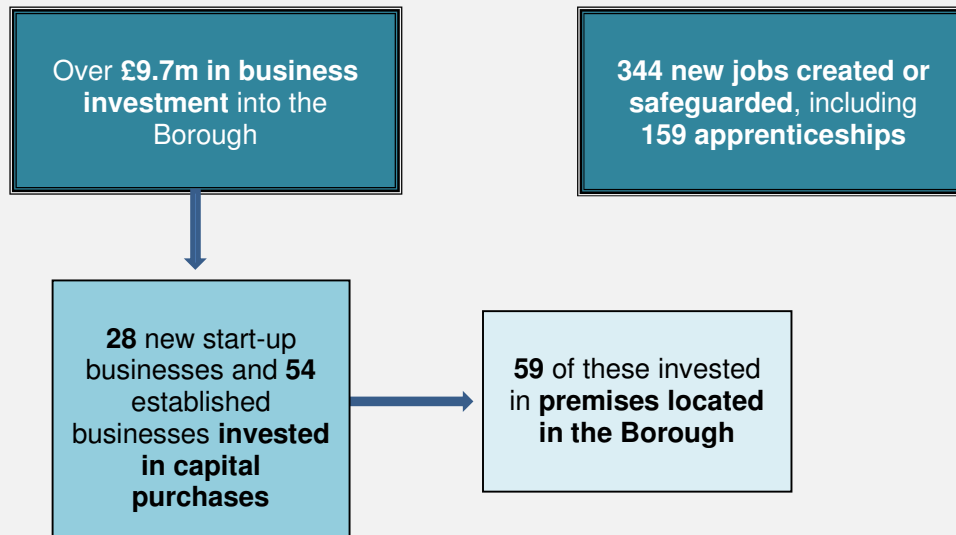


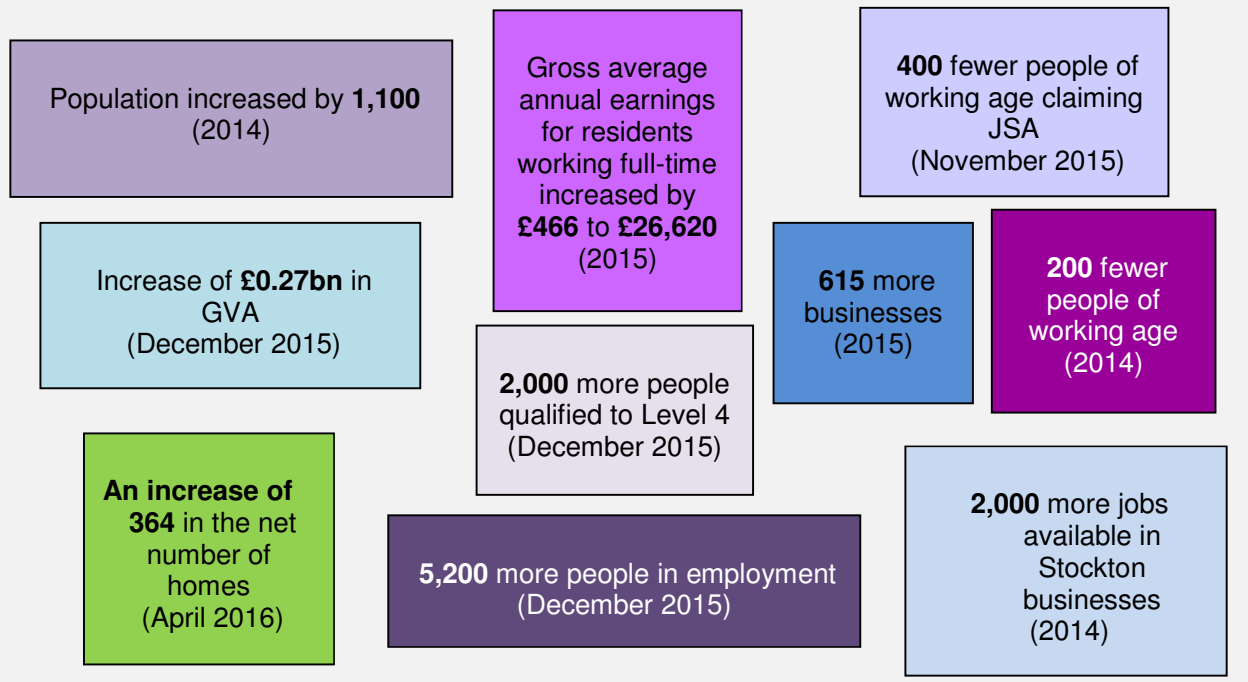
Economic Climate Report – Economic Performance and Growth

Key Headlines

During the period April 2015 to May 2016¹:



Using national statistics, the headlines below provide a summary of the economic performance and growth changes over the past year²:



¹ These figures do not include all business investments and new jobs created in the Borough, and are gathered as a result of proactive engagement with businesses by SBC Officers and from local press releases

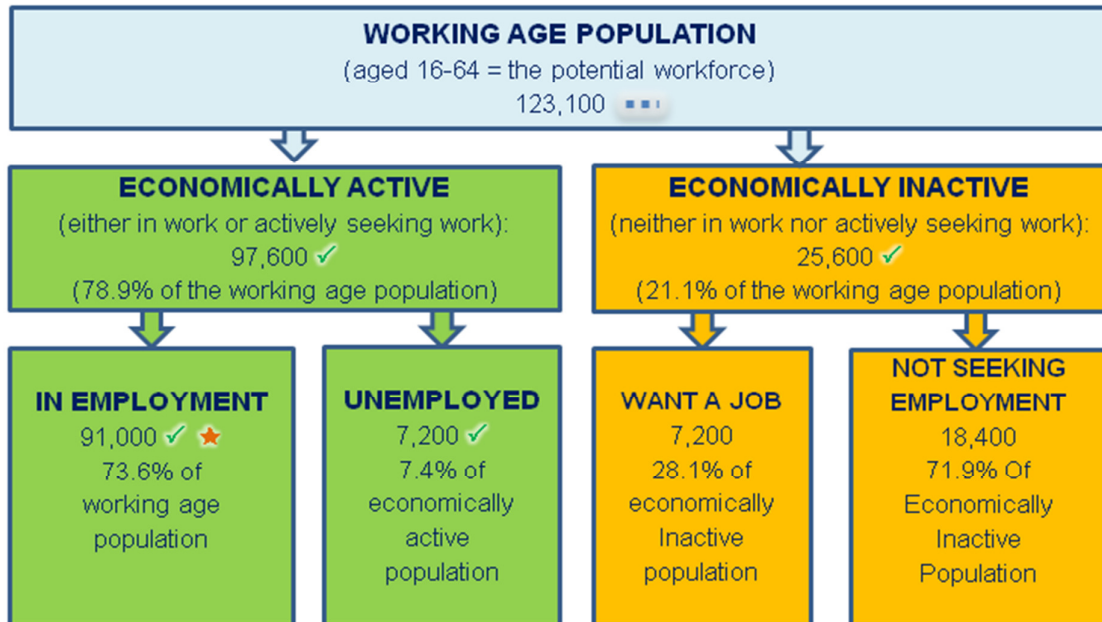
² The dates in brackets indicate the most recent period covered and not the date the data was published

ECONOMIC DASHBOARD

The table provides an update on the latest figures and data trends relating to the structure of the labour supply and the number of people claiming Job Seekers Allowance (JSA) in the area. Members should note that unemployment figures tend to be higher than JSA figures as not all unemployed people claim JSA.

