

ECONOMIC CLIMATE UPDATE REPORT

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

EMPLOYMENT

JOB GAINS

- UPDATE Stockton based IT firm **Agile Group** is recruiting to fill a range of roles after adopting a new business model; the company are looking to increase the number of staff from 21 to 100.

JOB LOSSES

- UPDATE Chemical company **Dow** has closed its last remaining Teesside facility at Seal Sands with the loss of 30 jobs after the company claimed 'challenging operational conditions' had brought it to a point where it could not sustain an economically viable site'. The company has helped staff to find new jobs in Teesside's chemicals sector, with assistance from process industry cluster NEPIC.
- **North Tees Hospital Nursery** - JCP has been in contact, but the hospital is of the opinion that nursery staff will have secured alternative employment. This will be followed up wc 1st December.
- **Thirteen Group** – The National Careers Service has been involved in delivering a number of workshops for staff that could potentially be affected by the redundancy situation, but no redundancy numbers have been confirmed at this stage.

FUTURE JOB GAINS

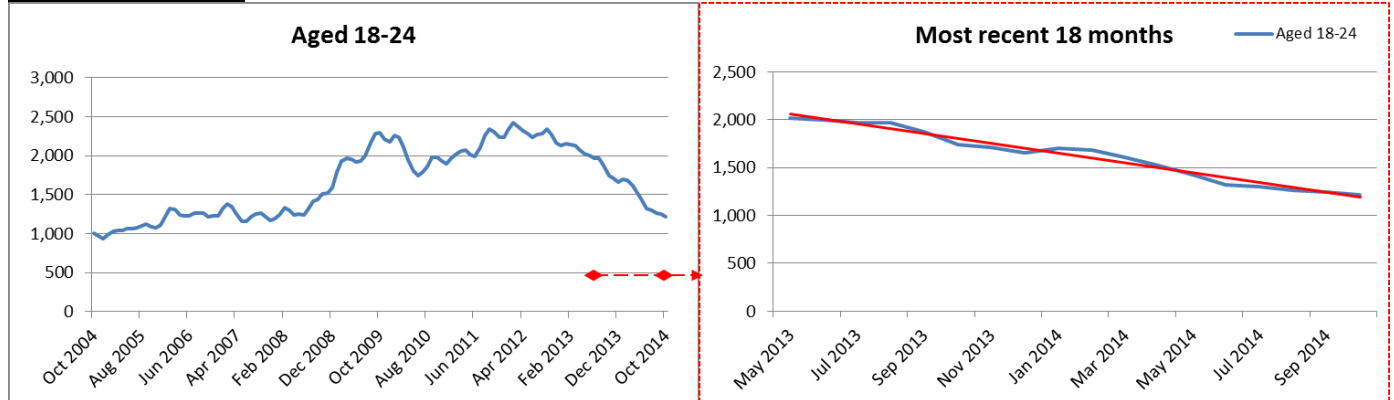
- UPDATE The former **TAG Energy facility** in Teesside has been acquired by two international suppliers of offshore wind foundations; EEW SPC of Germany and Bladt Industries of Denmark. The facility will be upgraded in a £30m investment which will create up to 350 jobs in the area.

TOWN CENTRES

- **Stockton Town Centre – Poppy Rose** has relocated to Silver Street from the Enterprise Arcade selling handmade gifts. **The Calendar Club** and **Cigara** has opened in Wellington Square and **Vodafone** have re-opened in the old Phones4U unit. **The Italian Job** based on Church Road has closed and a business communications company called **Reefstream** has acquired 74-76 Church Road, refurbishment works are underway and are to be complete by December. A white good retailer called **Bettabuy Domestic**s has opened on Yarm Lane and **Harbour Support Services** have opened on Bishopton Lane. The refurbished **Stephenson's pub** at 97 High Street will open in early December. The second **Costa Coffee** outlet opened on 22 November at the northern end of the High Street. **The Stottie Company** is aiming to open its new café outlet in Castlegate Shopping Centre in mid-December and the owner of **The Sewing Box** in Castlegate Market Hall has retired and the unit has closed. **Precious Little Pumpkins** on Dovecot Street will be closing on 15 December.
- The discount centre **Poundsmart/Leonards (SMART Corporation)** based in Billingham Town Centre has announced they are closing on the 20th December.
- **Yarm Studio Photography** has opened on Yarm High Street as has **Yarm View Guest House** and **The Wynd Barber Shop**.
- **A B Building Design**, a quantity surveying company has moved into 62 Dovecot Street taking the total number of tenants to 13.

