from Billingham.
- **Communities Fund Update** - to date in 2011/12 (April to September) the Communities Fund providers have engaged with 554 people, helping 453 into work of whom 251 have sustained that employment for six months. Since the start of the Communities Fund (April 2009 to September 2011) the three providers have engaged with 3,270 people, helping 1,490 people into work of whom 652 have sustained that employment for six months.

## **OTHER ECONOMIC NEWS**

- The Department for Work and Pensions has announced that the preferred bidder for the **ESF 2011-13 (England) Support for Families with Multiple Problems** mini-competition in the North East is The WISE Group.
- The **NNDR** collection rate for the half year to the end of September 2011 in Stockton is 60.43% compared to last year when it was 62.06%.

## HOUSING AND DEVELOPMENT

In September 2011, a case study from the Council's Housing Options service was used in a Shelter good practice report on 'Improving outcomes for children and young people in housing need'. The case study focused on the role of Housing Services within the Local Safeguarding Children's Board.

### KEY STATISTICS

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

<p><b>Monthly Housing Benefit Workload</b></p> <table border="1"> <tbody> <tr> <td>September 2010</td> <td>8,180</td> </tr> <tr> <td>June 2011</td> <td>9,046</td> </tr> <tr> <td>July 2011</td> <td>10,224</td> </tr> <tr> <td>August 2011</td> <td>11,284</td> </tr> <tr> <td>September 2011</td> <td>10,892</td> </tr> </tbody> </table> <p>The new system of direct notification of changes to tax credits direct from HMRC systems continues to increase workload</p>	September 2010	8,180	June 2011	9,046	July 2011	10,224	August 2011	11,284	September 2011	10,892	<p><b>Applications on the Council's Housing Register (including transfers)</b></p> <table border="1"> <tbody> <tr> <td>September 2010</td> <td>4,076</td> </tr> <tr> <td>June 2011</td> <td>3,830</td> </tr> <tr> <td>July 2011</td> <td>3,786</td> </tr> <tr> <td>August 2011</td> <td>4,214</td> </tr> <tr> <td>September 2011</td> <td>4,152</td> </tr> </tbody> </table>	September 2010	4,076	June 2011	3,830	July 2011	3,786	August 2011	4,214	September 2011	4,152				
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<p><b>Number of households accepted as homeless by the Housing Options Service</b></p> <table border="1"> <tbody> <tr> <td>September 2010</td> <td>0</td> </tr> <tr> <td>June 2011</td> <td>3</td> </tr> <tr> <td>July 2011</td> <td>2</td> </tr> <tr> <td>August 2011</td> <td>4</td> </tr> <tr> <td>September 2011</td> <td>8</td> </tr> </tbody> </table>	September 2010	0	June 2011	3	July 2011	2	August 2011	4	September 2011	8	<p><b>Mortgage Possession Claims Issued per 1,000 households</b></p> <table border="1"> <tbody> <tr> <td>April – June 2010</td> <td>1.14</td> </tr> <tr> <td>July – September 2010</td> <td>1.14</td> </tr> <tr> <td>October – December 2010</td> <td>1.14</td> </tr> <tr> <td>January – March 2011</td> <td>1.20</td> </tr> <tr> <td>April – June 2011</td> <td>1.14</td> </tr> </tbody> </table>	April – June 2010	1.14	July – September 2010	1.14	October – December 2010	1.14	January – March 2011	1.20	April – June 2011	1.14				
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<p><b>Number of approaches to the Housing Options service</b></p> <table border="1"> <tbody> <tr> <td>September 2010</td> <td>323</td> </tr> <tr> <td>June 2011</td> <td>210</td> </tr> <tr> <td>July 2011</td> <td>205</td> </tr> <tr> <td>August 2011</td> <td>188</td> </tr> <tr> <td>September 2011</td> <td>250</td> </tr> </tbody> </table> <p>The approaches in August were lower than the average, However this is usual due to a seasonal trend on the grounds of housing needs, and generally August is a quieter period than the other months.</p>	September 2010	323	June 2011	210	July 2011	205	August 2011	188	September 2011	250	<p><b>Number of housing options customers seeking assistance with mortgage/rent arrears</b></p> <table border="1"> <tbody> <tr> <td>September 2010</td> <td>47</td> </tr> <tr> <td>June 2011</td> <td>49</td> </tr> <tr> <td>July 2011</td> <td>36</td> </tr> <tr> <td>August 2011</td> <td>36</td> </tr> <tr> <td>September 2011</td> <td>70</td> </tr> </tbody> </table> <p>The increase in customers is reflective of the September increase in Housing Options customers overall and a possible response to increased awareness of the specialist homeownership service.</p>	September 2010	47	June 2011	49	July 2011	36	August 2011	36	September 2011	70				
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<p><b>Number of House Sales in the borough (source: land registry)</b></p> <table border="1"> <tbody> <tr> <td>June 2010</td> <td>251</td> </tr> <tr> <td>February 2011</td> <td>139</td> </tr> <tr> <td>March 2011</td> <td>180</td> </tr> <tr> <td>April 2011</td> <td>173</td> </tr> <tr> <td>May 2011</td> <td>181</td> </tr> <tr> <td>June 2011</td> <td>219</td> </tr> </tbody> </table>	June 2010	251	February 2011	139	March 2011	180	April 2011	173	May 2011	181	June 2011	219	<p><b>Average monthly House Prices in the borough (source: land registry)</b></p> <table border="1"> <tbody> <tr> <td>August 2010</td> <td>£116,231</td> </tr> <tr> <td>April 2011</td> <td>£113,883</td> </tr> <tr> <td>May 2011</td> <td>£112,760</td> </tr> <tr> <td>June 2011</td> <td>£115,249</td> </tr> <tr> <td>July 2011</td> <td>£113,225</td> </tr> <tr> <td>August 2011</td> <td>£113,805</td> </tr> </tbody> </table>	August 2010	£116,231	April 2011	£113,883	May 2011	£112,760	June 2011	£115,249	July 2011	£113,225	August 2011	£113,805
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**Stockton and District Advice and Information Service (SDAIS) statistics**

<b>General</b>	<b>2009/10 July 10 – Sept 10</b>	<b>2010/11 July 11 – Sept 11</b>
Welfare Benefits	2101	2882
Debt	3501	3614
Employment	530	635
Housing	682	853
Family	196	264
All Enquiries	7977	9307

Next update: January 2012

## **STOCKTON BOROUGH COUNCIL RESPONSES**

**Stockton Town Centre Update** – An information and progress update on the revised High Street improvement schemes is being undertaken from 24<sup>th</sup> October – 4<sup>th</sup> November. A staffed display will be held in the Shambles Market Hall throughout this time for a 3 hour period each day; opening times are available on the Council's website. The update will also raise awareness of the new businesses that have set up in the town centre and feedback will be used to inform a report that will be presented to Cabinet on 7<sup>th</sup> December.

**Commercial and Retail Loan Scheme** as part of the £20 million regeneration of Stockton Town Centre, Stockton Council is offering access to a loan scheme for Stockton Town Centre businesses. Building on the investment through Stockton Heritage in Partnership (SHiP) and the Townscape Heritage Initiative (THI), this new loan scheme will help further enhance the character of Stockton Town Centre and create a more attractive business and retail environment to support business growth in the town. Businesses in Stockton Town Centre are invited to apply for a loan as a contribution towards items such as signage, shop frontage improvements or improvement works inside their premises from a share of £250,000. Any businesses interested in applying for a loan should contact Ashley Briggs on (01642) 528198 or email [ashley.briggs@stockton.gov.uk](mailto:ashley.briggs@stockton.gov.uk).