Trends| Positive ✓ | Negative ✗ | Neutral ... | Record ★

Labour Market Structure (Jan 2015-Dec 2015)

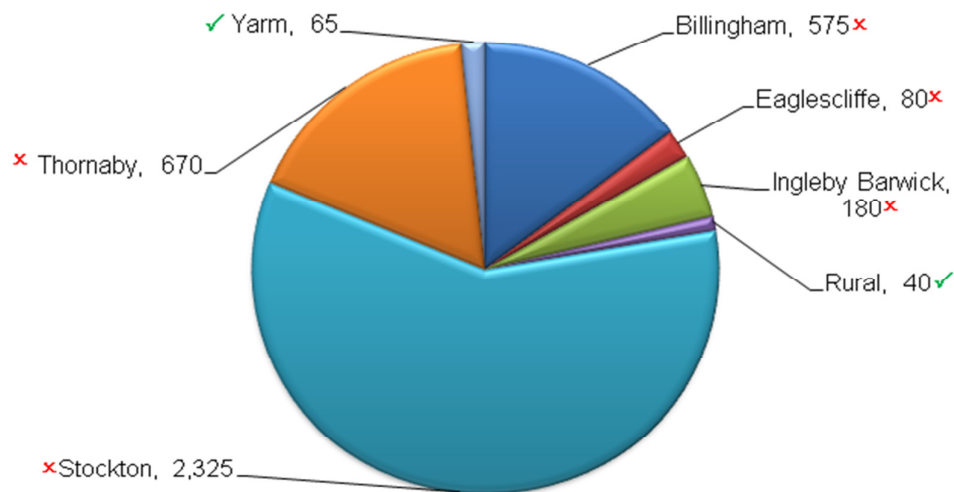


Source: Office for National Statistics, Annual Population Survey

Note: Some sub categories do not add up to the working age population shown as a lower population figure has been used for the calculations for the national statistics

Job Seekers Allowance Claimants (April 2016)

3,935 people (April 2016) claiming JSA
+100 person increase since January 2016 ✗



Updates

Strategic Updates
<ul style="list-style-type: none"> • On 4th May the Enterprise Bill received Royal Assent and became the Enterprise Act. It includes measures to: <ul style="list-style-type: none"> - establish a Small Business Commissioner to help small firms resolve issues such as late payment - include the actions of regulators in the government's £10 billion deregulation target and increase transparency through annual reporting requirements - extend the successful Primary Authority scheme to make it easier for businesses to access consistent, tailored and assured advice from local authorities, giving them greater confidence to invest and grow - protect and strengthen the apprenticeship brand, introduce targets for apprenticeships in public sector bodies of 2.3% in England, and establish an Institute for Apprenticeships – an independent, employer-led body that will make sure apprenticeships meet the needs of business - create a legal obligation for insurers to pay claims to businesses within a reasonable time • New Communities Partnership launched a £1bn housing delivery fund on 3rd May by Kier Living, The Cheyne Social Property Impact Fund (managed by UK-based investment manager Cheyne Capital) and The Housing Growth Partnership (a joint venture between the HCA and Lloyds Banking Group) with ambitions to help the public sector to build 10,000 new homes across the UK. The New Communities Partnership, a unique public-private alliance supported by the HCA, will provide Local Authorities and Housing Associations with an innovative delivery model for building new homes on their own land; giving them the option to choose between sale and/or rental developments, and offers significant scope for affordable development. • Applications made by Virgin Trains East Coast and FirstGroup to run new train services between Edinburgh and London on the East Coast Main Line have been approved. The Office of Rail and Road (ORR) said they would benefit passengers travelling to Middlesbrough, York, Newcastle, Morpeth, Lincoln, Leeds, Bradford, Harrogate and Stevenage. The services will be introduced in stages over the coming years, in some cases once Network Rail completes a programme of work to increase track capacity. • A research and innovation government body, UK Research and Innovation (UKRI), is being set up in shadow form, and once up and running will operate with a budget of over £6bn and bring together the UK's seven research councils, the innovation agency, Innovate UK, and research funding from the Higher Education Funding Council for England (HEFCE). UKRI will be tasked with ensuring the UK maintains its position as a world leader in multi- and inter-disciplinary research, in addition to providing a strategic approach to tackling major worldwide innovation challenges. UKRI will also be responsible for the Research Excellence Framework (REF) and work with the devolved administrations to assess the research performance of the UK's universities.
Business Announcements / Intentions
<p>The following section provides a summary of a number of major business announcements, but does not represent an exhaustive list.</p> <ul style="list-style-type: none"> • Mantank Environmental Services based at Portrack has invested more than £1m in establishing a new business division which has created 12 new jobs and is expected to boost turnover, with plans to increase this to 20 new jobs within a year. They work with a range of small and large companies carrying out services such as hazardous and non-hazardous waste management, industrial cleaning, tank cleaning and plant decommissioning. The company is Manchester based; and the Tees Valley branch is a second office to cover the North East market. The company has been growing over recent years, with turnover at the local branch at around £3m last year - compared to the Manchester operation, which turned over approximately £6m to £9m across their two sites. • Thousands of North East jobs will be safeguarded through a major project being undertaken by SABIC. The company, which employs 40,000 people around the world, is currently upgrading its

Olefins Cracker plant at Wilton to take US shale gas, a cheaper alternative to naphtha, which it currently uses. The cracker has a significant role within the local economy as it supplies raw materials to several chemical companies in the area. A cryogenic tank at the company's North Tees site, between Port Clarence and Seaton Carew, is also being built as part of an import terminal for the Gas Cracking Project, which will be completed within the year. The company reports that hundreds of construction jobs will be created through the work, and thousands more jobs across Tees Valley would also be safeguarded.

- **Tom Walker & Sons** (cheese packaging/distribution) employ up to 80 staff during their peak trading time of the run up to Christmas. The company has created 12 new jobs, which is linked to significant investment in new machinery.
- **APS Growers Ltd.** is the new owner of the 8 hectare tomato production facility, Tees Valley Nursery, in Billingham. The company is investing in excess of £1m in the site, and has plans to extend the facility. There are plans to link with the local community and more staff will be recruited and trained. The parent company, APS Salads Ltd., is a family business with 32% of the UK tomato market.
- **M20 Capital Ltd.** is the new owner of **Belasis Business Centre** and has plans to rebrand the Centre and undertake some refurbishment.
- The construction of the 40MW waste wood powered renewable energy plant by **Port Clarence Energy Ltd.** at Port Clarence is on target with above ground works expected to start in June 2016. The plant, owned by clean energy investment specialist, Glennmont Partners, is being constructed by the joint venture between Babcock Wilcox Volund (BWV) and Lagan Construction and managed by Eco 2. Local sub-contractors, including Mammoet, Booth Construction of Guisborough, and Shepherd Engineering, which has bases in Tees Valley and York, are benefitting from work on the scheme. Local labour is being utilised and four ex-SSI employees have been recruited. Up to 300 staff will be employed on site at the peak of construction.
- **Cotswold Manufacturing** based at Teesside Industrial Estate, which produces specialist doors and door sets, is investing to double its output in the next 3 years and plans to open a trade centre.
- **Cubic**, based at Teesdale Business Park, designs, integrates and operates systems, products and services that increase situational awareness and understanding in the transportation and defense industries. Cubic is in the process of setting up a 10-12 person services desk with the potential to grow further in time.
- **BLK (Beyond Limits Known)**, an Australian brand that has ambitions of being a household name, has secured a four-year deal to supply the England Rugby League team with its kit. Now **BLK United Kingdom** has launched in Stockton, creating eight jobs with more in the pipeline after an investment of almost £500K to acquire the UK license. The new company has also just taken delivery of its first £1m worth of stock. Based at the Durham Tees Valley Business Centre, BLK is already working in partnership with the RFL - the UK governing body for Rugby League - to provide cutting-edge kit for the England team and sports match officials. BLK was created in 2011 and BLK Sport is now one of the fastest growing sport's apparel companies, with almost 10,000 teams wearing the brand globally. These include the New Zealand Kiwis, England's netball and league sides, Fiji and USA Rugby and various marquee clubs.

