

ECONOMIC CLIMATE UPDATE REPORT

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

EMPLOYMENT

FUTURE JOB GAINS

- Eaglescliffe plastics manufacturer **Nifco UK Ltd** is set to create 20 high-end jobs at its new multi-million pound R&D focused facility which is situated on land adjacent to the first current factory.
- Discount retailer **Aldi** has announced plans to take on 15 apprentices at stores across Teesside including Stockton, Norton, Yarm, Redcar, Middlesbrough and Hartlepool as part of a move by the company to recruit 500 apprentices in 2014 across the UK.

JOB LOSSES

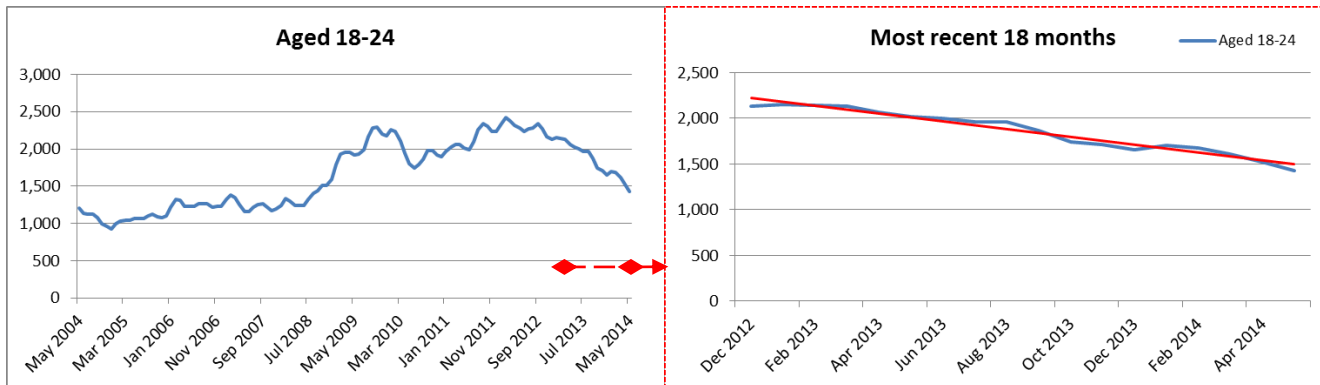
- **UPDATE Npower** held 2 jobs fairs in June at their office in Thornaby. Both of the events were very well attended and 7 other local employers and agencies were in attendance with over 500 vacancies available for staff to apply for.
- 49 Fork Lift Truck/ Warehouse personnel will be made redundant on 7th September 2014 at **Morrison's Distribution Centre**, Portrack Lane. This is part of Morrisons plans to cut 2,600 jobs as a result of changes to its management structure. The Council is working with Job Centre Plus and the National Careers Service to ensure the relevant support is in place for those employees who will be made redundant.
- **Andrew Webb Filtration** based on Portrack Industrial Estate is closing its Stockton facility and transferring production to its main office in Stoke on Trent. The closure will take place in October meaning 19 employees will be made redundant. The Council is working with Job Centre Plus and the National Careers Service to ensure the relevant support is in place for those employees who will be made redundant. The company has also commissioned the services of an outplacement provider to provide support to employees.

TOWN CENTRES

- **Stockton Town Centre – Andreas Boutique** including **Tippee Toes** has closed on Dovecot Street. **Peking Gardens** on Bridge Road and the **Barnacles** outlet at Dovecot Street have both undergone refurbishments. The women's fashion retailer, **Look Good Feel Good**, has closed in Regency West Mall as have the **Eurochange** outlet in Wellington Square Shopping Centre. **Card Factory** have expanded and relocated within Wellington Square Shopping Centre.
- **Yarm Town Centre – Tate Fashion, Hair & Beauty** has expanded its business and opened a second store at 113 High Street. A new Italian restaurant called **Cena Trattoria** opened its doors at 85 High Street.
- **Wags & Whiskers** has moved out of **Stockton Enterprise Arcade** into its own premises on Dovecot Street.
- Fifteen stalls filled Wellington Street with food, products, music and clothes from around the world on Saturday 20th June for the **World Market**. All of the traders were keen to return to Stockton to trade at other events and feedback received from visitors indicated that they enjoyed the uniqueness and diversity of the market offer and would like to see them grow in number. Wellington Square reported a significant increase in footfall to the centre compared to that of a "normal Saturday".

