

ECONOMIC CLIMATE UPDATE REPORT

This report summarises the positive and negative economic changes that have taken place in the Borough during January 2014 and February 2014.

EMPLOYMENT

JOB GAINS

- **The Purple Pig** restaurant opened on Yarm High Street on 1st February and will employ 8 members of staff.

FUTURE JOB GAINS

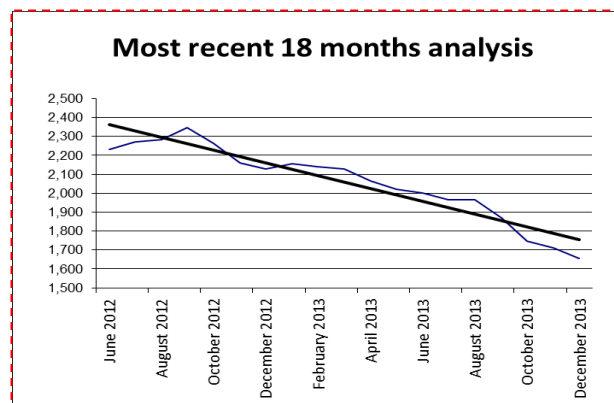
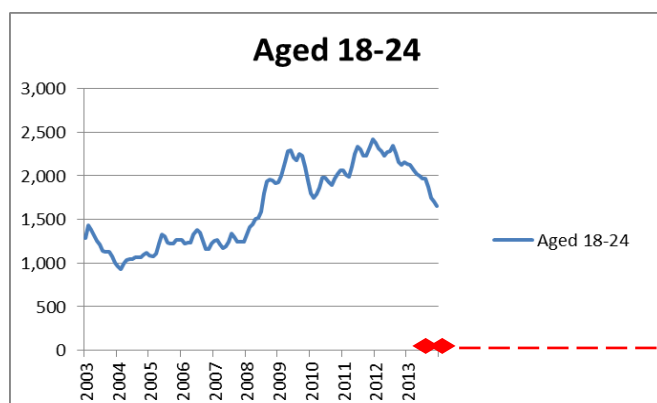
- **Sita UK** at Haverton Hill has signed a contract to process waste from Merseyside. The £1.6billion project will create 300 jobs in the construction of an Energy from Waste (EfW) plant and 50 new engineering jobs when the plant is completed.

TOWN CENTRES

- **Stockton Town Centre - Neil Sinclair News** has opened its doors to a newly refurbished unit at 112 High Street. The **Bridal Barn** Boutique and Wedding Hire have successfully relocated from Regency West Mall to 21b Yarm Lane. The **Post Office** will also be relocating in February and will close on the High Street and reopen within WH Smiths in Wellington Square. **Mass Vapour**, a supplier of electronic cigarettes, liquids and accessories is due to open in January on Silver Street. **Gracie Greens** based on Silver Street has closed, as has the charity book shop, **Healthy Planet**, (following the Council's acquisition of 35-37 High Street for a new enterprise arcade) and is currently looking for alternative accommodation.
- **The Bearhug**, a graphic design company, has moved into 62 Dovecot Street taking the total number of tenants to 6.
- **Billingham Town Centre** - work has commenced on the £2.7m combined customer service centre and library in Billingham Town Centre
- **Thornaby Town Centre** - Liverpool-based **InShops**, owned by Anglo-French market operator Geraud Markets has gone into liquidation. The branch in Thornaby Town centre closed on 17th January, however as of 30th January has re-opened on a temporary basis for an indefinite period of time (minimum 2 months) through the owners of the town centre. Of the 11 businesses affected, 8 have moved back in, one has since re-located out of the borough, Card Fayre has moved in to Neil Sinclair News on Stockton High Street and Dream Homes has decided to focus on their other branches in the region.

YOUNG PEOPLE (16 – 24)

JSA STATISTICS



- The current number of young people claiming JSA is 1,655 (representing 28% of the total number of JSA claimants), the lowest figure since December 2008. 690 of these young people have been claiming for over 6 months. Over the past 18 months there has been a steadily decreasing trend since June 2012.

EMPLOYABILITY

Creative Employment Programme – To date, three young people have started apprenticeships at Stockton Riverside College, ARC and Billingham Environmental Link Project (BELP). The Bearhug Company Ltd will be interviewing w/c 3rd February for their fashion design internship position and are also considering an apprentice. Internships for SIRF and at Preston Hall are due to be advertised in the coming weeks. The entrepreneurial interns have undertaken some workshops with the Five Lamps Organisation and with Mike McGrother. One to one appointments are being made to progress to self-employment.