Strategic Locations

- Officers are aware that control of the 33 acre **Portrack Interchange** site, adjacent to the A19, has recently been secured by an as yet un-named developer / investor. Prior to this, the site was held by the Irish National Asset Management Agency, which was set up to manage defaulted loan / property portfolios following the financial crisis in 2008.
- **Fusion Hive** occupancy currently stands at 47%; with enquiries continuing to be received. Those businesses that do not meet the criteria to locate to the building are referred to alternative office accommodation in the Borough subject to their specific requirements.
- Two blocks of units on **Teesside Industrial Estate** are currently undergoing a significant refurbishment and rebuild by owners UK Land Estates. This includes several industrial units off Dukesway and the creation of 6 retail type units on Perry Avenue adjacent to the new pub and restaurant.

Town Centres

- The **Stockton Business Improvement District (BID)** ballot proposal closed on 19th May following a 36% turnout, and a majority in favour of the BID (64% majority - 71% by RV). The BID proposal was developed following a feasibility study, in-depth consultation, and business planning process. Priority projects for the BID will focus on 5 key areas:

Project One:	Marketing and promoting
Project Two:	Convenience and access
Project Three:	Attractive and enterprising
Project Four:	Safe and welcoming
Project Five:	Thrive after five

Projected income for the BID will be approximately £200K per year for a 5 year term (at the end of which time a renewal ballot would be required to continue operation). The BID consultant, in consultation with the current BID Steering Group, will now prepare the 'Articles of Association' and elect a representative BID Company Board. The governance has been agreed by the Steering Group to be a Company Limited by Guarantee to enable the establishment of the company to happen by September 2016. Recruitment of a BID Manager will also take place within that time period. Collection of the BID levy (1.5% of RV) will be annual and managed by Stockton Borough Council; with the first collection planned for November 2016.

- The office locations at **Beaumont House** and **Gloucester House** based on Church Road continue to be popular Town Centre locations; with Beaumont House being 70% occupied, and Gloucester House having 9 businesses interested in locating to the building in time for its expected opening in June 2016.
- **All Things Wool**, which started in the Enterprise Arcade in 2014, is another business that has now gone on to open its own unit in Stockton Town Centre at 31 Dovecot Street.

Training & Skills

- A proposal will be recommended in the FE Commissioner's Report into the Tees Valley post-16 landscape which has been taking place over the last eight months that **[Stockton Riverside College will potentially merge with Darlington College](#)**. The colleges said a merger would build on the "positive collaboration" between the two boroughs, good transport links and a strong sense of history. The colleges have undertaken talks over recent months as part of an area review into further education. Under the proposals, the college campuses in Darlington, Stockton and Billingham would remain.
- **[Durham University](#)** proposals have been approved to turn the campus into an International Foundation College, delivering "pathway" courses into degree education.
- Hartlepool Borough Council in collaboration with the other Tees Valley Local Authorities has secured **£19.29m of European funding** to support 6,500 young people, aged 15 to 29, to move into education, employment, self-employment or training across the Tees Valley. This element of the Youth Employment Initiative (YEI) will be delivered in two strands:
 - **Tees Valley Pathways of £17.6m** will create innovative solutions to help young people who are struggling to achieve their potential or make positive progress
 - **Tees Valley Routeways of £1.69m** will provide young people with individually tailored routes into growth employment sectors such as advanced manufacturing, digital, logistics, low carbon and health and social care through a range of activities such as volunteering, internships, traineeships and apprenticeships
 - These are in addition to the **£2.8m** secured by New College Durham for their **Defining Futures** project which provides a mentoring and personalised support programmes.

The Tees Valley Councils' official launch of the YEI took place on 24th May.

ECONOMIC PERFORMANCE AND GROWTH: ANNUAL ROUND-UP

1. Further to Members receiving the thematic Economic Climate reports for People, Place, and Business this 'Annual Round Up' report draws out the specific areas of economic performance and growth as they relate to a series of high level growth indicators (see also paragraph 10).
2. The report also provides Members with forecasts for GVA Output (Gross Value Added) and jobs growth up to 2035. Officers will be obtaining these forecasts every 2 years in the future to inform policy and strategy formulation, and future iterations of the Stockton-on-Tees Local Economic Assessment.

Economic Strategy and Economic Growth Plan

3. As a result of monitoring various economic indicators and clarity around the economic conditions prevalent in the Borough via the thematic reports it has provided a clear rationale for where Stockton Council could intervene to add most value by targeting its resources and by remaining influential in its partnership working.
4. The Council's vision and aspirations over the long-term will be articulated in an **Economic Strategy 2016 – 2031** for the Borough; identifying a series of key outcomes to facilitate sustainable economic growth, that will be reported to Members later in 2016.

OUR ECONOMIC STRATEGY VISION: *The businesses and people of Stockton-on-Tees are part of a thriving and productive Borough at the heart of a balanced Tees Valley economy; a City Region that is driving economic growth within the Northern Powerhouse*

5. In creating the thematic reports Officers analysed certain data sets that best reflect the current economic position of the Borough. The key ones of note are:
 - Business stock, size, sector, survival rates, jobs
 - Employment floorspace availability, location, supply and demand, town centres
 - Population and demographics
 - Employment occupations
 - Unemployed claimant count
 - Employment status
 - Residents' qualifications
 - Resident and workplace earnings
6. The importance of being able to compare our local economy to that of other geographies, e.g. North East and national, is an important benchmark and, as such, national statistics are used. However, this does mean that in some cases the most recent position that can be reported may be for a period covering the previous 12 months. With that in mind, Officers aim to complement the national data with the intelligence and qualitative findings gathered from proactive engagement with businesses and partner organisations.
7. These combined findings will serve to determine how and where we could intervene to support and influence sustainable economic growth. So that we can be targeted in our approach and still remain flexible and proactive to any changes in the economic environment a rolling three-year **Economic Growth Plan 2016 – 2019** is being produced that sets out our economic delivery plans over the term.

8. Subsequent 'Annual Round Up' reports will be the method by which officers will report progress against both the Economic Strategy and the three-year Economic Growth Plan. Based on ongoing monitoring and assessment there will be greater certainty about the positive contributions that our interventions have on the performance of the local area and Tees Valley economy.
9. As a member of the Tees Valley Combined Authority we will shortly be publishing a refreshed Strategic Economic Plan for Tees Valley. The basis for Officers undertaking a Local Economic Assessment for Stockton-on-Tees is so that our priority interventions can be identified based on a robust evidence base, and to inform the strategic priorities of the Combined Authority.



Economic Performance and Growth

10. Similarly to the Tees Valley Combined Authority, Officers have used a series of high-level growth indicators that reflect the economic performance of Stockton-on-Tees compared to the UK average, or a more meaningful locally set target (see **Figure 1**). **It is these indicators that Officers will measure economic performance against each year in parallel to the longer-term Economic Strategy outcomes to 2031.**

Note: A more 'stretching' growth scenario has been used where the Borough is already performing well against the national position, i.e. employment rate. Officers need to undertake further work to fully understand the determinants of these indicators and how they relate to a variety of dependencies across the whole economy. Many of these inter-dependencies are outside the direct control of Stockton Council, and our role will be one of working with stakeholders and partners to influence or facilitate the right conditions for economic growth.