YOUNG PEOPLE (16 – 24)

JSA STATISTICS



- The current number of young people claiming JSA is 1,425 (representing 27% of the total number of JSA claimants), the lowest figure since November 2008. 620 of these young people have been claiming for over 6 months. Over the past 18 months there has been a steadily decreasing trend since December 2012.

APPRENTICESHIPS

STOCKTON BOROUGH COUNCIL

- Currently employs a total of 10 young people who are following an apprenticeship framework
- 5 new Business Administration apprentices have been recruited and start dates are to be confirmed
- A further 7 apprenticeship opportunities have been identified and will be advertised in due course

TEES ACHIEVE

In total Tees Achieve currently have 146 Apprentices enrolled onto apprenticeship programmes, of these 36 are aged 16 – 18 years, 55 are aged between 19 – 24 and 55 are aged over 25.

11 apprentice completions have taken place between March 2014 and June 2014 with 100% of the learners having a positive progression into employment:

During March – June 2014, Tees Achieve has assisted 68 people into apprenticeship, in the following areas:

- 18 in Customer Services
- 32 in Business Administration
- 12 into Team Leading
- 4 in Child Care
- 2 in Health & Social Care

NORTH EAST CHAMBER OF COMMERCE currently have 117 apprentices, which are Stockton residents, enrolled onto apprenticeship programmes; of these 50 are aged 16-18, 58 are aged between 19-24 and 9 are aged over 25.

STOCKTON RIVERSIDE COLLEGE

- Over the last 12 months the number of apprentices has increased significantly and apprenticeship growth is across all age ranges;
- Sectors of growth include: Clinical Healthcare; Construction; Electrical; Retail; and significantly Supporting Teaching and Learning in Schools
- Over the next 12 months additional sectors are being developed including Driving Goods Vehicles; Engineering; Facilities; Management; Manufacturing; Team Leading and Warehousing and Storage

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 12th June to date has seen:

- 15 new starts
- The number progressing into positive outcomes, including FE, training and employment has increased from 8 to 12.

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):

- 85 new starts
- 34 learners currently on Study Programme
- 38 completed (progressed into employment or further education)
- 13 withdrawn

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 the following:

- 124 referrals during the period 12 June to date
- A total of 499 referrals from 1 September 2013 to date.

Job Search Essentials – Tees Achieve and Stockton Riverside College are working in partnership to deliver employability courses for the unemployed has received the following:

- 204 referrals during the period 12 June to date
- A total of 629 referrals from August 2013 to date

Venture Programme – is a new one-off programme which has been developed by Tees Achieve for school leavers this Summer. The programme starts on 7 July and it will be delivered over 3 days to help young people develop a career portfolio and obtain a qualification in skills for employment. 56 young people will attend the programme and once completed the learners will have the opportunity to attend an outdoor residential in Hexham for 2 nights to carry out outdoor team working, trust and confidence activities.

ENTERPRISE

Make a Mint – work on the community garden at Kiora Hall was completed in May. St Gregory's RC School and Rosebrook Primary School kicked off the project with 72 pupils attending gardening and cookery workshops in June. Business workshops are planned for July and September to progress ideas for selling produce from the allotments. Work will continue with new pupils from the two schools in the Autumn term. Links have been made with the Roseworth Community Partnership to explore opportunities for residents to get involved in the allotment areas of the garden.

The Big Idea – work has commenced to promote the Big Idea concept, a project to engage young entrepreneurs in Stockton. The programme will be launched in September and will engage with young people who want to develop ideas for business. The aim is to recruit 12 young people to form a 'hot house' for ideas to develop. The individuals will take part in a development programme providing access to mentors, business advisers and signposting to further support.

LOCAL BUSINESS NEWS

ENGINEERING/MANUFACTURING/CHEMICAL

- National recycling company SITA UK has enlisted Teesside University to help its workforce learn the best way to produce energy from waste by developing a higher national certificate in energy from waste in order to meet the demand for sustainable energy production. The course will be studied by SITA employees from across the UK, including its plant in Billingham.

