

ECONOMIC CLIMATE UPDATE REPORT

This report summarises the positive and negative economic changes that have taken place in the Borough during April/May 2013.

EMPLOYMENT AND BUSINESS

ENGINEERING/MANUFACTURING/CHEMICAL

Positive

- **Onyx Group** (Portrack Lane) has been chosen as the data centre to host growing company Zebra Internet Services as part of a six figure deal.
- **Box Clever**, a storage company, based in Billingham, has invested £60,000 in new CCTV, security lighting and gates, and has built on its range of services, which now include a 500-berth caravan storage area, van hire and storage unit rental.
- **K Home International**, have been awarded a significant contract to provide civil engineering design services for SNF Oil and Gas Ltd's new polymer plant in Billingham. The plant is expected to create up to 250 jobs when in operation.
- **Air Products** (Haverton Hill) has signed a 20 year contract with the Government to buy a portion of its energy at a fixed low price, via a Power Purchase Agreement, which will provide stability in what the public sector pays for energy and save £84m in energy costs over the life of the project. As a result of the deal, Air Products hope to invest in a second facility, subject to planning approval. Building work is already underway on the company's first £300m advanced gasification plant, which will create 700 construction jobs and more than 50 permanent jobs, and is expected to open in early 2014.
- **GrowHow UK** (Billingham) - the fertiliser manufacturer which also supplies the process chemical industry has reported higher sales volumes underpinned by a £26.8m rise in operating profit, as sales have broken the £500m barrier for the first time since 2008.
- **Phusion IM Ltd** – are relocating in order to expand within the Tees Valley Enterprise Zone at Belasis Business Park Billingham.
- **OPUS Industrial Services** (Billingham), which provides industrial services such as scaffolding, protective coatings and thermal insulation, and specialist rope access has been acquired by KAEFER C&D (Mansfield) and will now operate as KAEFER OPUS.
- **PX Group Ltd**, which has an office on Teesdale, has won a contract to operate the world's largest fat-fuelled power station, currently under construction in London.
- **Cordell Group Ltd** based on Stockton High Street will be starting their 2013 intake of 15 apprentices in May. Seventeen current apprentices, who are in their first year of training at NETA, will enter the Cordell Group workshops in July 2013. The company's policy is to retain all apprentices within the business upon successful completion of their apprenticeships.
- **North East Business Awards 2013** - Four Stockton firms have been crowned the best in business in the North-east. Nifco UK, Visualsoft eCommerce, Odyssey Systems and Nortech Solutions all took top titles at the grand final of the North East Business Awards 2013 on 25 April. Nifco UK took the Manufacturing award, Odyssey Systems celebrated success in the Services category, Visualsoft eCommerce won the Internet and ICT Award and Nortech Solutions took the Newcomer of the Year Award.

Negative

- **TATA Global Beverages** (Tetley site) will be making 24 members of staff redundant on 3rd May.

SERVICE SECTOR/RETAIL

Positive

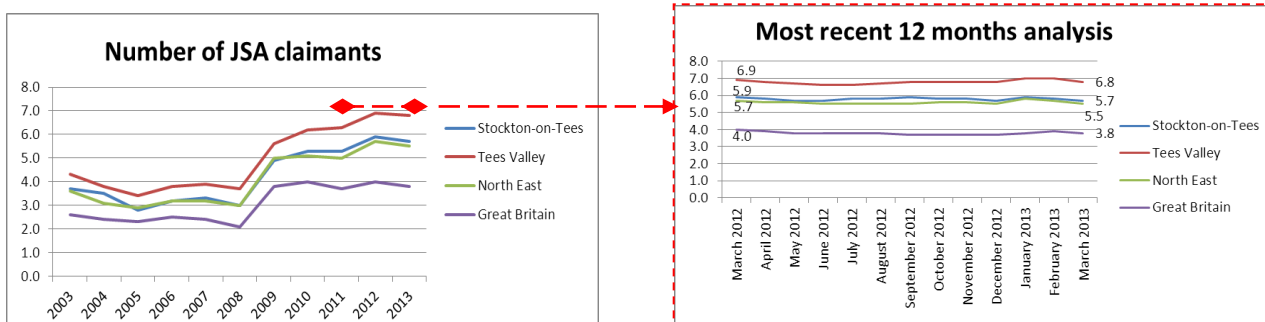
- **Atos Healthcare**, an occupational health service provider based on Teesdale, is recruiting around 145 staff to deal with processing claims for the new benefit, the Personal Independence Payment.

