

## ECONOMIC CLIMATE UPDATE REPORT

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

## EMPLOYMENT

### JOB GAINS

- Pizza delivery brand **Domino's** is recruiting 30 new staff in total at its stores in Stockton and Middlesbrough in a variety of roles from pizza makers to delivery drivers.
- **UPDATE: SITA's** new energy from waste facility, based in Billingham, has officially opened and has created 42 jobs. The facility will allow Gateshead, South Tyneside and Sunderland councils to "significantly reduce" their reliance by using waste to produce electricity to power around 30,000 homes.
- **Evolution**, an accountancy firm based at Wynyard, has made 4 new appointments taking its total number of employees to 60 following a brand re-refresh.
- **Jacksons Law Firm** in Stockton, has taken on six new staff members and promoted a further five following significant growth over the past year.

### FUTURE JOB GAINS

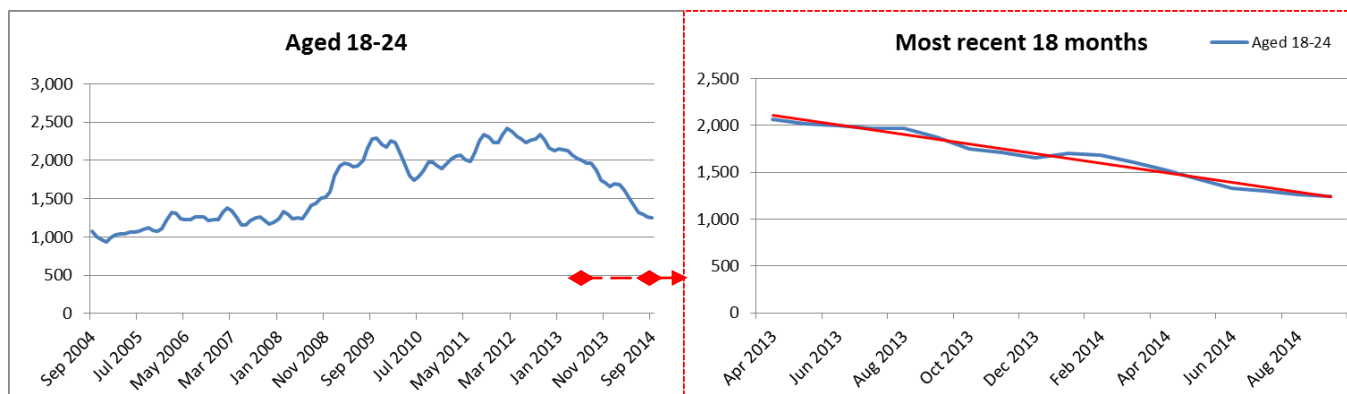
- Billingham-based technology company **Tracerco** has unveiled a multi-million pound test centre to help grow its innovative work in oil, gas and petrochemical measurement technology. The £9m custom-built Research, Development and Engineering Test Centre is set to recruit more than 50 new staff following its completion.
- **The Stottie Company** based on Prince Regent Street will soon be opening a second outlet within the franchise. A lease has been signed for the former Café M unit in Castlegate Shopping Centre which will see 10 new posts being created including 5 apprentices.

## TOWN CENTRES

- **Stockton Town Centre** – A new shop called **Sub Zero Comics** has opened on Bishopton Lane and a new bar called **Bar Vista** has opened on the Castlegate Quay. Prince Regent Street has seen two shops open, the **Stockton Pet Emporium** has relocated from Yarm Lane and **Funky Furniture** has relocated from the Enterprise Arcade. **Lindsey Jane's Hair & Beauty Salon** has closed in Green Dragon Yard and **Maskerade** are closing on Bishopton Lane.
- A new women's fashion retailer, **Kiwi Boutique**, has opened on Yarm High Street. This is Kiwi's second store; the other is located on Guisborough High Street.
- **Andrew Farrington**, a financial trading and research company, has moved into 62 Dovecot Street taking the total number of tenants to 12.