YOUNG PEOPLE (16 – 24)

JSA STATISTICS

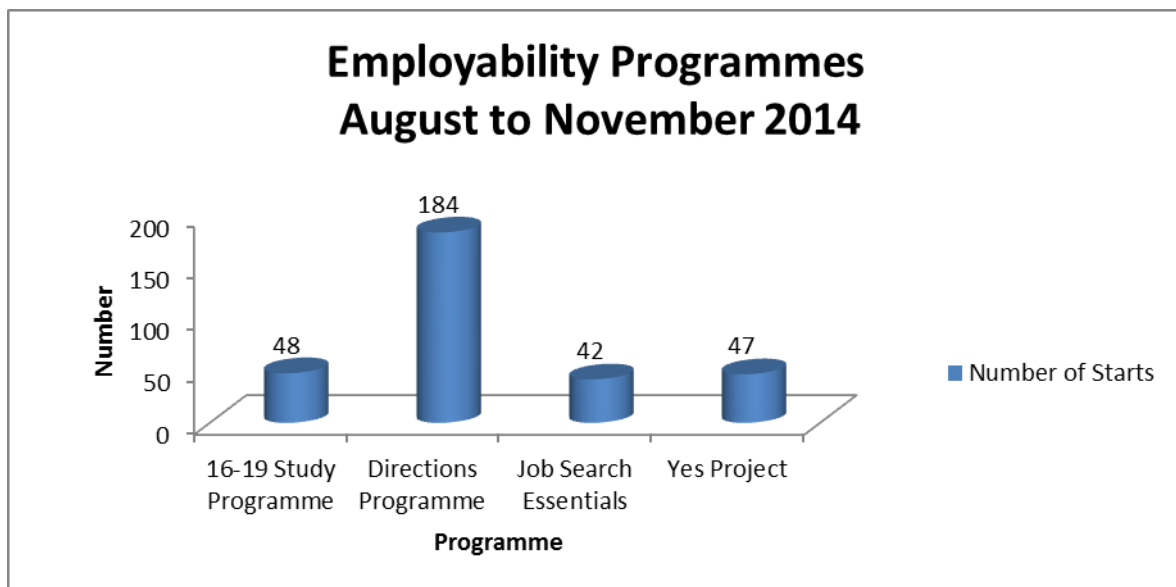


- The current number of young people claiming JSA is 1,220 (representing 27.42% of the total number of JSA claimants), the lowest figure since October 2007. 405 of these young people have been claiming for over 6 months. There has been a steadily decreasing trend in claimant numbers since May 2013.

ENTERPRISE

- Pupils from Redhill Education operated their own counter in the new Enterprise Arcade on Stockton High Street. The young people were the first school group to test trade their business, Nannie Nora's, as part of the 'Made in Stockton' schools' enterprise initiative. Selling home-made jams, chutneys and Christmas cakes, the team raised over £200 to plough back into their enterprise funds. Nannie Nora's have plans to expand the business starting with a vintage tea party selling their wares on December 10th at Redhill Education Centre.