- **Collectables** (Portrack Lane) have taken on 2 apprentices as full time employees, and are hoping to employ another apprentice this month. The store currently has 45 staff and is increasing its range, which now includes clothing. Its restaurant has also been given a revamp.
- **FSH Recruitment Company** has doubled in size, and opened new premises at Preston Farm Industrial Estate. The company now employs seven staff and is currently putting a young apprentice through NVQ training.
- **Stockton Town Centre** – New business, Baby Joy, is opening on Ramsgate. Much Ado About Muffins has relocated from the business centre to Hambletonian Yard and Sound It Out on Yarm Street are undergoing expansion and refurbishment. Instant Cash Loans will be moving as part of the regeneration works from Lindsay House to 140 High Street in mid summer.
- **Spencer Market Hall** - Mr Tibbett (a greengrocer), The Blue Corn Bakery, Pollyanna's Baby Boutique have opened and terms have or, are in the process of being agreed on several other units.
- **Paw Pals**, a pet care franchise, was set up by a couple 5 years ago in Ingleby Barwick and now has over 500 clients and has created four jobs.
- **Home Interiors** and **Race for Furniture**, two furniture stores on Portrack Lane are reopening after being devastated by floods in September following a £500,000 makeover. Home Interiors opened on Bank Holiday Monday and Race for Furniture is due to open by the end of the month.
- **BCT Aspire**, a community interest company in Billingham, providing youth services and raising aspirations among children, is now in its third year. Paul Bergum won the 'We Can You Can Challenge' for Teesside's most promising entrepreneur in 2012 and since winning the company has moved to a new base at Billingham Community Centre, where BCT's catering division runs the café, whilst the youth programme has delivered activities to 350 young people.
- **Durham Tees Valley Airport** - Thomson has launched a new weekly service to Ibiza ahead of the 2014 summer season. This will be in addition to their summer service to Majorca.
- **Dickinson Dees** merged with Bond Pearce on 1st May to create law firm Bond Dickinson.

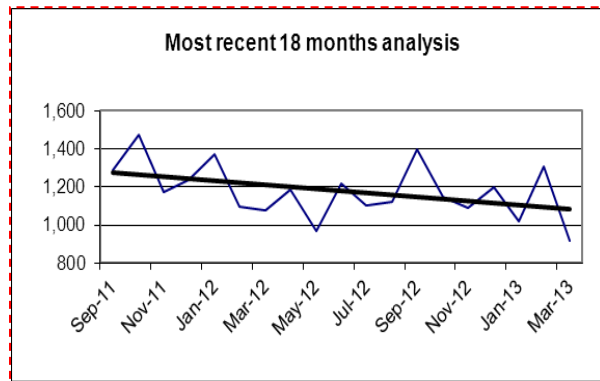
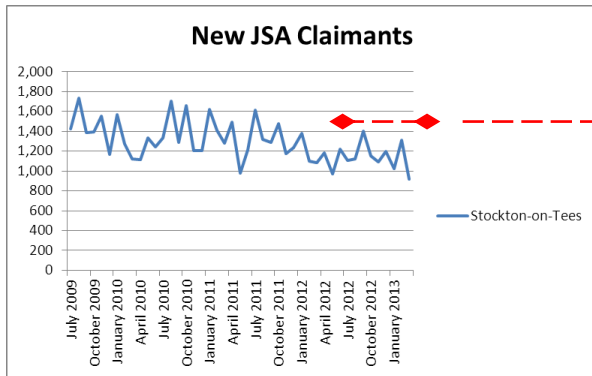
Negative

- **Stockton Town Centre** – Barnacles is closing at 16 High Street due to the lease ending. All other branches remain open. Hobbies R Us will be closing in June, and Internationale is also closing in early May as a result of the lease ending. Godwins furniture store is currently closed as it suffered from a major fire in April and Casper and Gambini have now been removed from the High Street, after trading beyond the length of their lease. A buyer is also being sought for Wellington Square, which is currently on the market for £16.6m.
- **Billingham Town Centre** – Yorkshire Bank is closing in June, and all accounts will be transferred to the Norton branch.
- **The Tall Trees Hotel** in Yarm reported in April that it could close within 2 months putting 50 jobs at risk.

