

ECONOMIC CLIMATE UPDATE REPORT

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

EMPLOYMENT

JOB GAINS

- A new soft play centre opened on 11th April at Teesside Industrial Estate. **The Play Factory** has employed 20 members of staff.
- Waste management company, **Cleveland Biotech**, based at Preston Farm, is growing its workforce by 5 after securing five contract extensions worth £2.25m.

JOB LOSSES

- **UPDATE** 80 staff have been made redundant following the collapse of **WA Browne**, initial enquiries have pointed towards working capital issues. Some employee roles on the steel framing side of the company were preserved via a TUPE transfer to an unnamed buyer.

FUTURE JOB GAINS

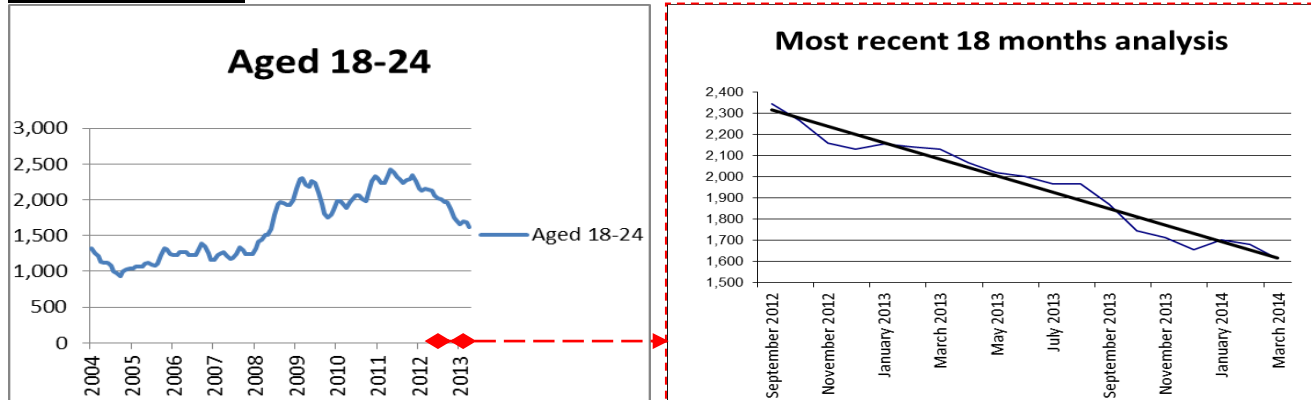
- Food manufacturer **Quorn Foods** will be investing £30 million in a new fermenter at its Billingham site, creating 400 jobs in the business, 100 jobs in the construction process, and a further 300 across other functions.
- **Air Products** have started work on a second advanced gasification plant at the New Energy Technology Park near Seal Sands. The plant will create 50 jobs, support about 750 construction posts, and will be operational from 2016. The development is backed the Government's Energy for Growth scheme.

TOWN CENTRES

- **Stockton Town Centre** – A new night club has opened on Prince Regent Street called '**Rehab**' and the fashion shop, **Style Boutique** based on Yarm Lane has closed. **UPDATE Vadah** Indian restaurant opened on 30th April 2014. **Mohujos** restaurant in Billingham have signed a lease for additional premises at the former Pappa Razzo, they anticipate that the opening will take place in July 2014.
- **The Old Autumn House** has moved out of the Enterprise Arcade in order to focus on on-line sales whilst The Little Soap Room, which specialises in handmade soaps, has moved into the vacant space.
- **iStation**, an independent apple repair centre, has moved into 62 Dovecot Street on 1 May taking the total number of tenants to 9.
- A new Weatherspoon's pub called **The Half Moon Inn** has opened in Billingham Town Centre's West Precinct. A new restaurant, **La Porto Italiano**, has also opened nearby on Queensway.
- The **Chic Vintique Market** was held on 12 April 2014 which attracted around 2500 visitors, approximately 500 of these visitors were from outside the borough.

YOUNG PEOPLE (16 – 24)

JSA STATISTICS



- The current number of young people claiming JSA is 1,610 (representing 28% of the total number of JSA claimants). 675 of these young people have been claiming for over 6 months. Over the past 18 months there has been a steadily decreasing trend since September 2012.

