

ECONOMIC CLIMATE UPDATE REPORT

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

EMPLOYMENT AND BUSINESS

ENGINEERING/MANUFACTURING/CHEMICAL

Positive

- Engineering, project management and consultancy Company **AMEC**, based in Billingham, has won a major contract; a £50m North Sea deal with GDF Suez.
- James Halstead, owners of **Riverside Flooring** at Teesside Industrial Estate posted record results in 2010/11 and are looking to expand their site.
- **Nifco UK** is a finalist for Business of the Year, and **Pearson-Harper** a finalist in the Innovation through Technology category at the National Chamber of Commerce Awards on 24 November.
- **Cotswold Manufacturing** at Teesside Industrial Estate has been awarded the contract to supply the doors for the Northshore housing development
- **Update:** the first shipment of iron ore arrived at **SSI** this month.
- **Update:** **Nifco UK** has taken on three apprentices, the first to be appointed by the firm in a decade.

SERVICE SECTOR/RETAIL

Positive

- **Xercise4less** gym has opened in the former Supreme Knitwear warehouse in the Mandale Triangle. The £1m budget gym has transformed a former eyesore building in Thornaby and created 40 new jobs.
- **Update** – Sisters Jessica and Emily Jane Lathan have been awarded Young Entrepreneur of the Year at the 2011 Women Into the Network Awards with their unique vintage-inspired women's jewellery and headwear brand **Rock 'N Rose**.
- Data management company **Brulines** at Surtees Business Park has acquired a vending machine software specialist based in Oxford - Lookout Solutions and signed a long term agreement with a major pub group, Enterprise Inns, to use its beer monitoring system.
- **Falck Nutec** at Haverton Hill provides safety training for the offshore industry and has invested over £500k to expand their facilities, including a 23 metre wind turbine tower and external boat transfer simulator.
- In Stockton Town Centre, **Tabu?** Nightclub has opened below the Don Andreas Restaurant (formerly Moby Grape), **Suntara's** Thai Restaurant has now opened on Nelson Terrace. On Yarm Lane Italian Restaurant **Borges** has expanded into the former Green Bushes to open a function room and the **Karen Heritage Dance Studio** has also expanded into the upstairs space.

ECONOMIC INDICATORS

Number of claimants	October 2010	September 2011	October 2011	% WA pop	Change in month	%	Change in year	%
Stockton-on-Tees	6,158	6,687	6,621	5.3	-66.0	-1.0	463	7.5
Tees Valley	24,624	27,013	26,880	6.3	-133.0	-0.5	2,256	9.2
North East	78,760	88,155	87,422	5.1	-733.0	-0.8	8,662	11.0
Great Britain	1,359,282	1,517,197	1,502,528	3.8	-14,669.0	-1.0	143,246	10.5

- In the last month the number of claimants has decreased marginally in Stockton (-1.0%) in line with Great Britain (-1.0%).

New Claimants	October 2010	September 2011	October 2011	Change in month	%	Change in year	%
Stockton-on-Tees	1,660	1,290	1,475	185	14.3	-185	-11.1
Tees Valley	6,275	4,670	5,340	670	14.3	-935	-14.9
North East	21,280	16,780	18,510	1,730	10.3	-2,770	-13.0
Great Britain	383,125	294,445	358,575	64,130	21.8	-24,550	-6.4

- The increase in the number of new claimants in Stockton over the last month reflects the regional and national trend. However when comparing the annual change in new claimants there has been a reduction.

Numbers on JSA (18-24 years)	October 2010	September 2011	October 2011	Change in month	%	Change in year	%
Stockton (18-24 years)	1,980	2,335	2,300	-35	-1.5	320	16.2
Total JSA Claimants	6,158	6,687	6,621	-66	-1.0	463	7.5
% (18-24)	32	35	35	0	-0.5	3	2.0

- There has been a reduction in the number of JSA claimants (aged 18-24) in Stockton (-1.5%) during the last month.

Vacancies Notified	October 2010	September 2011	October 2011	Change in month	%	Change in year	%
Stockton-on-Tees	1,432	918	1,164	246	26.8	-268	-18.7
Tees Valley	5,571	3,361	4,946	1,585	47.2	-625	-11.2
North East	23,708	14,713	19,824	5,111	34.7	-3,884	-16.4
Great Britain	476,743	346,042	477,965	131,923	38.1	1,222	0.3

- There were **1,164** vacancies notified in Stockton in October 2011, **246** more than in September 2011, including **707** in Banking, Finance and Insurance, **141** in Distribution Hotels and Restaurants, **102** in Public Administration, Education & Health, **44** in Other Services, **27** in Manufacturing, **58** in Construction, **6** in Energy and Water and **2** in Agriculture and Fishing.