EMPLOYABILITY



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

LOCAL BUSINESS NEWS

ENGINEERING/MANUFACTURING/CHEMICAL

- International engineering group Amec, which employs more than 1,000 staff across the North East including Stockton, has completed its £2bn takeover of construction company Foster Wheeler and changed its name as a result to **Amec Foster Wheeler**.
- **Centrica Energy** is examining options for full-scale development after finding 'very positive' flow rate of gas for Pegasus field 130 miles off Teesside. While Centrica says it's too early to confirm potential employment figures, it's thought Pegasus is around a tenth of the size of the neighbouring Cygnus development hub, which is estimated to create 1,000 direct and 3,000 indirect jobs at peak production.
- **Fine Industries**, a manufacturer of chemicals at Seal Sands, is investing to create additional capacity that will allow it to cope with its strong order book. The company has grown over the last three years and employment has also been increasing since the investment, growing 15 per cent in the past year.

SERVICE SECTOR/RETAIL

- Property specialist St. Modwen has completed the purchase of Billingham Town Centre in a £14.25m deal.
- One of the few independent, privately-owned fuel and oil distributors in the North East has relocated its head office from Stokesley to larger premises in Stockton-On-Tees, following a period of continued growth. By moving closer to the terminal on the Tees, **Oil NRG** can now increase efficiencies in our collection and distribution, adding even greater benefit to customer pricing and delivery.
- Portrack furniture super-store, **Oak Furniture Land**, has reopened its doors following a major revamp that saw it double the 18,000 sq ft store, The original team of seven will be retained.
- **JDrew Creations** in Stockton's Digital House is embarking upon a £100,000 crowd-funding campaign which is hoping to raise up to £100,000 in return for 17% of shares in the company. The business set up by James Drew has developed Ambix, an intuitive intranet which allows members of organisations to collaborate and network securely and is seeking funding to further develop this software.

BUSINESS CASE STUDY

In 2012 Yummm began as a sole trader from home, due to the increasing demand Yummm Limited trading as The Stottie Company was established and they moved into Prince Regent Street in May 2013.

The Stottie Company first engaged with the Council in order to get involved in town centre events and specialist markets. The company has since traded at a number of events including the Duathlon, SIF and Children In Need and due to the huge success of the outside catering element of the business this has led, in the Summer of 2014, to the purchase of a Stottie Van which now delivers ever week day to business across the Borough.

Following an introduction by the Council to the management team at the Castlegate Centre a deal has been negotiated which will see the company open up a new store and coffee shop within the former Café M unit in December 2014. The company is working to establish itself as a franchiser and the new store will become its flagship store and national training centre for future franchisees, along with helping them to focus on the retail side of the business. The new coffee shop will benefit from the Stockton Town Centre Business Rates Discount Scheme.

From discussions with the Council the new store will see two local businesses working together in that one will provide syrup flavourings for the coffee that will be provided in the new coffee shop as well as some of its stock to sell.

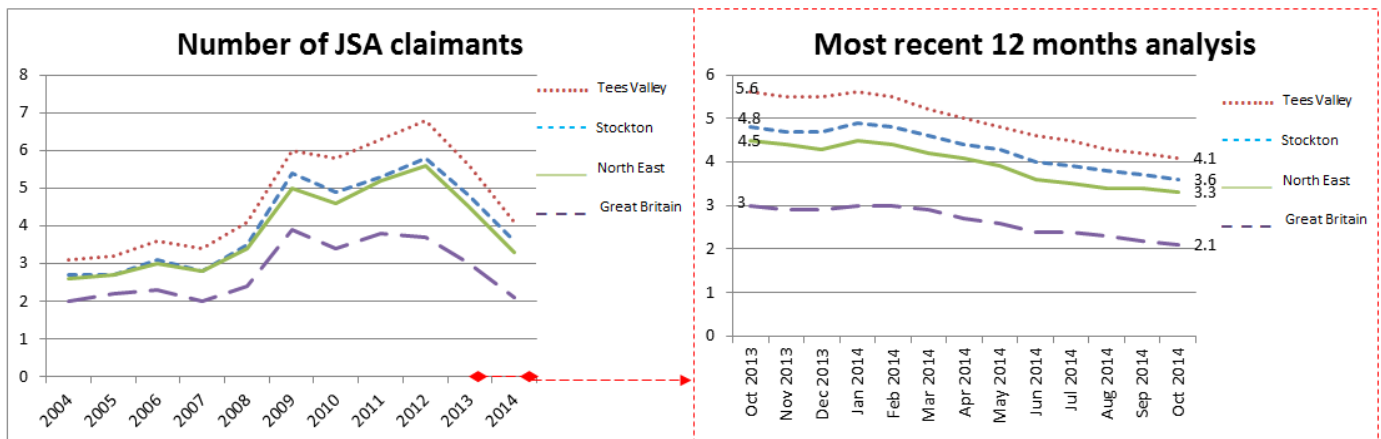
The business currently employs 8 members of staff and they will be taking on an additional 10 at the new store, 5 of which will be apprentices which takes the total number of staff to 18, more than doubling the number of employees in just over a year.

