

ECONOMIC CLIMATE UPDATE REPORT

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

EMPLOYMENT

JOB GAINS

- Claims processing firm **Fast Track Reclaim** has created 60 new full and part time jobs in their Thornaby and Billingham offices dealing with claims processing, customer service, billing and collections.
- **Chemoxy International**, is set to double the size of its Billingham plant as part of a £6m expansion project which is being supported by Regional Growth Fund. The expansion has resulted in the creation of 15 jobs bringing the total number of employees to 130.

FUTURE JOB GAINS

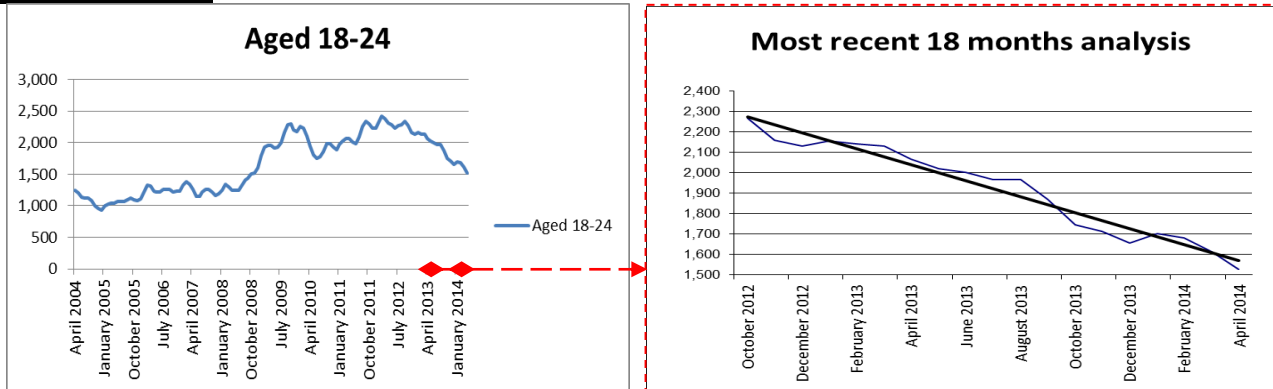
- BT has revealed it will create 80 engineering jobs in the North East as part of a UK-wide recruitment drive to take on a further 1,600 employees. BT has said it would target Stockton along with Darlington, Durham and Northumberland to acquire staff.

TOWN CENTRES

- **Stockton Town Centre** – two new fast food outlets have opened, **BBQ Express** has opened on Dovecot Street and an American-style takeaway **Daddy G's** has opened as an extension of The George Public House on the High Street. A lease has been signed by **Stockton Pets Emporium** for premises on Yarm Lane and is due to open in June. **Into Holistics** also has opened in Hambletonian Yard.
- **70's Party Events**, a clothing and fancy dress shop and **Samantha Grigg Knitting**, which specialises in handmade knitted clothing, have moved into the Enterprise Arcade meaning the arcade is once again full.
- **TNG Start-Up Consulting Limited**, an online content and marketing services company and **Ithica Films**, a promotional film video maker, has moved into 62 Dovecot Street taking the total number of tenants to 11.
- **Oriental Market** – On Thursday 8th May 12 stalls lined Silver Street for the market which attracted around 400 visitors from as far as Durham. All traders expressed great satisfaction at the market in terms of footfall and takings. 5 businesses in Silver Street stayed open for the market and most of these businesses were up around 400% in sales.
- The **Makers' Market** was held in Parish Gardens on Saturday 24th May, comprising of market stalls, a live music programme and refreshment area. A steady flow of customers visited the market throughout the day, totalling around 700 visitors. Feedback indicates that there is great opportunity to grow this market as visitors would like to see more stalls.
- The **Food, Fitness and Fun Market** which was located on the High Street on Friday 30th May was aimed at promoting healthy lifestyles to residents in a market style environment, using various organisations, free activities and cookery demonstrations with recipe cards. Approximately 200 children used the climbing wall, the cookery demonstrations were extremely well received with 200 taster bowls plus 80 additional food samples being handed out to visitors. Tees Active secured several membership sign ups to the boroughs gyms and gave out many free ice skating passes to encourage repeat visits to the leisure centres.