The creation of new ideas and the ability of businesses and the workforce to absorb new technologies and commercialise ideas into new business opportunities, business processes and to access new markets will drive **OUTPUT** and **PRODUCTIVITY** growth over the long-term. Stockton (and Hartlepool)³ contributed over £5.3bn to the economy in 2014, and £18,723 per head of resident population. Output would need to increase by an additional £2.0bn and £6,235 per head (at current prices) to match the national rate of output.



There are currently 91,100 **JOBS** available at workplaces across the Borough. There would need to be an additional 5,000 net new jobs in the Stockton economy to reach the growth forecast by Experian.



A strong economy depends on a diverse **ENTERPRISE** base and entrepreneurial culture. The overall number of businesses in Stockton is 5,260. This is 72% of the UK rate of 'enterprises per 10,000 adults'. There would therefore need to be an additional 2,000 businesses in Stockton to match the national rate.

³ From May 2016, ONS will be producing a breakdown of NUTS3 components of GVA(I) to Local Authority level using appropriate indicators, which may replace the target. See page 10 for further explanation of GVA(I)



High employment rates suggest a well-functioning labour market and a high demand for workers amongst businesses. Stockton's **EMPLOYMENT** rate is high at 72.7% of the working age population and is matching current national performance levels. Officers have therefore included a 'stretching' target to consistently match the UK rate, and in order to illustrate this have identified an increase of 1.17% currently to reach 74%, which would be a rate not seen for at least 10 years in Stockton-on-Tees and exceeds the national rate of 73.4%.

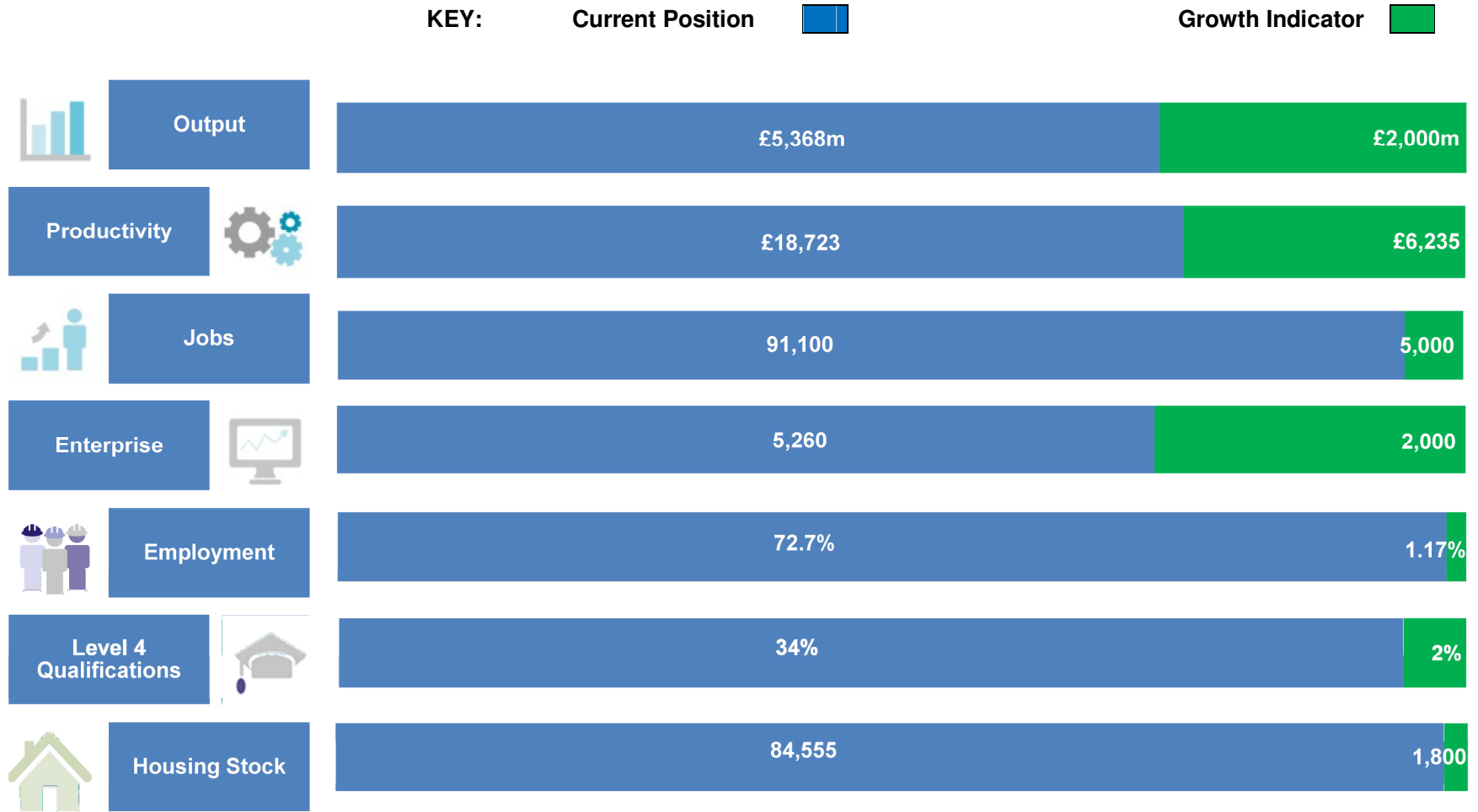


Skills levels are an essential part of a strong economy. Along with decreasing the number of residents with no qualifications we have set a target of increasing those with **LEVEL 4 QUALIFICATIONS** by 2% (2,462) of the working age population to reach the national level.



The **HOUSING STOCK** indicator will provide the total supply of housing in the Borough, and our target of increasing the housing stock by 1,800 indicates the total of net housing completions to 2019, which is currently based on the deliverability of sites with planning permission. The 2031 target for this indicator will be set following the Council's evidence base review.

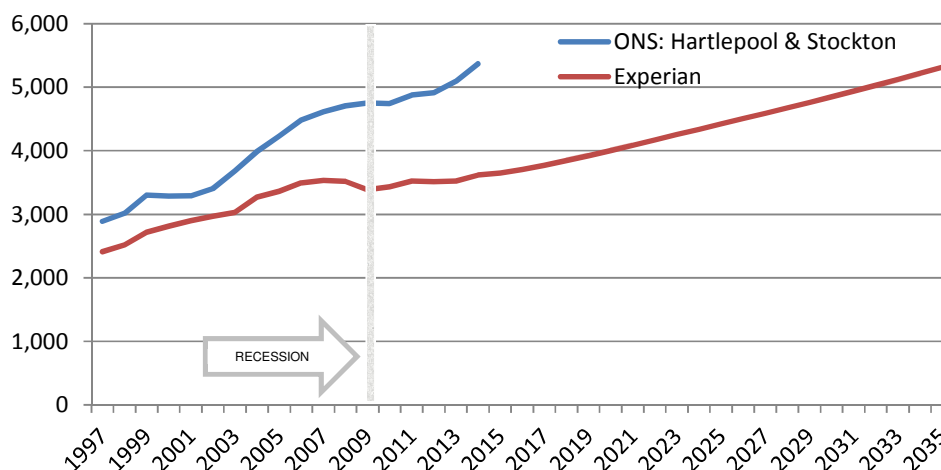
Figure 1 – Indicators of Economic Growth