## YOUNG PEOPLE (16 – 24)

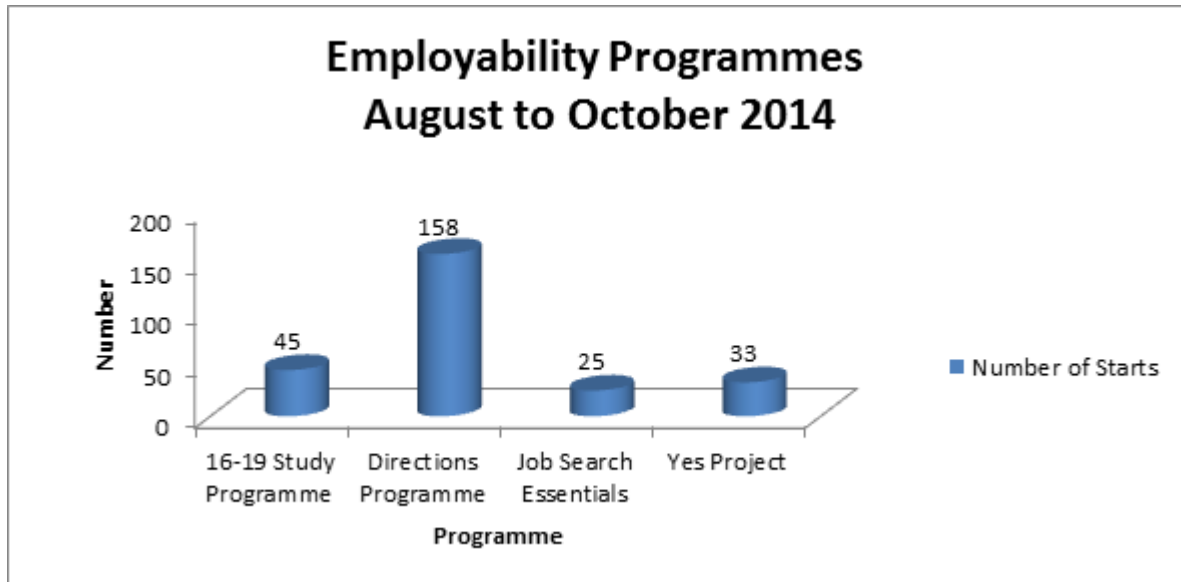
### JSA STATISTICS



- The current number of young people claiming JSA is 1,245 (representing 27.39% of the total number of JSA claimants), the lowest figure since January 2008. 470 of these young people have been claiming for over 6 months. There has been a steadily decreasing trend in claimant numbers since April 2013.

## EMPLOYABILITY

The graph below details the number of Stockton residents who are engaged on employability programmes:



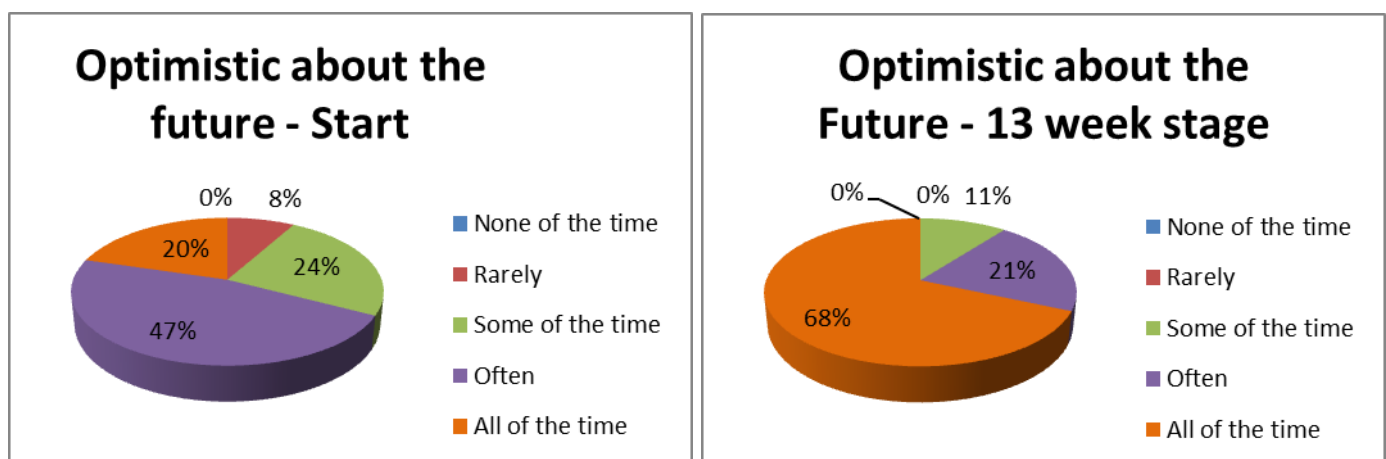
**The 16 – 19 Study Programme** – is delivered by Tees Achieve and is tailored to meet the individual needs, education and employment goals of young people