Unfilled Vacancies	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11
No's on JSA	6,608	6,634	6,491	6,469	6,467	6,634	6,687	6,621
Vacancies unfilled	611	740	732	901	838	923	935	630
Jobseekers per vacancy	10.8	9.0	8.9	7.2	7.7	7.2	7.2	10.5

- The number of unfilled vacancies in Stockton has decreased significantly in October; however there has been an overall increase in the number of Jobseekers per vacancy.

SUPPORT FOR BUSINESSES

- The North East Business and Innovation Centre have launched the **North East Small and Medium Enterprise Innovation Programme** after securing £724,000 from ERDF funding. Over a 3 year period the programme will enable 60 SME's to receive help from Innovation Specialists to assist them to produce new products and processes and create / safeguard jobs.
- Northumberland Business Service Ltd (NBSL) has secured £2.38m from ERDF to enable senior executives in any private sector business with a maximum of 249 employees to benefit from targeted coaching and mentoring support. The £5m project aims to improve the performance of over 2,300 businesses, creating over 1,100 jobs. Visit www.nbsl.org.uk for more information.
- Following the end of the previous contract, Business Link is now primarily a new online package of support through the website www.businesslink.gov.uk, along with dedicated business phone access. To support the development of a national mentoring network there is also www.mentorsme.co.uk. and in early January a 'Business Coaching for Growth' website, will be launched to offer a support mechanism for existing businesses. In addition HM Revenue & Customs have a new 'Business Enterprise E-Learning tool which advises on the tax and National Insurance issues involved in starting up in business.
- Businesses have until 23 December to enter the nebusiness awards organised by The Journal and Evening Gazette with the North East Chamber of Commerce. Find out more at www.nebusinessawards.co.uk.
- **Update** – The Local Business Accelerators Initiative has received around 1,000 entries, including many from the North East.
- **Regional Growth Fund (RGF)** the Government has announced £39.6m RGF (Round 2) support had been awarded for businesses within the Tees Valley. This is in addition to £26m secured during Round 1. 15 Tees Valley companies, of which 4 are based within Stockton, were awarded funding via the Tees Valley Unlimited Bid:
 - £1.01m **Darchem** Engineering, Stillington – advanced engineering
 - £1.6m Process Technologies Division of **Johnson Matthey**
 - £1m **Riverside Flooring**, (Teesside Industrial Estate) for new machinery
 - £1.84m **Fine Organics** (manufacturing and process)

These 4 companies have attracted a total of £5.45m RGF, which will represent private capital investment of £31.17m, and create 245 new jobs whilst safeguarding a further 183. A further 2 companies in Stockton, were awarded funding via the NCJ Media bid (Evening Gazette / Journal project) for £3m for 13 SME's in the North East:

 - £100,000 John Harrison (Stockton) Ltd (trading as **Harrison Packaging**) which manufactures packaging products – for expansion cash for box producer
 - **Pearson-Harper** – to facilitate a project to move into larger premises in order to expand and create new jobs.

The offers are conditional and are now subject to a process of due diligence. The Government expect the money to start being passed on to the bidders in the spring.
- The Government has announced investment of £95m to help boost growth and rebalance the economy. RBS, NatWest and HSBC will facilitate the distribution of the funding (at no cost) which is part of the **RGF**, in grant payments to support SME's considering investing in new capital assets and creating new employment but which are unable to secure commercial funding for their project. The funding is expected to create at least 4,000 jobs and unlock around £500m of new investment by SME's.

SUPPORT FOR PEOPLE

- **DWP ESF Support for Families with Multiple Problems.** A £200m programme, of which £15.6m has been allocated to the North East, over the next three years (2011 -14) has been announced to help families with multiple problems overcome barriers to employment. The new programme will be delivered by private and voluntary sector organisations working with local authorities to identify families and ensure activity is appropriate to the local area. The provision

will operate on a payment-by-results basis, with providers rewarded for helping move members of the families they are working with closer to a point where they are ready to apply for work and get a job. The aim will then be to help individuals in those families get into work directly, or through mainstream support such as the Government's new Work Programme. To be eligible, families must have a history of worklessness with at least one member of the family being on out of work benefits. Local authorities will be the primary route to identify families wishing to participate in the programme on a voluntary basis. The North East contract has been awarded to The Wise Group (Social Enterprise) with their preferred subcontractor for Stockton being the Five Lamps Organisation. The programme will start on 12 December 2011.

- The Council has assisted 128 business start-ups between April and September 2011.