LOCAL BUSINESS NEWS

ENGINEERING/MANUFACTURING/CHEMICAL

- Engineering and project management company **Amec**, based at Wynyard Park, has provisionally agreed a deal to purchase international company Foster Wheeler in a deal worth £1.9bn.
- Tanfield Engineering has been bought out of administration by Eaglescliffe based **Tinsleys Special Products**. Up to 68 employees from Tanfield Engineering's 97-strong workforce will have their roles safeguarded as a result of the deal.
- **Quorn Foods** is set to expand by introducing a third fermenter to its Billingham plant, which would trigger a £50m overall investment. Around £10m has already been invested on groundworks for the new fermenter. Last year, Quorn Foods boosted its turnover by 7.5%, to £143m and its UK business reported a 13% growth in total sales.
- In the past 18 months, **Pickerings Lifts**, the largest independent lift manufacturer in the UK, has increased staff numbers by 60, and now employs 360 staff. With headquarters in Stockton, the company is set to open a new office in the North East as part of their five year growth plans.

SERVICE SECTOR/RETAIL

- Thornaby based **Cosyseal Insulation Ltd** has secured a large contract with Gateshead Housing Company to deliver energy improvements to 10,000 households.
- An employability scheme helping local people freshen up their qualifications and business skills has led to six people gaining employment. The scheme is run by Tristar Homes and Nordic Pioneers working alongside Stockton Council, Five Lamps and Community Impact Enterprise.
- Teesside law firm **TBI Solicitors** (Tilly Bailey & Irvine) has almost doubled the profit available to distribute among its members in 2013.
- **AlphaGraphics North East** (AGNE) has bought the UK's number one school diary company, School Diaries Ltd, to boost local supplies of school planners and diaries to schools across the region. Everything will be produced in-house at the production facilities at Preston Farm.
- Wynyard-based **High Tide Group** has completed a £350,000 contract to design and build a new IT system for Alcopa, a Belgian car distribution group. High Tide has now been hired to provide support to Alcopa during the Brussels Motor Show.
- Vauxhall dealers **Sherwoods** have invested £150k in a revamp of their Stockton showroom. The move is part of a national overhaul of the Vauxhall's brand - due to be rolled out across the country.
- The tapas restaurant El Albanico on Yarm high Street has closed and has been bought by the owners of Muse, also located on Yarm High Street.
- The former Café Indigo at Castlegate Quay has been taken over by new tenants. The new restaurant is expected to open in March 2014.

BUSINESS CASE STUDY

Direct Line Food Supplies was founded in 1989 as a quality supplier to the catering trade in the Teesside area. The company was created to add value to the supply chain in response to the demand of the growing number of food outlets in the area. In 2002 DLS was established as a corporate limited company and has expanded its capacity with bases in Teesside and Tyneside enabling to extend its services across Scotland, the North of England and down to the Midland areas.

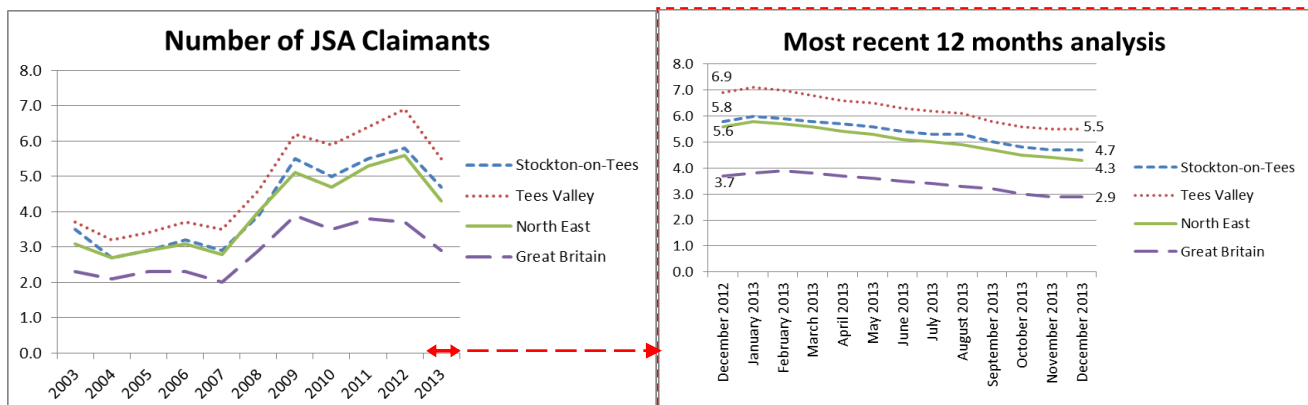
In May 2012, Direct Line Supplies made contact with the Council's Business Engagement Team, seeking assistance to expand their business into Stockton. The Business Engagement Team helped them to source a 50,000ft² premise on Teesside Industrial Estate. The building fitted the criteria of the business, allowing it to expand its warehousing and distribution division, create a company headquarters and safeguard 65 jobs.