The Stottie Company were winners of the Retail category at the Best New Business Awards 2013, which is sponsored by the Council, and the owner Sharon Olivero-Chapman was also nominated for Best Retail Business at the North East Women Entrepreneur of the Year Awards 2014.

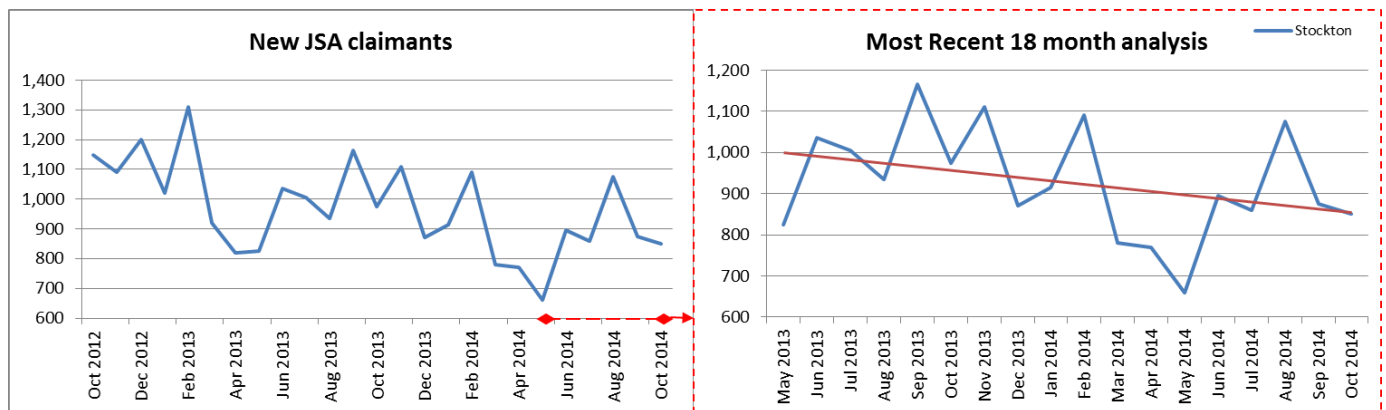
Another project the business is working on, is the creation of The Stottie Foundation. They currently support both Daisychain and Butterwick and feel that with the new larger site, they could do more. By creating The Stottie Foundation, they will be automatically donating 10p from every Stottie sold to the foundation.

The company are aiming for 100 stottie franchises over the next 5 years.

ECONOMIC INDICATORS



- The current number of working age people claiming Jobseekers Allowance (JSA) in Stockton is 4,450 - a decrease of 95 from the previous reporting period, the lowest figure since October 2008. The proportion of working age residents claiming JSA has therefore decreased to 3.6%. A more detailed 12 month analysis highlights the overall decrease across the year since October 2013.



- The number of new JSA claimants has decreased since the last reporting period (850 in October, compared to 875 in September). There continues to be a decreasing overall trend since May 2013.