OTHER ECONOMIC NEWS

- The Office of National Statistics has recently produced an article on labour productivity in England in 2008, which has highlighted that Hartlepool and Stockton-on-Tees ranked as the 52nd most productive sub-region in England out of a total of 93, with Gross Value Added (GVA) per hour worked at 90% of the UK average.
- Company failures in England and Wales have risen to their highest level for almost two years. In the three months to September, company liquidations rose to 4,242 up 6.5% compared to a year ago, and the highest number since the fourth quarter of 2009, according to the Insolvency Service. Liquidations have now risen for three successive quarters.
- The Tees Valley Local Enterprise Partnership (LEP) will receive £5.6m from the Growing Places fund to support local infrastructure projects, to ensure that capital investment is sustainable and that projects that could generate further investment in the future are not hindered by a lack of infrastructure.

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> <table border="1"> <tbody> <tr> <td>October 2010</td> <td>8743</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> <tr> <td>October 2011</td> <td>11,223</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>	October 2010	8743	July 2011	10,224	August 2011	11,284	September 2011	10,892	October 2011	11,223	<p>Applications on the Council's Housing Register (including transfers)</p> <table border="1"> <tbody> <tr> <td>October 2010</td> <td>4117</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> <tr> <td>October 2011</td> <td>4,068</td> </tr> </tbody> </table>	October 2010	4117	July 2011	3,786	August 2011	4,214	September 2011	4,152	October 2011	4,068
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<p>Number of households accepted as homeless by the Housing Options Service</p> <table border="1"> <tbody> <tr> <td>October 2010</td> <td>6</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> <tr> <td>October 2011*</td> <td></td> </tr> </tbody> </table>	October 2010	6	July 2011	2	August 2011	4	September 2011	8	October 2011*		<p>Number of housing options customers seeking assistance with mortgage/rent arrears</p> <table border="1"> <tbody> <tr> <td>October 2010</td> <td>47</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> <tr> <td>October 2011</td> <td></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>	October 2010	47	July 2011	36	August 2011	36	September 2011	70	October 2011	
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Number of House Sales in the borough (source: land registry)		Average monthly House Prices in the borough (source: land registry)	
July 2010	214	Sept 2010	£116,944
March 2011	180	May 2011	£112,760
April 2011	173	June 2011	£115,249
May 2011	181	July 2011	£112,984
June 2011	219	August 2011	£113,983
July 2011	184	Sept 2011	£114,080

Stockton and District Advice and Information Service (SDAIS) statistics

General	2009/10 July 10 – Sept 10	2010/11 July 11 – Sept 11
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

Enterprise Arcade – The unit re-opened on the 7th November. There are currently three traders; Sophie Rose Dress Agency selling Designer and high class used clothing and accessories, The Black Box Selling alternative clothing and Accessories (Goth, Rock and Punk etc) and a florist called Florelle. The Five Lamps organisation is now also based in the unit and it is expected that the final allocation of retail space will be made soon.

Stockton Enterprise Week – Between 14th and 18th November over 300 of people from all ages and backgrounds took part in over 25 events, workshops and challenges to help them develop entrepreneurial and business skills. Meanwhile, pupils from schools across Stockton Borough worked with a host established local entrepreneurs to develop products to sell on the Stockton Sparkles Christmas Market in Stockton's Parish Gardens on Thursday 1 December.

The week has been awarded the prestigious 'High Impact Badge of Honour' for the exciting and innovative 2011 programme. The programme was delivered by the Council's Enterprise Gateway partners (Enterprise made Simple, Five Lamps, Avanta, A4E, Digital City and Stockton Riverside College) a unique partnership of business support agencies across Stockton to help people realise their ambition of becoming self-employed. As part of the programme the Five Lamps delivered an excellent mix of workshops to over 60 people to show how the internet can improve business. Residents were also given the opportunity to learn more about the digital and creative industries at Stockton Riverside College and Enterprise Made Simple delivered a Eureka week designed for residents to explore early stage business ideas. The Eureka programme was over subscribed and because of it's popularity another week is already planned and is now filling up with eager residents looking to set up in business. A range of Business Advice 'Drop in Sessions' were available from the business development team and its partners across the Borough within the week.

The Nifty Fifty competition, which enabled residents to test their business ideas with £50 seed money, was very successful and the first prize was awarded to the Nowacka Family who created beautiful Christmas bobbles, cards and flower arrangements and generated an unbelievable £544 in sales. The Sharp and Gibson family who were runners up and third place in the competition generated an equally impressive £275 and £131.98 respectively. The family were initially inspired by their children who recently took part in a enterprise day ran by the council in Ian Ramsey CE Aided Comprehensive School in Fairfield, Stockton and Northfield School and Sports College based in Billingham.

Three of the Nifty Fifty families worked on their business plan during the action packed eureka programme, they are now looking to progress into a retail outlet and liaising with officers from regeneration about the possibility of applying for a space within Stockton's Enterprise Arcade. The arcade is in its second term after a successful 6 month period in which previous traders were able to progress into their own premises.