During the past 18 months officers have co-ordinated support from across Council services, including facilitating Planning related discussions around signage, landscaping and access to the building; and helped to clarify understanding around business rates, resulting in a saving to the company.

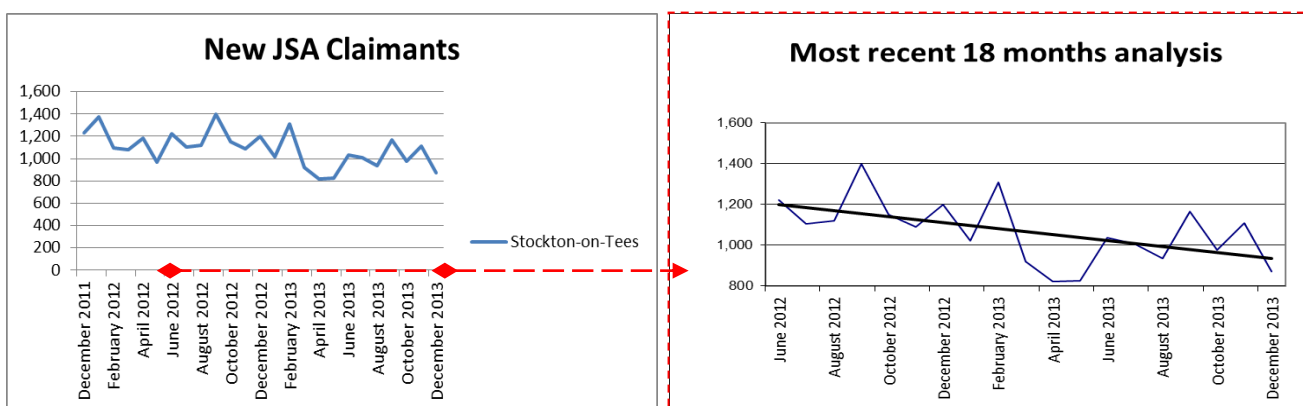
Further, we have helped them to gain maximum exposure through the local press, to showcase the business and their investment in the borough.

The business, now firmly established as one the region's largest and most innovative suppliers to the catering industry, was officially opened by the Worshipful Mayor of Stockton-on-Tees, Councillor Mrs Kathryn Nelson on 5 December 2013.

ECONOMIC INDICATORS



The current number of working age people claiming Jobseekers Allowance (JSA) in Stockton is 5,862, the same figure as the previous month (which was the lowest figure since January 2009). The proportion of working age residents claiming JSA has therefore remained at 4.7%. A more detailed 12 month analysis highlights the decrease overall across the year since December 2012.



- The number of new JSA claimants has decreased significantly over the last month (870 in December, compared to 1,110 in November). However, the effects of the seasonal working over the Christmas period will not be known until the next assessment period. Assessment over the past 18 months still maintains a decreasing trend.

OTHER ECONOMIC NEWS

- A £30m government research programme has been launched to benefit small businesses throughout the country. Businesses will be able to bid to the Department of Business Innovation (Skills Growth Voucher Programme) on condition they meet certain criteria. Businesses will be able to apply for up to £2,000, to match their own investment, to be spent on strategic business advice to support growth aspirations.
- The NECC quarterly economic report shows renewed levels of confidence spreading across many industries, however some notable ones are those affiliated to the oil and gas supply chains and business services.
- Entrepreneurs in the North East are showing increased confidence as sales and profit grow, according to the latest research by the Entrepreneurs' Forum

AWARDS

- Billingham-based **Tomlinson Hall** Ltd has been shortlisted for Distributor of the Year in the prestigious Pump Industry Awards
- The NEPIC (North East Process Industry Cluster) Annual Awards Dinner 2014 took place on 17th January with the following Stockton winners - Young Achiever Award in the Biotechnology sector awarded to Jonathan Haigh of **Fujifilm Diosynth Biotechnologies**, Young Achiever Award in the Fine & Speciality sector awarded to Daniel Arkle of **Chemoxy International**, Apprentice of the Year Award in the Support & Supply Chain sector awarded to Matthew Gunn of **Jacobs Engineering**, Environmental Award in the Industrial Category awarded to Maltby based **Returnable Packaging Services (RPS)** and the Outstanding Contribution Award was presented to Ken Home OBE of Thornaby based **K Home International**.
- Thornaby – based **ThyssenKrupp Encasa** has been named 2014 Project of the Year winner by Elevator World magazine for its successful installation of the highest stairlift in the world in Saudi Arabia.
- A Billingham Professor based at **Stockton Riverside College Bede Sixth Form College** has been named in an elite list of the UK's top 100 practising scientists.