Source: ONS / Experian Forecasts 2016 / Stockton Borough Council

SECTION 1**ECONOMIC OUTPUT – GROWTH FORECASTS**

11. **GVA**⁴ - To provide an analysis of economic output, GVA is the most suitable measure to use for local and regional economies. However, data from ONS has only become available during May 2016 at a Borough level. Stockton-on-Tees has historically been combined with Hartlepool at a level called 'NUTS3'⁵ to provide the most local level analysis.⁶
12. Officers have separately sourced bespoke data from Experian that is for Stockton-on-Tees only, and **Figure 2** provides a comparison of both the ONS NUTS3 data and separate Stockton-on-Tees data, along with forecasts of the GVA growth for Stockton-on-Tees up to 2035. The production of ONS GVA data at a Local Authority level will add greater clarity to the base data and forecast modelling in the future. **NB - For the remainder of Sections 1 and 2 the Experian forecasts are the main data points used. These forecasts do not benefit from the use of ONS national statistics for Local Authorities of GVA for 2014 and historic trends for base data.**
13. Stockton-on-Tees contributed £3.6bn to the Tees Valley and UK economy in 2014. In comparison, the NUTS3 data showed that the Stockton (and Hartlepool) economy contributed £5.3bn at the same point in time. **Figure 2** illustrates that Stockton-on-Tees had strong growth in economic output for the ten years to 2007, with over £1.3bn more being contributed to the economy over that time. The effects of the recession can be seen for the two years following, before starting to improve during 2010 to £3.4bn in output.

Figure 2 – Economic Output - Gross Value Added (GVA), 1997 to 2035

Source: ONS 2015 / Experian Forecasts 2016

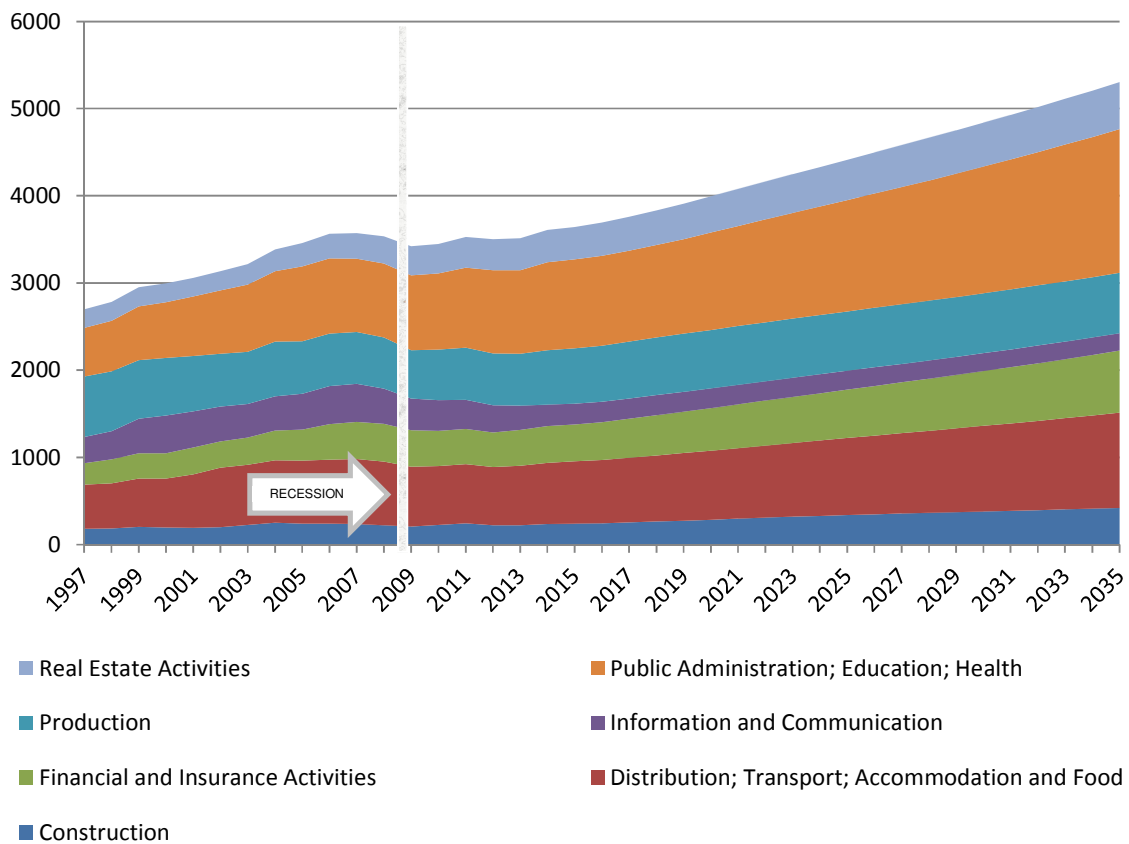
⁴ **Gross Value Added (GVA)** is identical to GDP except that it is measured in basic prices. These prices do not include taxes and subsidies. Distributors' margins are credited to the distribution industry. GVA for an industry is described by either **Current Price / Chain Volume Measure Data** where the unit of measurement is money are available either in Current Price (or Nominal) terms or CVM (or Real) terms.

⁵ **NUTS (Nomenclature of Territorial Units for Statistics)** areas aim to provide a single and coherent territorial breakdown for the compilation of EU regional statistics. The current version of NUTS (2008) subdivides the territory of the European Union and its 28 Member States into 98 NUTS 1 regions, 272 NUTS 2 regions and 1315 NUTS 3 regions. NUTS 2 regions generally consist of traditional county-based geographies and metropolitan counties. NUTS 3 regions generally consist of large districts, boroughs or unitary authorities; or groupings of smaller authorities. <http://www.ons.gov.uk/ons/guide-method/geography/beginner-s-guide/eurostat/relationship-of-nuts-to-uk-administrative-geographies.html>

⁶ From May 2016, ONS will be producing a breakdown of NUTS3 components of GVA(I) to Local Authority level using appropriate indicators.

14. The forecasts to 2035 suggest that GVA output for each broad industry group⁷ listed in **Figure 3** will grow from the 2014 baseline; albeit to varying degrees. The only exception to this is the slight decrease in the 'Information and Communication' sector, which includes sub sectors such as media activities, telecoms, and utilities.
15. The 'Public Administration; Education; Health', 'Distribution; Transport; Accommodation and Food'⁸, 'Construction' and 'Financial and Insurance Activities' industry groups will grow to a greater extent, and this is consistent with the growth seen in the number of businesses in those four sectors between 2013 and 2015.

Figure 3 – Economic Output by Industry Category Gross Value Added (GVA) by Broad Industry Group, 1997 to 2035, Stockton-on-Tees