**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.

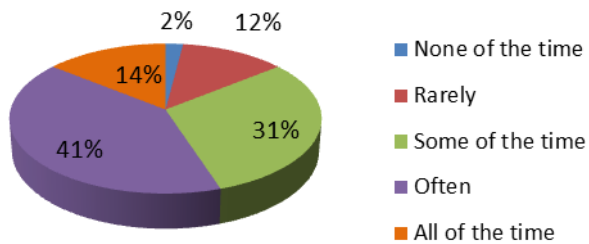
**Job Search Essentials** – Tees Achieve and Stockton Riverside College are working in partnership to deliver employability courses for the unemployed.

The **YES Project** – is 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

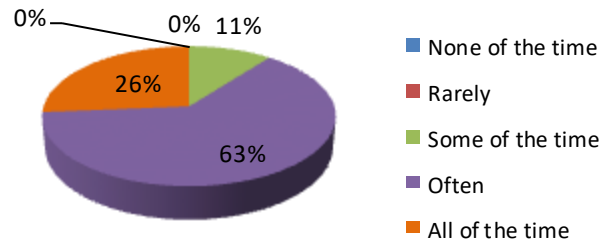
**Public Health Young People Apprenticeship Funding** –£85,000 has been secured from the non-recurrent Public Health Funds to support 16-24 year olds into employment/apprenticeship. To date 61 young people have started employment and as part of the programme, young people are asked to complete a questionnaire at the start and 13 week stage to gauge a change in attitudes over their first three months in employment. The results of the young people's confidence and optimism can be found below:



### Feeling confident - Start



### Feeling Confident - 13 weeks



## LOCAL BUSINESS NEWS

### ENGINEERING/MANUFACTURING/CHEMICAL

- Eaglescliffe-based **Nifco** is among six winners of government and industry funding to address skills shortages and build on the success of the UK's automotive sector. BIS has awarded the company £300,000 to invest in training programmes for its growing workforce over the next three years. There were 2 other winners from the North East region, 2 from the Midlands and 1 from West Yorkshire.
- **UPDATE:** Duff & Phelps Ltd has been appointed as administrators for **Tees Alliance Group**.

### SERVICE SECTOR/RETAIL

- Whitbread has surrendered its lease on the **Swallow Hotel** back to shopping centre investor Ellandi LLP which owns Castlegate Shopping Centre. Ellandi is in discussion with interested operators for a multi-million pounds investment to transform the site into high quality student accommodation.
- Thornaby based **Reef Subsea** has won its first contract in German waters to provide support for a North Sea wind farm. The company has also signed an agreement with Port of Blyth to use the mobilisation and demobilisation facilities at the port
- Stockton-on-Tees based **Nortech Group**, the professional engineering design and project management company, has launched a new division, **Nortech Management & Consultancy Services**, to serve the oil & gas industry as well as new and emerging sectors.
- Housebuilder **Gleeson Homes** has continued its investment in the North East by opening an office at Wynyard Park in Teesside - it's second in the region in the last three years.
- **Hospitality Guaranteed** at Wynyard is growing following support from Business Innovation Centre's Innovation Programme to invest in an innovative online system to provide online conference, events and accommodation bookings, all in one place.
- **Hartburn Tanning** has opened at Harpers Parade in Hartburn and incorporates existing online ladies' swimwear and bikini store, Spoil You Boutique, into the shop. 1 job has been created.
- **Vadah** on Stockton's Riverside is celebrating a huge boost in custom after discovering it was among TripAdvisor's top ten Indian restaurants in the UK.
- Jobs are set to be created at Stockton-based building services contractor **LJJ** after it reported a rise in profit and turnover. The business, which also has an office in High Wycombe, is opening a Birmingham branch in November employing at least ten staff.