HOUSING

HOUSING BENEFITS

Housing Benefit and Local Council Tax Support	New Claims Received per Quarter				Changes in Circumstances Received per Quarter			
	Q1/2013	Q2/2013	Q3/2013	YTD/2013	Q1/2013	Q2/2013	Q3/2013	YTD/2013
	2243	2133	1994	6370	42,600	47,377	40,154	130,131
Housing Benefit and Local Council Tax Support	Q1/2012	Q2/2012	Q3/2012	YTD/2012	Q1/2012	Q2/2012	Q3/2012	YTD/2012
	2146	2334	1565	6045	42,734	35,670	32,349	110,753

Housing Benefit	HB Caseload per Quarter 2013/14		
	Q1	Q2	Q3
	17,107	17,105	17,064
Local Council Tax Support	LCTS Caseload per Quarter 2013/14		
	Q1	Q2	Q3
	21,471	21,494	21,337

Housing Benefit	HB Caseload per Quarter 2012/13		
	Q1	Q2	Q3
	16,870	16,976	17,059
Council Tax Benefit	CTB Caseload per Quarter 2012/13		
	Q1	Q2	Q3
	22,022	22,070	22,088

Housing Benefit Caseload figures at the end of Q3 2013/14 are comparable with those of the previous year. Working age applicants are now required to pay a minimum of 20% of the council tax charge and this has taken some customers, in receipt of small amounts of benefit in 2012/13, out of entitlement altogether in 2013/14, thus reducing Local Council Tax Support caseload figures slightly.

HOUSE PRICES AND SALES

Housing Regeneration Schemes

Mandale is now in its 10th year of delivery and below is the detail as to what's being delivered to date:

- Only 3 households out of the original 578 are left to relocate
- The Councils partners, Keepmoat, Barratt and Isos Housing will collectively deliver 862 new, quality homes.
- Of the 862 new homes 246 of these are affordable properties (for rent and shared ownership).
- Both house builders have advised that sales remain strong on the site and this is supported by the national 'Rent to Buy scheme'.
- To date over 770 of the new homes have been built (including 220 affordable properties).

Hardwick is also in its later stages of development with 620 out of the proposed 760 new homes constructed. Sales here have tended to fluctuate but at this time sales are positive, again aided by the 'Help to Buy' scheme.

At Nursery Gardens (Parkfield and Mill Lane), Dunelm have now built 97 of the 105 new homes on the site. To promote the site Dunelm have undertaken a proactive local marketing campaign and offer a range of purchaser incentives. Properties on this site can also be purchased via the 'Help to Buy' scheme.

Help to Buy & Affordable Homeownership

In the Borough of Stockton figures for reservations are shown in the table below for the National 'Help to Buy; (Equity Loan Scheme). *Note. These figures are from the 'FirstBuy' Scheme, which was replaced on the 1st April by the 'Help to Buy' Scheme.*

	2013/14	2012/13
Q1 (April- Jun)	68	38
Q2 (Jul – Sep)	81	21
Q3 (Oct – Dec)	50	16

NOTE November / December are quieter months for new applications as things tend to quieten down in the run up to Christmas and developers are concentrating on getting existing applications completed before year end.

During 2013/14 there have been more reservations than in 2012/13, assumed to be due to a scheme change from 'Firstbuy' to 'Help to Buy' with the eligibility/bedrooms/price/income parameters being relaxed considerably.

Housing Sites Completions and Sales

Across the 18 housing sites in the Borough (which includes the regeneration sites), 167 housing build completions have been reported in Q3 in 2013/14, 167 housing build completions were also reported in Q3 in 2012/13.

Note: This figure is gross and does not consider the numbers of demolitions

To give an indication of how the housing market is performing, sales figures have been obtained for a few of the main private housing sites (in addition to the housing regeneration sites) across the Borough.

Queensgate (Visqueen site)

Sept-Nov 2013	December	January 14	Total Sold
7	1	3	11

Vivo Site (Northshore)

Sept-Nov 2013	December	January 14	Total Sold
3	0	0	3

Mandale Park (Thornaby)

Sept-Nov 2013	December	January 14	Total Sold
4	1	4	9

Meadow Rise (Hardwick)

Sept-Nov 2013	December	January 14	Total Sold
9	0	3	12

The Elms (Blakeston)

Sept-Nov 2013	December	January 14	Total Sold
2	0	1	3

Land Registry Statistics

Date of release of statistics – January 29th 2014

Number of House Sales in the borough (source: land registry)		Average monthly House Prices in the borough (source: land registry)	
Oct 2012	220	Nov 2012	£109,657
Aug 2013	226	Oct 2013	£109,361
Sep 2013	207	Nov 2013	£108,244
Oct 2013	201	Dec 2013	£106,850

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.