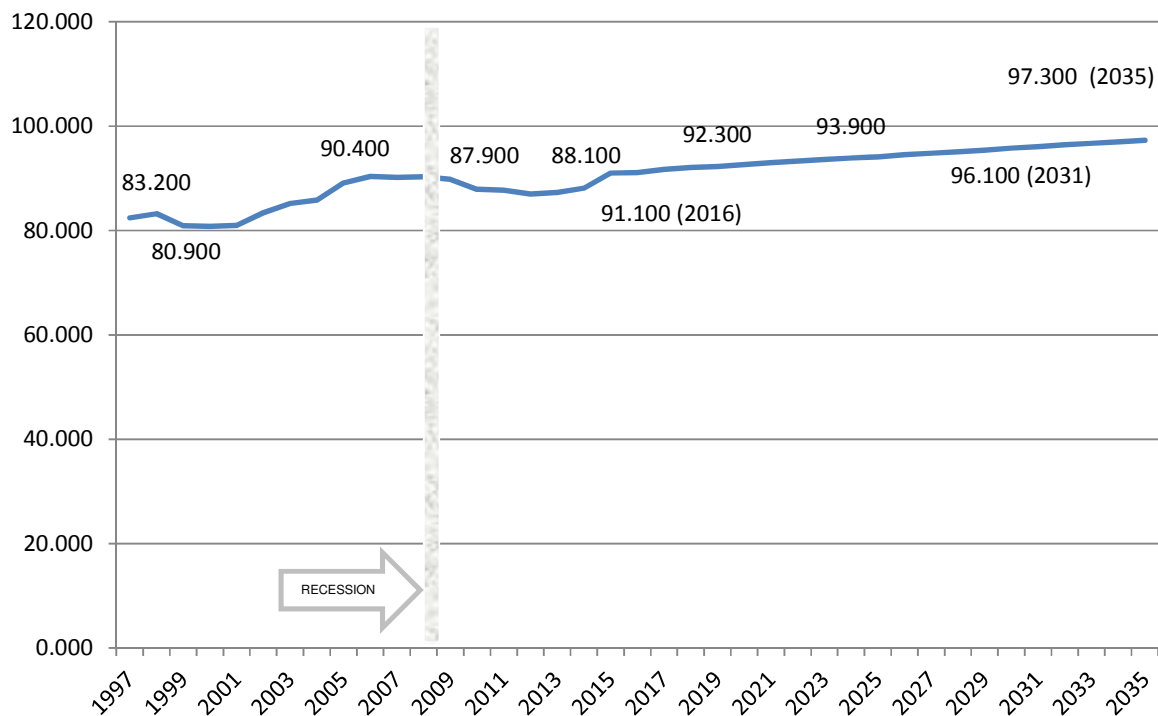
Source: Experian Forecasts 2016

⁷ Excludes 'Agriculture, forestry and fishing due to small numbers

⁸ Includes the sub-sectors of 'Retail' and 'Wholesale'

SECTION 2**JOBS – GROWTH FORECASTS**

16. The number of workforce jobs⁹ in Stockton-on-Tees businesses at 2016 is 91,100 (**Figure 4**). The forecasts from Experian show an increasing growth trajectory leading to an additional 6,200 jobs by 2035, which represents almost a 7% increase on the 2016 baseline. The 2031 growth indicator suggests an increase in the number of jobs by 5,000.

Figure 4 – Workforce Jobs, 1997 to 2035, Stockton-on-Tees

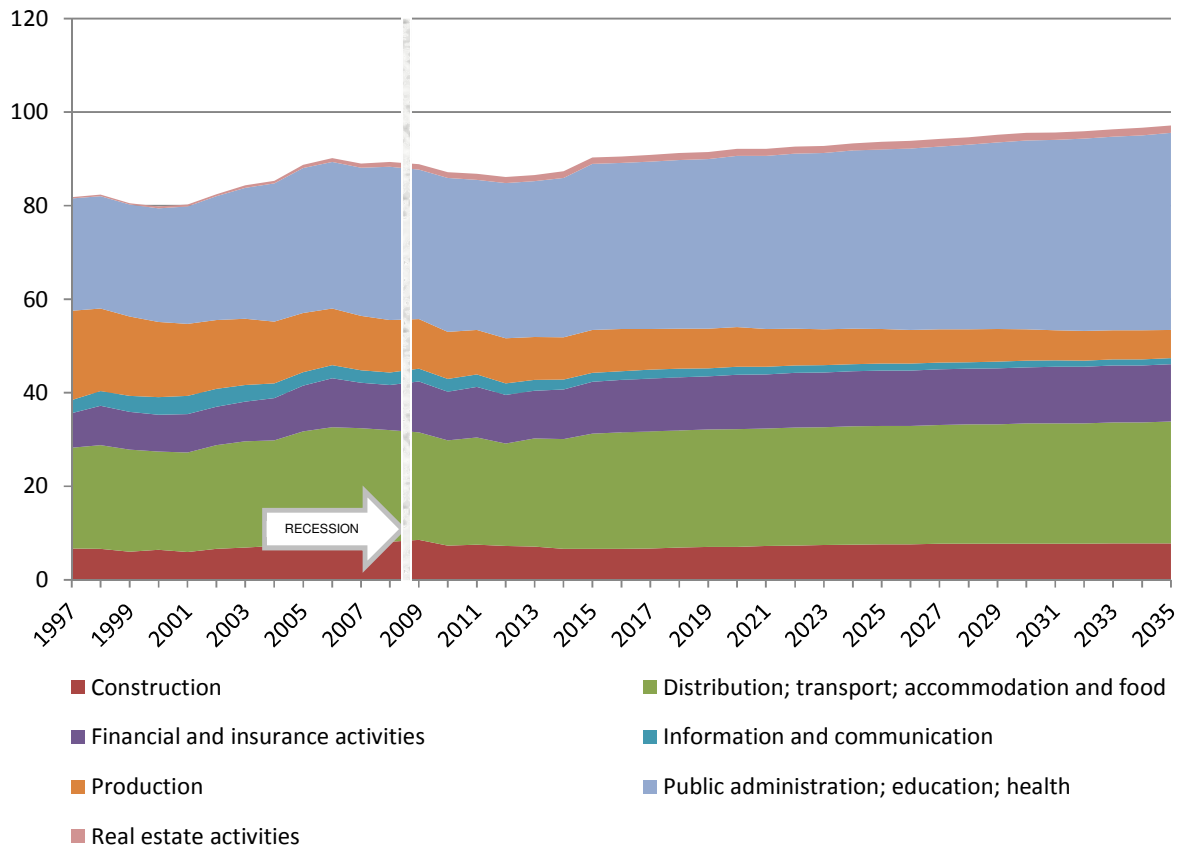
Source: Experian Forecasts 2016

17. **Figure 5** provides the trends forecast for jobs broken down by industry sector to 2035, and **Figure 6** shows the comparison between job numbers in 2016 and 2035.¹⁰
18. Of note, is the increase in the 'Public Administration; Education; Health', 'Distribution; Transport; Accommodation and Food', 'Financial and Insurance Activities' and 'Construction' sectors, which is consistent with the growth forecast in GVA for those sectors.

⁹ Workforce jobs and all its components count jobs and not people. This means that where a person has two or more jobs they are counted once for each job that they have. This can be contrasted with the ILO employment measures. Another consequence of counting jobs is that Workforce Jobs is based on the place of work not the residence of the worker.

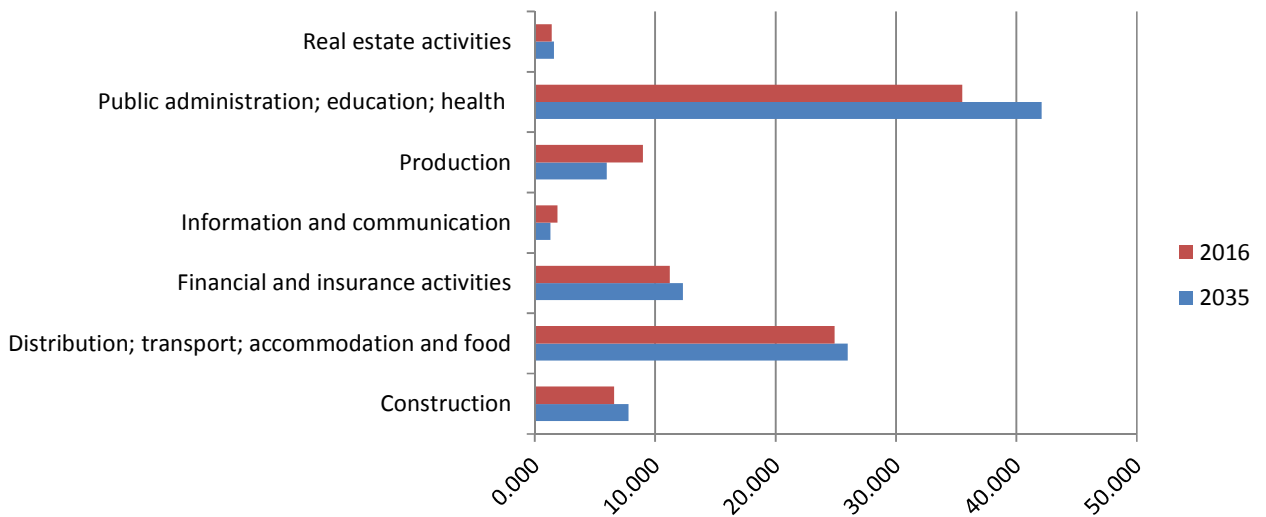
¹⁰ Includes the sub-sectors of 'Retail' and 'Wholesale'. Excludes 'Agriculture, Forestry and Fishing due to small numbers