YOUNG PEOPLE (16 – 24)

JSA STATISTICS



- The current number of young people claiming JSA is 1,525 (representing 28% of the total number of JSA claimants), the lowest figure since November 2008. 660 of these young people have been claiming for over 6 months. Over the past 18 months there has been a steadily decreasing trend since October 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) from 15 May to date has saw:

- 20 new starts
- The number progressing into positive outcomes, including FE, training and employment has doubled to 8 from 4.

The Tees Valley Jobs & Skills Investment Scheme

- 98 applications from Stockton businesses have been approved creating 164 jobs and safeguarding 2
- £1,065,378 has been requested from wage subsidy which has achieved £3,441,929 from private sector match
- 14 applications have been rejected due to not meeting the criteria

Directions Programme – is a course designed by Tees Achieve to help unemployed people with employment and IT skills and also progression towards employment by undertaking further relevant training i.e. CSCS card, has received 375 referrals during the period 1 September 2013 to date. *Progressions are currently being analysed with data being available at the end of the academic year in August 2014.*

Job Search Essentials – Tees Achieve and Stockton Riverside College are working in partnership to deliver employability courses for the unemployed. The total number of referrals from January 2014 to date is 425.

The 16 – 19 Study Programme – is delivered by Tees Achieve and is tailored to meet the individual needs, education and employment goals of young people has realised the following results this academic year (August 2013 to date):

- 72 new starts
- 38 learners currently on Study Programme
- 27 completed (progressed into employment or further education)
- 7 withdrawn

This translates as a success rate of 68%.

LOCAL BUSINESS NEWS

ENGINEERING/MANUFACTURING/CHEMICAL

- **Stockton Machine Company (SMC)** has trebled its turnover to £1.1m in the last four years following investment in new high tech machinery which has enabled the company to win business in the offshore renewables sector and the oil and gas industries beyond its traditional customer base within the food processing industry
- Specialist air conditioning, heating and ventilation firm **Ambient HVAC**, based in Eaglescliffe, has grown turnover to almost £1m as it celebrates a decade in business with a series of major contract wins. Ambient's 12-strong team has designed and installed industrial air-conditioning systems for many of Teesside's leading chemical companies including Lucite International, ConocoPhillips and Hertel.

SERVICE SECTOR/RETAIL

- **Offshore Marine Academy (OMA)**, which provides bespoke training courses within the offshore renewables industry, has announced its re-location to a new operating base at Wynyard Park. OMA, which has been based in Bristol since 2010, has moved to Wynyard Park to support the growing number of renewables companies establishing themselves in the area. There are currently three staff working at the Wynyard base which they hope to increase to four later this year.
- Norton-based charity, **Daisy Chain** has opened a second-hand superstore on Portrack Lane. The store opened on 26th May and features a split level interior with coffee shop. It is to raise cash for the charity which supports children with autism and their families.
- The **Post Office** which was previously located at 26 Durham Lane, Eaglescliffe, will re-open on Monday 14 July, into one of the new local style branches, at The Pharmacy, Unit 4, Orchard Parade, Eaglescliffe.