SERVICE SECTOR/RETAIL

- Eaglescliffe based **Beaver Care**, which specialises in car care products, has doubled its factory space after buying a 25,000 sq. ft. unit next door to its existing unit in order to facilitate the launch of their internet based retail company, they are also hoping to increase their number of staff from seven.
- Family-run funeral directors **Crake and Mallon**, based in Stockton, have invested £100K in renovating their premises.

BUSINESS CASE STUDY

Evolution Valves makes components for the energy sector and has manufactured what is thought to be the world's first rubber lined fire safe butterfly valve for the oil and gas industry.

The company began trading in 2010 and by its second year had managed to quadruple its turnover. Company founders Peter Cone and business partner Steve Heaps initially traded from a small office in their Stockton Business Centre base, but with support and encouragement from the Councils Business Engagement team they outgrew the unit and moved in to one of the largest units in the centre.

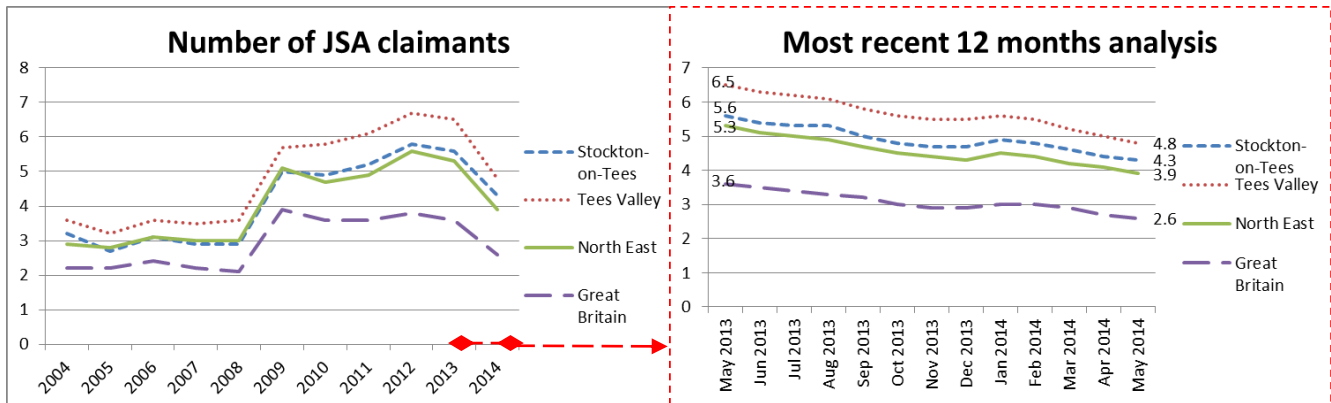
With assistance and support from Stockton Council, Evolution Valves submitted an application for additional funding and investment support from UK Steel which was successful; this then enabled Evolution Valves to move to a new self-contained manufacturing facility on Lime Oak Way, Portrack.

It was necessary to apply for change of use for the new facility and a planning application was required for additional works which were required i.e. security measures and internal works which included the redesigning of offices and a high quality reception area. The Council's Planning Department provided advice and assistance through a pre-planning meeting which resulted in the application being dealt with efficiently and achieving a positive outcome.