Figure 5 – Workforce Jobs by Industry Sector – 1997 to 2035, Stockton-on-Tees



Source: Experian Forecasts 2016

Figure 6 – Workforce Jobs by Industry Sector – Comparison between 2016 and 2035, Stockton-on-Tees



Source: Experian Forecasts 2016

SECTION 3**LABOUR PRODUCTIVITY**

19. ONS' preferred measure of productivity is Gross Value Added (GVA) per hour worked. This measure removes employment rate, economic inactivity, demographic and commuting considerations as with GVA per head and work pattern issues with GVA per job. All three of these measures (or estimates) are included for each appropriate geography comparison in **Figure 7**.
20. The Tees Valley economy was worth £12.3bn in 2014. In terms of GVA per head of resident population, this equated to £18,525 or just over three-quarters of the UK rate. The GVA directly resulting from each Tees Valley job was £43K in 2013, far closer to the UK average at 88.1%. The average hourly GVA generated by a Tees Valley worker in 2014 was £28.30, closer again to the UK average of 91.3%.
21. Encouragingly, Stockton's (and Hartlepool) contribution to the Tees Valley and national economies was worth £5.3bn in 2014, with GVA per head of resident population at £18,723. Stockton's (and Hartlepool) high GVA per head performance could be due to differing levels of company profitability, wage rates, and related industry sector and occupational structural differences.

Figure 7 – GVA Estimates, 2014 - Stockton (and Hartlepool), Tees Valley and UK

	GVA (£m)	<u>GVA per head (£)</u>	<u>GVA per head index</u>	<u>GVA per filled job (£)</u>	<u>GVA per filled job index</u> *	<u>GVA per hour worked (£)</u>	<u>GVA per hour worked index</u>
UK	1,618,346	24,616	100	48,823	100	31.0	100
Tees Valley	12,342	18,525	75.3	43,017	88.1	28.3	91.3
Stockton (and Hartlepool) – NUTS3	5,368	18,723	76.1	44,355	90.8	29.4	95.0

Source: ONS / TVCA ¹¹

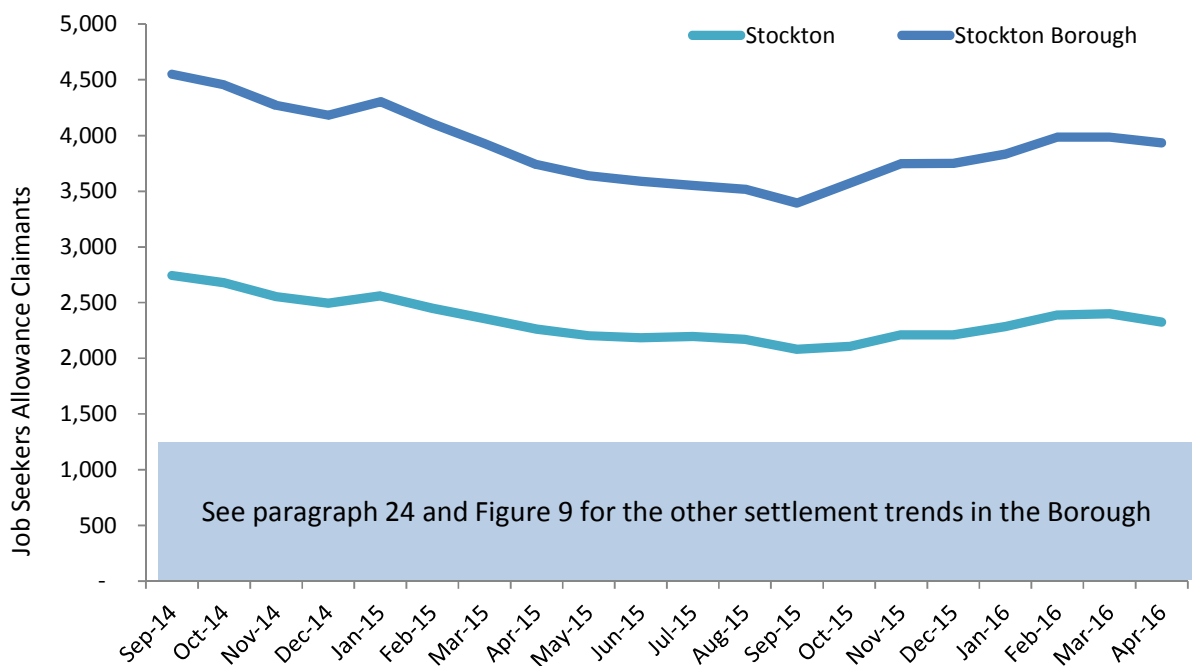
11 *
Indicates 2013 estimates

SECTION 4

JOB SEEKERS ALLOWANCE – CUMULATIVE TRENDS

22. **Figure 8** uses the same Job Seekers Allowance (JSA) information that is presented in the ‘Economic Dashboard’ of each thematic Economic Climate report. However, this annual round up report provides an opportunity to display the longer term, cumulative trends since September 2014. Over the period, total JSA claimants had reduced from 4,549 in September 2014 to a low in September 2015 of 3,395, before increasing to 3,935 in April 2016.

Figure 8 – Job Seekers Allowance Claimants by Stockton-on-Tees Borough and the largest settlement of Stockton