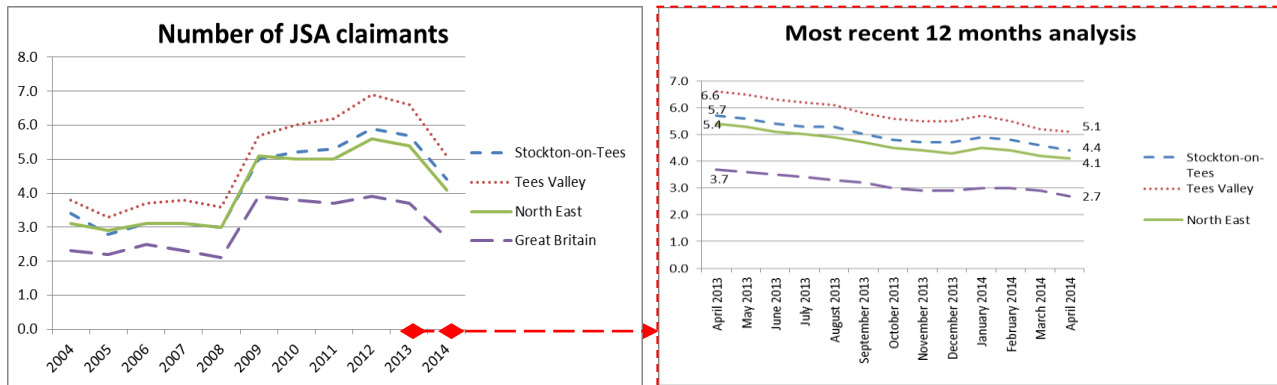
BUSINESS CASE STUDY

Mohujos Mexican restaurant located in Billingham were first approached by the Council back in 2012 to provide street food style catering during SIF and Stockton Weekender. The business had never traded outside of the restaurant prior to this but with support from Stockton Town Team and the Business Engagement team they took the leap to cater outdoors and trade at their first event. The risk paid off for them and following the success of this they purchased a catering trailer in September 2012 to develop the outside catering side of the business. They have since attended several events and specialist markets in Stockton, including Stockton Weekender and the World Market, and sites across Billingham- this side of the business continues to flourish and they have even submitted an expression of interest to catering during the Glastonbury Festival.

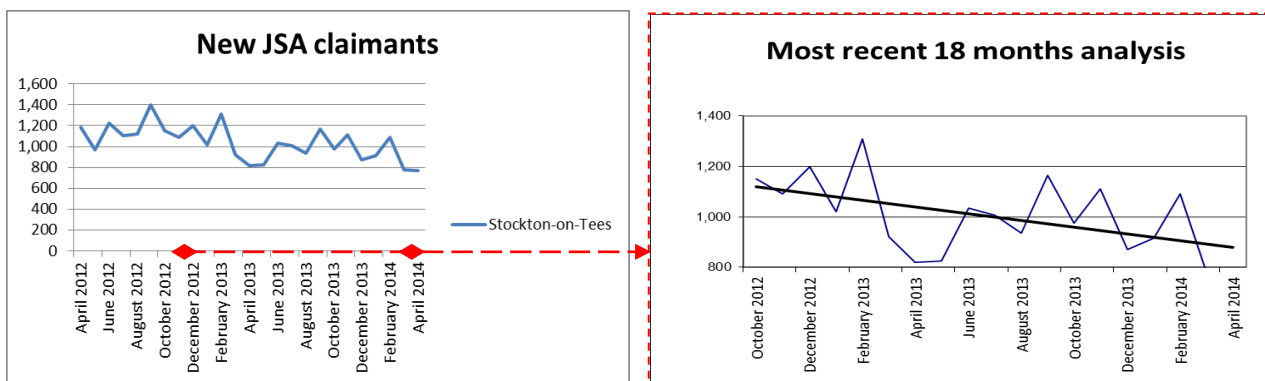
As the businesses went from strength to strength, Wendy Sayers the manager of the restaurant approached the Business Engagement team about opening another restaurant in Stockton Town Centre. The team identified suitable premises for the new restaurant and worked with Wendy to establish the best location. They have now taken on the lease for new premises at 11 Finkle Street which is the former Pappa Razo restaurant. The business has benefitted from a start-up loan administered by Five Lamps and will also benefit from the Stockton Town Centre Business Rates Discount Scheme enabling them a 50% discount on the rates payable for 2 years.

The restaurant in Billingham has a great local reputation for quality food and atmosphere and this is due to be replicated with the new Stockton Town Centre based restaurant. The new restaurant, Mohujos by the River, will be initially employing one new kitchen apprentice and is due to open on 8th July 2014.

ECONOMIC INDICATORS



- The current number of working age people claiming Jobseekers Allowance (JSA) in Stockton is 5,457, a decrease of 259 from the previous month, the lowest figure since December 2008. The proportion of working age residents claiming JSA has therefore decreased to 4.4%. A more detailed 12 month analysis highlights the overall decrease across the year since April 2013.



- The number of new JSA claimants has decreased over the last month (770 in April, compared to 780 in March). Over the past 18 months there has been a decreasing trend since October 2012.

OTHER ECONOMIC NEWS

- The latest Duport Business Confidence Report for Stockton shows a rising level of net company growth in the area during 2013. By December 2013, net company growth (the number of company formations minus the number of closures) stood at 301, compared to 276 in December 2012. The rise is due to a record number of company formations in 2013, over the course of the year, there were 756 new companies registered, more than any other year on record and a 12% rise on the previous year. N.B Data sources are Companies House, Office for National Statistics and Ordnance Survey.

AWARDS

Five Lamps has been shortlisted in the Excellence in Social Responsibility category, in the first **Investors in People Awards**. The Awards, which received over 500 entries from all over the UK and different sectors, will celebrate the best people management practices amongst Investors in People accredited businesses, with winners being announced at a ceremony held on 23 June.