EMPLOYABILITY

The **YES Project** – (a Tees Valley wide initiative being delivered by Youth Directions for Stockton which works with NEET young people to support them into Education, Employment or Training) saw the following achievements from December 2013 – end March:

- 79 starts
- 75 young people currently on project
- 4 progressed into positive outcomes including FE and employment

LOCAL BUSINESS NEWS

ENGINEERING/MANUFACTURING/CHEMICAL

- **SITA UK** is looking to build a new processing line at its Billingham facility and is currently applying for planning permission. The sixth line would create hundreds of construction jobs and 30 permanent roles.
- Global oil and gas company **Aker Solutions** will split into two companies to speed up a streamlining process that will reduce costs and boost competitiveness - after announcing a rise in first-quarter earnings of more than a third. The split is scheduled for September 2014 and the new company will be named Akastor.

SERVICE SECTOR/RETAIL

- Billingham-based freight company **Nicholson's Transport** has partnered with a new Teesside company Green Digit Gardening after the new business secured a significant order for its products to be stocked in department stores and garden centres across the south of England. Nicholson's is providing support, advice, mentoring and warehouse storage space to the fledging business as well as transporting goods.
- Stockton based property development company **Terrace Hill** has agreed to buy London based Urban & Civic (another development company) with the aim of building thousands of houses in Central London, and elsewhere in the UK. The new combined company will be renamed Urban & Civic plc.
- Wynyard based pathology services company, **Acculabs Diagnostics**, is looking to grow and create jobs over the next few years after securing £65k of additional funding. The additional funds will also enable the business to develop their existing IT infrastructure.
- **Leser UK** has doubled the size of its centre at Preston Farm in order to create its UK Distribution Hub there which has now officially opened. The centre has been equipped with specialist and unique state-of-the-art safety valve test equipment. The new investment has resulted in increased stock holding and staff numbers in Stockton.

- **Elite Serviced Apartments** is on target to reach its £500,000 turnover milestone in 2014 after surpassing 2013's revenue within the first quarter of the year. The growth is following a number of major contract wins and an increase in both group bookings and long term stays.
- Plans have been approved for a **Barker & Stonehouse** store to be built at Teesside Retail Park. Work will start in June with the opening expected for early 2015.
- Retail and high value logistics specialist, **Clipper**, has been appointed to provide worldwide warehouse and distribution services for premium luggage brand, Antler. The contract will be serviced from Clipper's Supercentre at Wynyard Park.

BUSINESS CASE STUDY

Carroll and Meynell Transformers Ltd is a manufacturing company based in Eaglescliffe owned and managed by Mike Meynell. As a result of continued growth and expansion the company needed to recruit a number of transformer coil winders to meet the demands of new contracts.

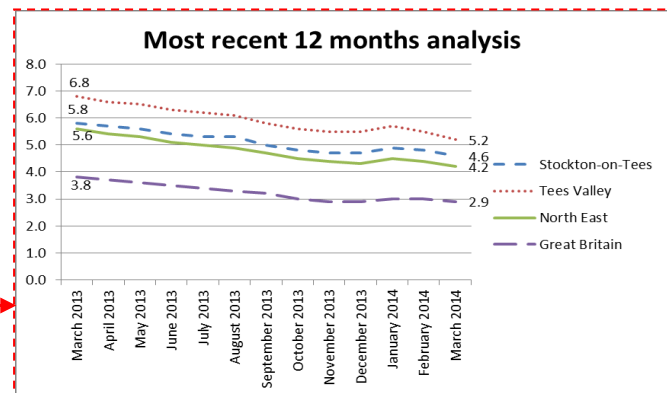
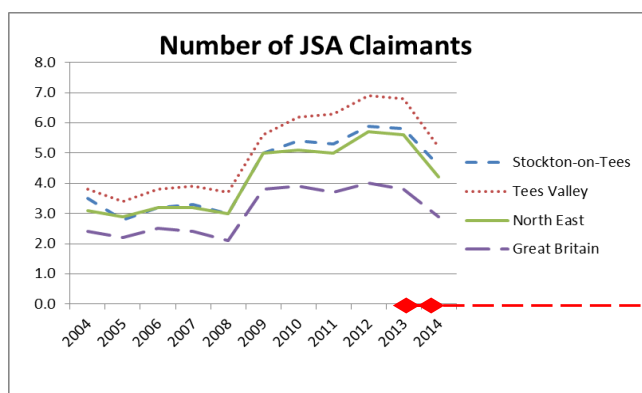
The art of winding transformers and inductor coils is a specialised role and the company is one of the few in the area that requires those skills. It is, therefore, becoming increasingly difficult to recruit experienced people.