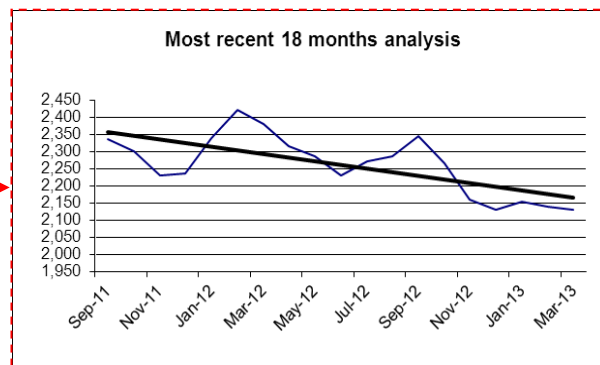
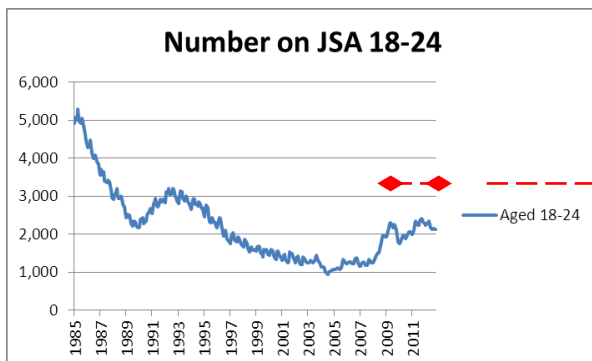
ECONOMIC INDICATORS



- The current number of working age people claiming Jobseekers Allowance (JSA) in Stockton is 7,146 (5.7% of working age residents). A more detailed 12 month analysis shows a decrease overall across the year since March 2012.

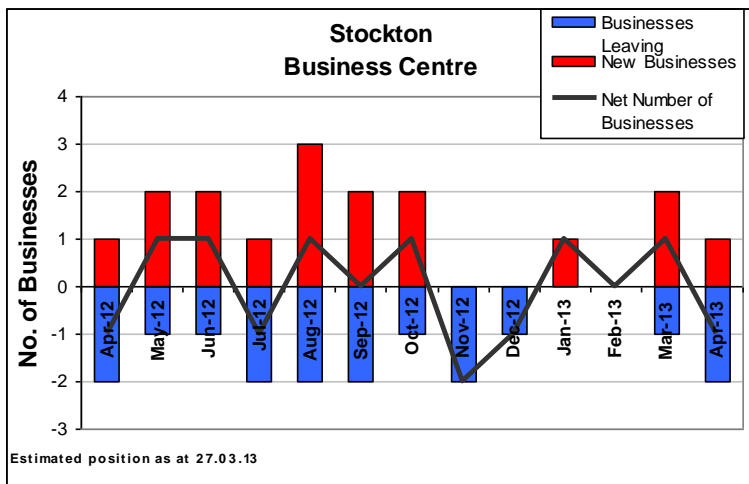


- There has been a decrease of 390 new JSA claimants over the last month, continuing the overall downward trend in new claims over the 18 month period since September 2011.



- The current number of young people claiming JSA is 2,130 (representing 30% of the total number of JSA claimants), of which 995 have been claiming for over 6 months. However, over the past 18 months there has been a decreasing trend since September 2011.

SUPPORT FOR BUSINESSES



- Enterprise Made Simple have taken on an additional unit
- Hardy's have given notice on the café as they intend to concentrate on the supply and decoration of cakes from their new premises at 6 Hambletonian Yard, Stockton.
- SF Media has moved to share an office (reducing costs) with a similar business in Victoria House, Middlesbrough.