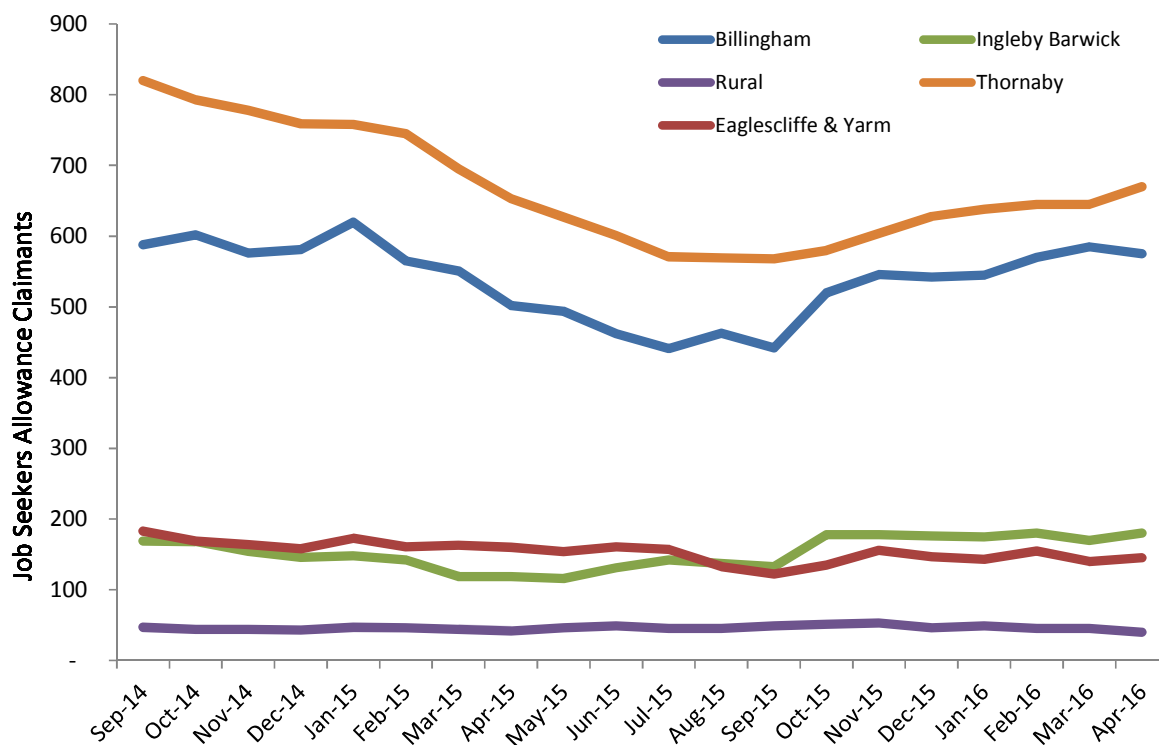


Source: ONS / Nomis

23. In terms of individual settlements, Stockton has the largest population of any settlement in the Borough and has by far the largest proportion of JSA claimants accounting for 30% of all claimants. Overall, JSA claimants in the area have decreased by 15% between September 2014 (2,742 claimants) and April 2016 (2,325), with a low being seen in September 2015 (2,081) a 24% reduction on September 2014.

24. In comparison, **Figure 9** shows that over the same period there have been significant reductions in Eaglescliffe (-22%), Yarm (-20%) and Thornaby (-20%). Of these, the reduction in Thornaby equates to 150 fewer people claiming JSA, which is roughly equal to the combined total number of people in Yarm and Eaglescliffe claiming JSA.

Figure 9 – Job Seekers Allowance Claimants by Settlement Areas



Source: ONS / Nomis

25. It is not possible to forecast what will happen to JSA claimant figures in the future, but further economic growth should help to reduce the number of claimants. At the same time, working age population growth could also result in the number of claimants growing in the long-term as competition within the labour market is increased.
26. JSA has been used to reflect the number of those residents that are unemployed and actively seeking work. The next Economic Climate Report 'People' theme, however, will provide a more detailed breakdown and analysis of the other main out-of-work benefits client groups, i.e. incapacity benefit, employment support allowance, and lone parents.

CASE STUDY – FOREIGN DIRECT INVESTMENT (FDI) BY JAPANESE COMPANIES IN STOCKTON-ON-TEES

Located in the North East of England, Stockton-on-Tees is now marketing itself as a world-class business location which offers a great place to live, work and visit. It is home to a number of highly successful Japanese-owned businesses that have enjoyed what they consider a warm welcome and strong level of support from the area's local government.

Stockton believes it provides a fantastic environment for any business seeking to grow or develop in the UK; this is shown by a diverse business base featuring an array of global businesses that have chosen to locate and invest. The welcome long-standing success of Japanese businesses investing in Stockton and the strong relationships forged with local government are key reasons why the Borough of Stockton wishes to be considered as a location for further Japanese businesses and develop links with the Japanese business community.

The tradition of manufacturing excellence and innovation continues on in Stockton to the present day with Japanese-owned companies at the vanguard of business success.

The most significant Japanese business in the North East is Nissan, who operate a car production plant in Sunderland. Census records (2011) indicate that 92 of the 7,000+ workers (1.3%) that worked at the plant at that time were residents of Stockton-on-Tees Borough.

Nifco

Nifco UK Ltd, based in Stockton-on-Tees, is one of the North East region's best-known manufacturers. An award-winning business, Nifco produces functional plastic components that are used in the engines and interiors of cars made by Nissan, Ford, Jaguar Land Rover, Honda and Toyota. The company has enjoyed a significant period of growth, having grown from being a £300,000 turnover business to one that is projecting a rise in revenue to £75m by 2016.

Following a major vote of confidence from the manufacturer's Japanese parent company Nifco Inc., combined with significant government support, the manufacturer was able to move to a new 130,000 sq.ft manufacturing facility and headquarters in 2011. This investment project secured 158 jobs and created a further 128, a huge boost for the Stockton-on-Tees economy, the facility being officially opened by HRH the Duke of York Prince Andrew.

After enjoying great success supported by its move to new premises, further support was awarded, which has assisted Nifco with the creation of a second £12.8m, 61,451 sq.ft facility at the same location. The second factory unit increased Nifco UK's manufacturing capacity and has added a new dimension to the business' credentials, introducing a Research and Development facility that has led to staff numbers increasing on-site to more than 500, with plans for a third new manufacturing development at an advanced stage.

A key example of Nifco UK's recent growth was evidenced in 2015, with the announcement that it secured a contract that could be worth as much as £50m with automotive giant Ford.

Nifco employee Satoru Nobu, resident in the UK for 20 years and now living in a new suburb of Stockton-on-Tees, says that *"Japanese culture is becoming more understood thanks to the internet and it is helping to make it easier to settle and that it is easy to form relationships, regardless of where you are from."*

Fujifilm Diosynth Biotechnologies

The company is engaged in the development and manufacture of innovative biotechnology-based medicines in the UK at its Stockton-on-Tees site.

Fujifilm employs 500+ at its site in Stockton-on-Tees. The company has continued to invest in the site through the addition of new manufacturing and research facilities and is part-owned by Mitsubishi.

The company's biologics business is one of the world's leading contract development and manufacturers of biologics for human healthcare products, with a focus on microbial- and mammalian-derived biologics. There are plans to expand its services in mammalian cell line development and process development.

Kenji Orihashi of Mitsubishi, who spent two years working in Stockton-on-Tees, highlighted many positive aspects of living and working in the region, commenting that local people are friendly and easy to communicate with, the area has many positive environmental attributes with leisure attractions for families and excellent transport links. Kenji also highlighted the social links enjoyed between Japanese nationals employed by the different Japanese companies in the wider area such as Nissan, Komatsu and Hitachi.



HRH Duke of York officially opens Nifco's UK HQ in Stockton-on-Tees

Lucite International (Mitsubishi Rayon Group)

The company is a global leader in the design, development and manufacture of acrylic-based products. It was created from the acrylic businesses of ICI and DuPont and was acquired by Mitsubishi Rayon Co Ltd in 2009.

Lucite is the world's largest supplier of MMA (methacrylate-based monomer), the essential building block for all acrylics. All the company's products and brands are based on MMA and are designed, manufactured and sold from its operations in EMEA, the Americas and Asia Pacific. Branded products include Perspex® and Lucite®.

The Cassel site in Billingham, which employs 250, is the largest within the company and manufactures both the key raw materials for further processing within the company and finished product for sale to external market customers. The company global R&D HQ is based at Wilton, also on Teesside.

A quarter of Lucite's 300-strong workforce on Teesside is now made up of people under the age of 30, as a result of the company's policy to employ sponsored apprentices to help the company to bridge the skills and age gap.



Fujifilm R&D taking place in Stockton-on-Tees

Hitachi

Close to Stockton-on-Tees, in neighbouring County Durham, Hitachi is currently investing significant sums in a new high tech manufacturing facility. The new manufacturing and assembly plant in Newton Aycliffe, County Durham, is being developed to support the DfT-led Intercity Express Programme and future Hitachi Rail projects. The decision to manufacture and assemble rolling stock at these premises is a fundamental building block in Hitachi Rail Europe's strategy for growth.