After an approach to Stockton-on-Tees Borough Council to discuss the company expansion plans and recruitment options available to them it was considered that the best option was to establish a Sector Based Work Academy to tailor a flexible programme of recruitment to meet the needs of the company.

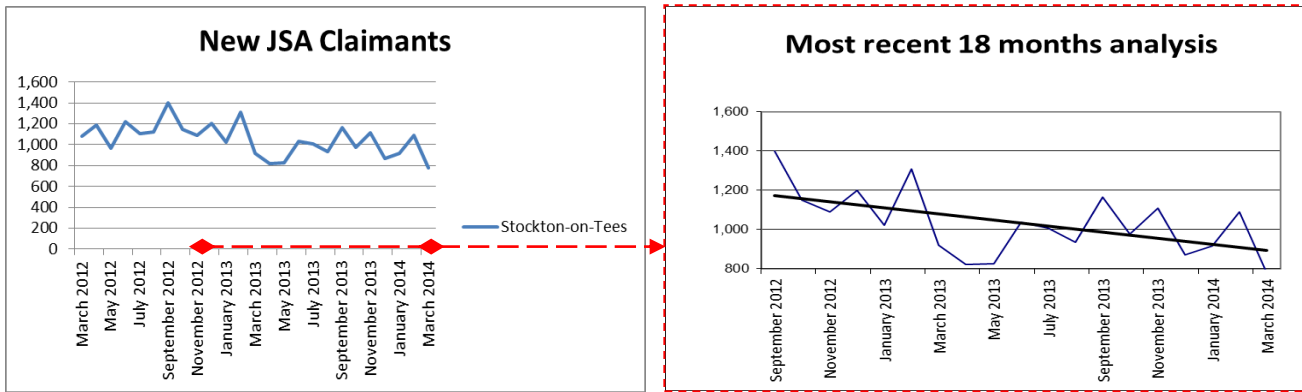
Working in partnership with JobCentre Plus, the NETA Training Group and Stockton-on-Tees Borough Council's Regeneration and Economic Development Service the company was able to develop a bespoke package of vocational training. After eight weeks of skills training, including a short period of work experience at the company, eight out of twelve unemployed people were offered permanent employment with the company. The combination of the training and work experience saved the company valuable time not having to undertake the training themselves and the new recruits were able to "hit the ground running".

Thirty new staff have been recruited in the last 18 months taking the staff number to 100. Following the success of this delivery model and the continued expansion of the business a further Sector Based Work Academy is planned.

ECONOMIC INDICATORS



- The current number of working age people claiming Jobseekers Allowance (JSA) in Stockton is 5,716, a decrease of 200 from the previous month, the lowest figure since January 2009. The proportion of working age residents claiming JSA has therefore decreased to 4.6%. A more detailed 12 month analysis highlights the overall decrease across the year since March 2013.



- The number of new JSA claimants has decreased over the last month (780 in March, compared to 1,090 in February). Over the past 18 months there has been a decreasing trend since September 2012.

N.B The reduction in claimants is due to the renewal of seasonal contracts.