- UK Steel Enterprise's **Access to Finance Grant scheme** is a £1.2 million Regional Growth Fund programme running from April 2013 to March 2015. The scheme will provide grant support alongside loan and equity finance from UK Steel Enterprise for capital investment projects which create and safeguard jobs. The funding is available in all UK Steel Enterprise areas in England, including the Tees Valley, Derwentside and West Cumbria.
- 2013 Recycling Awards** – Waste Electrical and Electronic Equipment, disposal services company, Innov8 Disposal based in Thornaby is one of six finalists for the awards.
- Ernst and Young Regional Entrepreneur of the Year Awards** – 9 entrepreneurs have been shortlisted from the region and will compete among a further 33 companies at the North of England awards in June. Graeme Oram from the Five Lamps (Thornaby) has been shortlisted from Stockton Borough.

- Experts at Teesside University are leading on a £2m project which aims to provide a wide range of specialist consultancy and support to 156 SMEs over the next three years. **The Resource Efficiency Pathways to Sustainable Growth (REPS)** programme is supported by £1m ERDF and intends to lead to improvements in efficiency, sustainability, cost savings and a reduction in carbon footprint – contributing to a stronger local economy.
- **The Home Working Fund** aimed at creating hundreds of home-based jobs in the North East has been extended by nine months due to its popularity. The £800,000 scheme, funded through ONE and subsequently the Department for Business Innovation and Skills offers businesses up to £3,000 towards the costs of training and equipment for each new home-worker. Since its launch in 2009 the scheme has created around 285 new jobs in the North East. To find out more visit www.entrust.co.uk/homeworkingfund

SUPPORT FOR PEOPLE

- **Stockton Youth Employment Initiative** - To date, 135 young people have started employment: 57 were aged 16-18; 53 were aged 19-20; 25 were aged 21-24. **In April**, 17 young people started employment: 13 aged 16-18; 3 aged 19-20 and 1 aged 21-24. Job roles being undertaken include Environmental Apprentice and Customer Services and Retail Apprentice (Know How North East x 13), Trainee Site Assistant (Five Lamps) and Trainee Fitness Instructors (Tees Active x 3).
- **Flexible Support Fund** - To date there have been 200 referrals, of which 182 have been classed as eligible (82 aged 18-24 and 100 aged 25+) with 113 people starting work, exceeding the target of 80 people. **In April**, there have been 13 referrals (6 aged 18-24 and 7 aged 25+) with 30 starting work. Training undertaken includes Scaffolding, Asbestos New Operative and Marketing Using Social Media.

HOUSING AND DEVELOPMENT

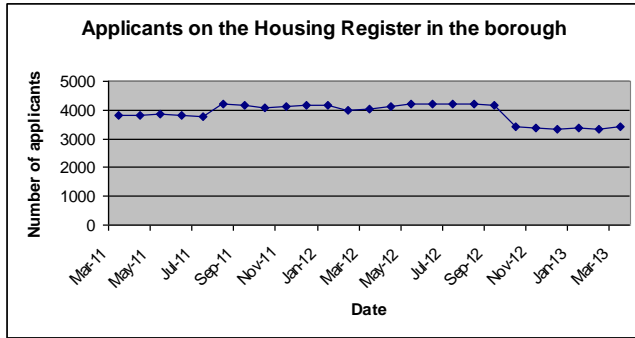
Monthly Benefit Service Workload

Workload remains high in comparison with previous years due to the implementation of a new automated system of direct notification of changes to DWP benefits.

Homelessness Data

The increase in approaches to the service is due to the impact of the welfare reforms and under occupation of properties. The biggest demand for the service is for assistance for the Discretionary Housing Payment (DHP).