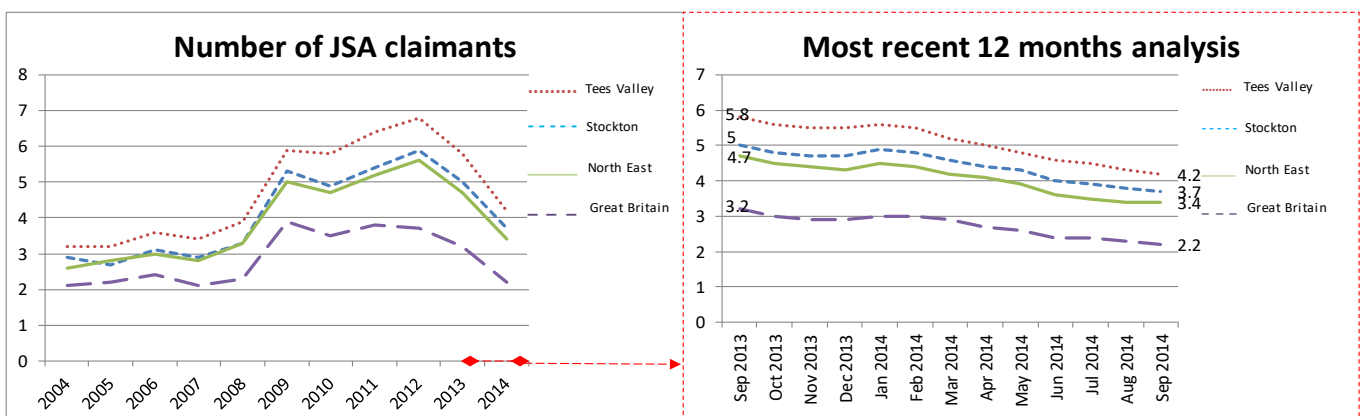
## BUSINESS CASE STUDY

**The Gingerbread Mam** started out as a hobby for its owner, baking cakes and making other ginger based food and drink products at home for sale at farmers markets, attending a minimum of 5 markets per month. The owner realised this was a viable business and could sell more if she had a bigger oven. She contacted the Council for financial support and was awarded a grant of £750 in 2010. Following this investment in equipment the business maintained contact with the Council for support in identifying appropriate events in order to expand attendance at these. With its innovate design and branding The Gingerbread Mam participated at the Christmas Sparkles market and became a regular at more and more farmers markets throughout the local area and also at food festivals throughout the region which she now attends at least once a week, some weeks can see the company trading at several events some of which are on the same day.