AWARDS

- **Catalytic Technologies Ltd** is celebrating being named as winners of a prestigious Queen's Award for Enterprise – the UK's highest accolade for business success. They received the award for Innovation in recognition of achieving commercial success with their new, polyester catalyst business.
- Preston Farm care provider **Enable Care** has been shortlisted again in the Great British Care Awards, having previously been awarded the industry accolade in 2012. The purpose of the awards is to promote best practice within both home care and care homes sectors, and pay tribute to those individuals who have demonstrated excellence.
- **Castlegate Shopping Centre** has been awarded with a Park Mark award. The award provides visitors with the confidence that they are in a safe and trusted and recognises the investment and hard work that has been channelled into improving facilities over the last couple of years.
- Billingham-based **Tomlinson Hall & Co** is continuing its progress by being named as Britain's pump distributor of the year for the fourth time in this year's prestigious pump industry awards. Tomlinson Hall Ltd was established as a general engineering company and has now grown into a specialist manufacturer and distributor for pumps, power transmission equipment and engineering supplies employing some 23 staff
- The winning Stockton businesses in the Regional finals of the North East Business Awards are: **Castlegate Shopping Centre** won the "Heart of the Community Award and **PJA Distribution Ltd**, who specialises in manufacturing, sourcing and retailing of mobile accessories, won Newcomer of the Year.

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	Q4 2013	YTD 2013	Q1 2013	Q2 2013	Q3 2013	Q4 2013	YTD 2013
	2243	2133	1994	2189	8559	42,600	47,377	40,154	47,051	177,182
Q1 2012	Q2 2012	Q3 2012	Q4 2012	YTD 2012	Q1 2012	Q2 2012	Q3 2012	Q4 2012	YTD 2012	
2146	2334	1565	2138	8183	42,734	35,670	32,349	47,847	158,600	

Housing Benefit	HB Caseload per Quarter 2013/14				Housing Benefit	HB Caseload per Quarter 2012/13			
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
	17,107	17,105	17,064	17,175		16,870	16,976	17,059	17,101
Local Council Tax Support	LCTS Caseload per Quarter 2013/14				Council Tax Benefit	CTB Caseload per Quarter 2012/13			
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
	21,471	21,494	21,337	21,305		22,022	22,070	22,088	22,169

Housing Benefit Caseload figures at the end of Q4 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

- Decant and demolition is now complete with the final land sales due to complete in 2014/15.
- House builders have advised that sales remain strong on the site and this is supported by the national Help to Buy scheme.
- A 10 year celebratory event for the scheme was held by the partners in April which gave the opportunity to reflect on what has been achieved by working in partnership and the commitment and patience of the local community to achieve successful regeneration

Nursery Gardens (Parkfield and Mill Lane)

- It is anticipated that all of the 105 new homes will be built and sold by the end of 2014.

Victoria

- Site assembly is progressing well as a result of partnership working with Tristar Homes with the first demolition anticipated during Spring/Summer 2014.

Swainby Road

- Keepmoat Homes are working with the Council on a scheme layout for Swainby Road.
- Keepmoat held a consultation event in February with local residents on an indicative layout, prior to the submission of a planning application which is due to be submitted May 2014.
- It is anticipated work will commence on site Summer 2014 (subject to planning approval).

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
Q4 (Jan – Mar)	79	30
Q3 (Oct – Dec)	50	16
Q2 (Jul – Sep)	81	21
Q1 (April- Jun)	68	38

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

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	Feb - March	Total Sold
7	1	3	8	19

Vivo Site (Northshore)

Sept-Nov 2013	December	January 14	Feb – March	Total Sold
3	0	0	3	6

Mandale Park (Thornaby)

Sept-Nov 2013	December	January 14	Feb - April	Total Sold
4	1	4	9	18

Meadow Rise (Hardwick)

Sept-Nov 2013	December	January 14	Feb - April	Total Sold
9	0	3	13	25

The Elms (Blakeston)

Sept-Nov 2013	December	January 14	Feb - April	Total Sold
2	0	1	7	10

Across 23 sites in the Borough (which includes the regeneration sites), 128 housing build completions have been reported in Q4 in 2013/14, 201 housing build completions were reported in Q4 in 2012/13. The total new build completions for 2013/14 is 514 and 674 completions were recorded for 2012/13.

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

Land Registry Statistics

Date of release of statistics – 30 April 2014

Number of House Sales in the borough (source: land registry)		Average monthly House Prices in the borough (source: land registry)	
Dec 2012	212	Mar 2013	£106,737
Aug 2013	226	Nov 2013	£107,010
Sep 2013	207	Dec 2013	£106,889
Oct 2013	216	Jan 2014	£105,856
Nov 2013	235	Feb 2014	£106,254
Dec 2013	244	Mar 2014	£107,321

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.

Average House Price Comparison Graph – Data Source Land Registry