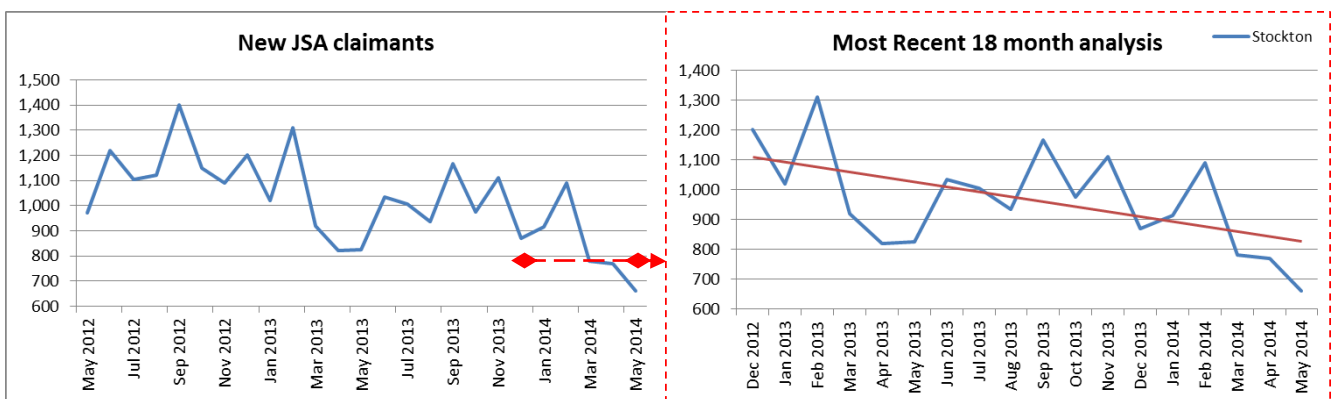
From the work the Council had already undertaken with Evolution Valves we were able to identify training organisations to enable the business to take on apprentices and look at possible funding that supported their expansion, some of which has included an application to Tees Valley Unlimited for support from the Jobs and Skills Investment Scheme which has created 2 apprentice positions within the business. Having invested £200,000 in the move, they hope to grow turnover to £10m in five years.

Evolution Valves now employ 12 members of staff including 3 apprentices and a Sales Manager in their newly established Houston Branch in Texas.

ECONOMIC INDICATORS



- The current number of working age people claiming Jobseekers Allowance (JSA) in Stockton is 5,280, a decrease of 170 from the previous month, the lowest figure since December 2008. The proportion of working age residents claiming JSA has therefore decreased to 4.3%. A more detailed 12 month analysis highlights the overall decrease across the year since May 2013.



- The number of new JSA claimants has decreased over the last month (660 in May, compared to 770 in April). Over the past 18 months there has been a decreasing overall trend since December 2012.

OTHER ECONOMIC NEWS

- The Tees Valley **City Deal** has been formally signed by Greg Clark, Minister for Cities.
- A new investment scheme to support business growth across the Tees Valley has been launched. Tees Valley Business Compass, has secured £2.4m to deliver the **Business Growth Investment Scheme**, which offers between £25,000 and £1,000,000 of grant support to small and medium-sized enterprises (SMEs) looking to invest in their business to achieve sustainable growth.
- Round six of the **Regional Growth Fund** is now open to private sector firms seeking £1 million or more for projects that will generate significant investment and sustainable jobs. At least £200 million of RGF support is being made available for this round and bidders have until midday on 20 September 2014 to submit their applications to the fund.
- North East firms are being encouraged to bid for a share of a **£400 million growth fund** announced by the UK's Innovation Agency – The Technology Strategy Board (TSB) which is aimed at helping companies commercialise new technologies during 2014 - 2015.
- Tees Valley Unlimited** has released its second Annual Report which looks back at the last year and recognises the achievements and progress made to date with partners to improve the local economy and help the Tees Valley to grow. The report is on line and can be found at https://www.teesvalleyunlimited.gov.uk/media/239780/annual_report_2013-14.pdf

- The Local Growth Fund bid which was submitted to government on 31st March 2014 has been approved and has secured £90.3 million to support economic growth in the area - with £14.1 million of new funding confirmed for 2015/16.

The funding breakdown is as follows:

Funding for 2015/16	£14.1m
Funding for 2016-2021	£49.6m
Provisional allocations to projects starting in 2016/17 and beyond	£8.3m
Previously committed Local Growth Deal funding	£18.3m
TOTAL	£90.3m

The Tees Valley LEP and Central Government have agreed to co-invest in 11 jointly-agreed priorities and all of the 4 priority projects put forward for Stockton have been approved:

- A66/Teesside Park Interchange
- Ingleby Way/Myton Way Dualling
- A689 Wynyard Road Improvements
- An access road to open up the south-side of Durham Tees Valley Airport and unlock aviation development related opportunities

It is also worth noting, due to the Local Enterprise Partnership impact, the Tees Valley Business Growth Hub is also one of the 11 approved priority projects.

AWARDS

- Catalytic Technologies Limited won the 'materials and process chemistry' category of the 2014 Royal Society of Chemistry Emerging Technologies competition which was held in London on 25th June 2014. The competition is held to identify the latest technologies in chemical sciences with significant potential impact for the UK economy.