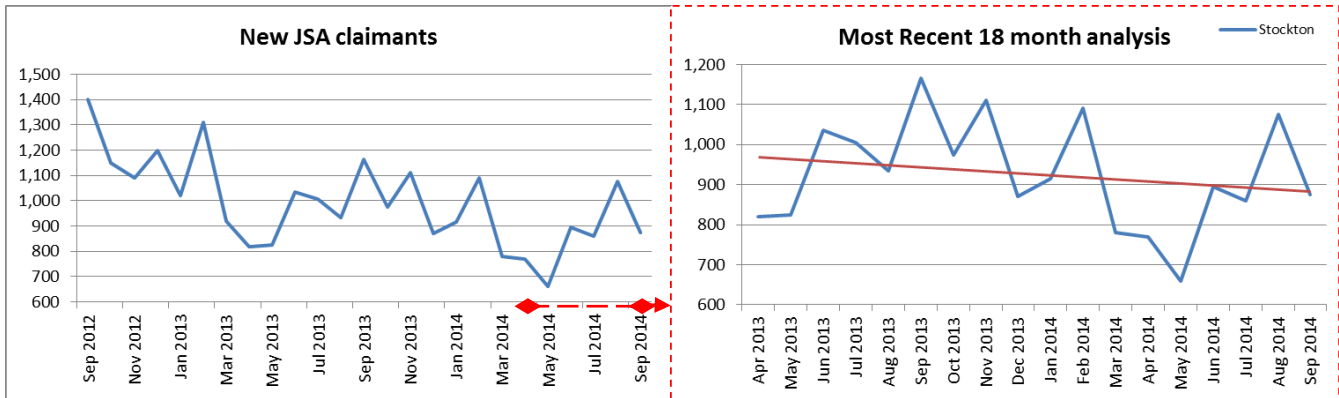
Products are now also stocked at farm shops including Fodders at Harrogate and specialist retailers such as Fenwicks department store in Newcastle as well as Robinsons Butchers at Billingham and Wingate. Just this week two new stockist have come online, Beamish Museum and Northumbrian Hamper at Seahouses. The company's reputation and sales have grown but the business is restricted by the time it takes to prepare the home-produced products, when a national retailer contacted the business this summer with a view to stocking the Ginger Wine at 20 stores, the owner realised that she had reached the stage that she could really expand the business but did not have the finance or capacity to manage the expansion. With assistance from the Council the opportunities for contracting the bottling of the wine was explored and The Gingerbread Mam has been introduced to a local specialist low volume contract bottler – RSM Solutions at Eaglecliffe who is now working with her to help develop a recipe for bulk production of the wine.

The Council has also introduced the owner to a company that is keen to take a contract to supply wholesalers throughout the country with the wine. Ongoing support from the Business Engagement Team will help the business overcome any hurdles in this promising expansion and also advice has been given on what is involved in taking on an apprentice to assist the business with their expansion plans.

## ECONOMIC INDICATORS



- The current number of working age people claiming Jobseekers Allowance (JSA) in Stockton is 4,545 a decrease of 150 from the previous reporting period, the lowest figure since November 2008. The proportion of working age residents claiming JSA has therefore decreased to 3.7%. A more detailed 12 month analysis highlights the overall decrease across the year since September 2013.



- The number of new JSA claimants has decreased since the last reporting period (875 in September, compared to 1,075 in August). There continues to be a decreasing overall trend since April 2013.

## OTHER ECONOMIC NEWS

- A **£100m Small Business Fund** has been launched by RBS and Natwest aimed at supporting small businesses across the North East and Yorkshire who are looking to grow or diversify their business.
- An £11m funding pot has been made available by Government in order to accelerate research and development of new carbon-cutting technologies through a competition being run by **Innovate UK**, formerly known as the Technology Strategy Board.
- UK Steel Enterprise has launched a new £6m scheme dedicated to supporting businesses committed to expansion and sustainable employment within England's steel regions. The newly launched **Equity Growth Fund** has been backed by the Governments Regional Growth Fund (RGF).
- **KPMG** has launched a new small business accounting service as part of a £40m investment as it aims to expand its offer to smaller companies. KPMG Enterprise will offer select online accounting and tax services - including accounts, bookkeeping, payroll, VAT and corporate tax returns – to SMEs via the cloud.
- The government has approved additional **Apprenticeship Grant for Employers (AGE)** funding. A new scheme begins from January 2015 which will focus entirely on small business (those with fewer than 50 employees) and employers will be able to employ a maximum of five apprentices using the grant funding.

## AWARDS

- **Visualsoft** have been awarded the Growth Explosion award at the Dynamites 14 awards. The awards are a celebration of the North East's IT and Technology sector.
- **Sure Trax**, based in the Stockton Business Centre, has won Enterprise Learning Product of the Year at the 2014 Celebration of Enterprise Awards at the House of Lords. The annual awards, hosted by the Institute of Enterprise and Entrepreneurs (IOEE) and the Small Firms Enterprise Development Initiative (SFEDI) bring together key figures from the UK's small business, enterprise and skills sector to celebrate the very best in enterprise learning and skills.
- **Church View Residential Nursing Home** has scooped the title Care Home of the Year. The Thompson Street 47-bed home facility has landed the honor from the national organisation, Gold Standards Framework
- **Stan Higgins**, Chief Executive of the North East Process Industry Cluster has been named European Cluster Manager of the Year 2014 at a conference in Brussels