Monthly Benefit Service Workload		Number of approaches to the Housing Options service	
March 2012	9,675	March 2012	233
December 2012	10,128	December 2012	190
January 2013	16,013	January 2013	288
Feb 2013	18,319	Feb 2013	293
March 2013	15,653	March 2013	389
Number of households accepted as homeless by the Housing Options Service		Mortgage Possession Claims Issued per 1,000 households	
March 2012	6	July - Sept 2011	1.14
December 2012	5	Oct – Dec 2011	0.82
January 2013	4	January – March 2012	0.89
Feb 2013	2	April-June 2012	1.01
March 2013	6	July-Sept 2012	0.82
<i>Note: Oct-Dec 2012 data not yet available</i>			



Applications on the Council's Housing Register (including transfers)

March 2012	4,407
December 2012	3,324
January 2013	3,372
February 2013	3,353
March 2013	3,439

House Prices and Sales

Average house prices continue to be lower than the national average. The number of house sales in the borough for 2012 has been slightly lower than in 2011 (2275 in 2011 compared with 2178 in 2012).

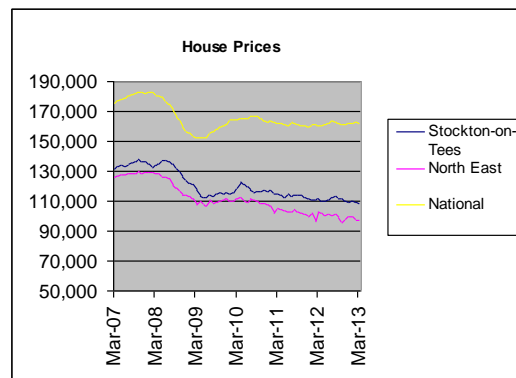
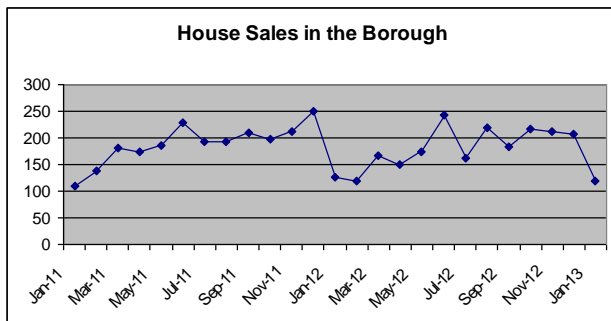
Number of House Sales in the Borough
(source: land registry)

Jan 2012	127
Sept 2012	173
Oct 2012	209
Nov 2012	213
Dec 2012	207
Jan 2013	119

Average monthly House Prices in the Borough
(source: land registry)

March 2012	£111,991
November 2012	£109,850
December 2012	£109,492
Jan 2013	£109,605
Feb 2013	£108,814
March 2013	£108,164

Note: The Land Registry publishes the number of house sales two months behind house prices. This is due to the data capture lag between the sale of the property and subsequent registration with land registry. There is enough data however to produce an average house price.



STOCKTON BOROUGH COUNCIL SUPPORT

Specialist Markets

A range of specialist markets have been held over the last month, which have increased footfall to the town and boosted local trade.

- **Sustainability Market 24 April** - Students from Stockton Riverside College competed to win the best market stall award at the Sustainability Market, which ran from 11am-3pm in a busy Wellington Square. Students worked hard to create a product and then promote and market their stalls to passers by. The event attracted a lot of customers and was a great success, embedding entrepreneurial and business skills and encouraging students to have a taste of market trading.
- **Chic Vintique 27 April** - The popular Chic Vintique Fair returned to Stockton's Parish Gardens with a marquee of quality vintage clothing, retro home wares, antiques, collectables, jewellery, unusual hand crafted goods, gifts and a range of sweet and savoury treats on offer. The event was host to over 40 stall holders and attracted approximately 2,000 customers throughout the day.
- **Farmers' Market 27 April** - The Farmers' Market offers high quality food locally produced within 50 miles of Stockton, and is an incredibly popular event. Approximately ten stallholders offered a range of produce including specialist pies and high quality meats.

Business Support Packages

Approval has been given for the first SBC Micro Loan released to Stockton based North East Marketing & Design Ltd. The loan funding will aid the creation of 8 new jobs at the firm which has recently relocated to Preston Farm.

The first business rate has also been approved for Furniture Express which will be moving into the ex-Walmsley's unit in the Castlegate Centre in June.

Stockton Duathlon

Stockton's first Duathlon was a huge success with over 460 people taking part in the event on 21 April. The event was sponsored by Visualsoft and Stockton Riverside College. Skinnergate Cycles also had a trade stand.