OTHER ECONOMIC NEWS

- Almost £130,000 worth of funding programmes have been launched at **Teesside University** to establish a social enterprise network across the region. The university received the funding from support charity UnLtd to provide three different schemes to encourage social enterprise: the creation of a social enterprise support cluster; a 'scale and growth' programme which will help high potential social enterprises to expand; and a 'cultural and creative partnership' being formed in collaboration with arts group Creative Darlington.
- The **Business is GREAT** campaign and **BT Business** has teamed up to launch the **GREAT Faces of British Business** competition to find the most innovative and exciting small and medium sized businesses in the North East. The regional winners will be shortlisted for the national competition with a top prize worth £30,000.

- The Tees Valley Growth Deal has been signed which is a £190m funding package that will provide a major boost to the Tees Valley economy by creating up to 1,000 jobs, building up to 1,500 homes and strengthening transport links for local businesses.

AWARDS

- **The Waiting Room** in Eaglescliffe has made it as a runner up in The Observer Food Monthly Awards for the third year in succession.
- **SureTrax**, based in Stockton Business Centre, was named Enterprise Learning Product of the year at the 2014 Celebration of Enterprise Awards.

HOUSING

HOUSING BENEFITS

Housing Benefit & Local Council Tax Support Workload – Turnover

Workload	Q2 2014/15	Q2 2013/14		Q1 2014/15	Q1 2013/14
New Claims (A)	2,080	2,133		2,068	2,243
Changes in circumstances	46,111	47,377		45,811	42,600

Caseload – No. of claims in payment

Caseload	Q2 2014/15	Q2 2013/14		Q1 2014/15	Q1 2013/14
Housing Benefit (B)	16,929	17,105		17,079	17,107
Local Council Tax Support (C)	20,721	21,494		21,168	21,471

Further detailed analysis is being carried out on the types of claim to be included in the next report and as part of a Cabinet report on Welfare Reform.

HOUSING REGENERATION SCHEMES

West End Gardens (Town Centre Regeneration – Dovecot Street area)

- The first 20 properties will be finished in January 2015 and the development as a whole is expected to be completed in January 2016.
- The demolition of the final three properties on St Bernard Road will be carried out in January 2015.

Victoria Estate

- Site assembly continues to make good progress and residents are moving out of the estate quicker than originally forecast so the latter phases of the decant have been brought forward.
- To date 36 properties have been demolished and a further 33 are planned to be demolished before the end of March 2015.
- Thirteen Group are managing the demolition contract and it is anticipated that the site will be clear by March 2017.

Mandale

- Build is continuing on the last phase and sales still remain strong on the site with 72 houses remaining to be sold
- Keepmoat properties are now all complete and they have now moved off site. The remaining Barratt and ISOS homes anticipated for completion by Winter 2015.
- Mandale Park WON 'Best Housing & Regeneration Initiative' at the APSE awards on Thursday 11 September, in Nottingham.

Hardwick

- Build is continuing on the last section of land available, sales remain strong with 121 houses remaining to be sold
- All Endeavour properties throughout the whole of the development are now built and occupied.
- Vela have 10 units still to be built in which 3 are expected to be completed in Sept / Oct 2015, 2 in May 2016 and 5 Sept / Oct 2016.
- Completion of the whole site is expected Winter 2016.

Nursery Gardens (Parkfield Phase 1 - Old Alliance and Hind Street Area)

- Five properties remain to be sold and are at a wind and water tight standard
- Dunelm expect to move off site December 2014, but will be returning to complete the topping off of the remaining roads and footpaths and any other ad hoc work required until all properties are sold
- Full completion of site expected March 2015.

Swainby Road

- The planning application for 174 new homes (including 30 affordable homes) was approved in October 2014 and final demolitions are now complete.

HOUSING SITE COMPLETIONS

Across 23 sites in the Borough (which includes the regeneration sites) the number of housing build completions are below:

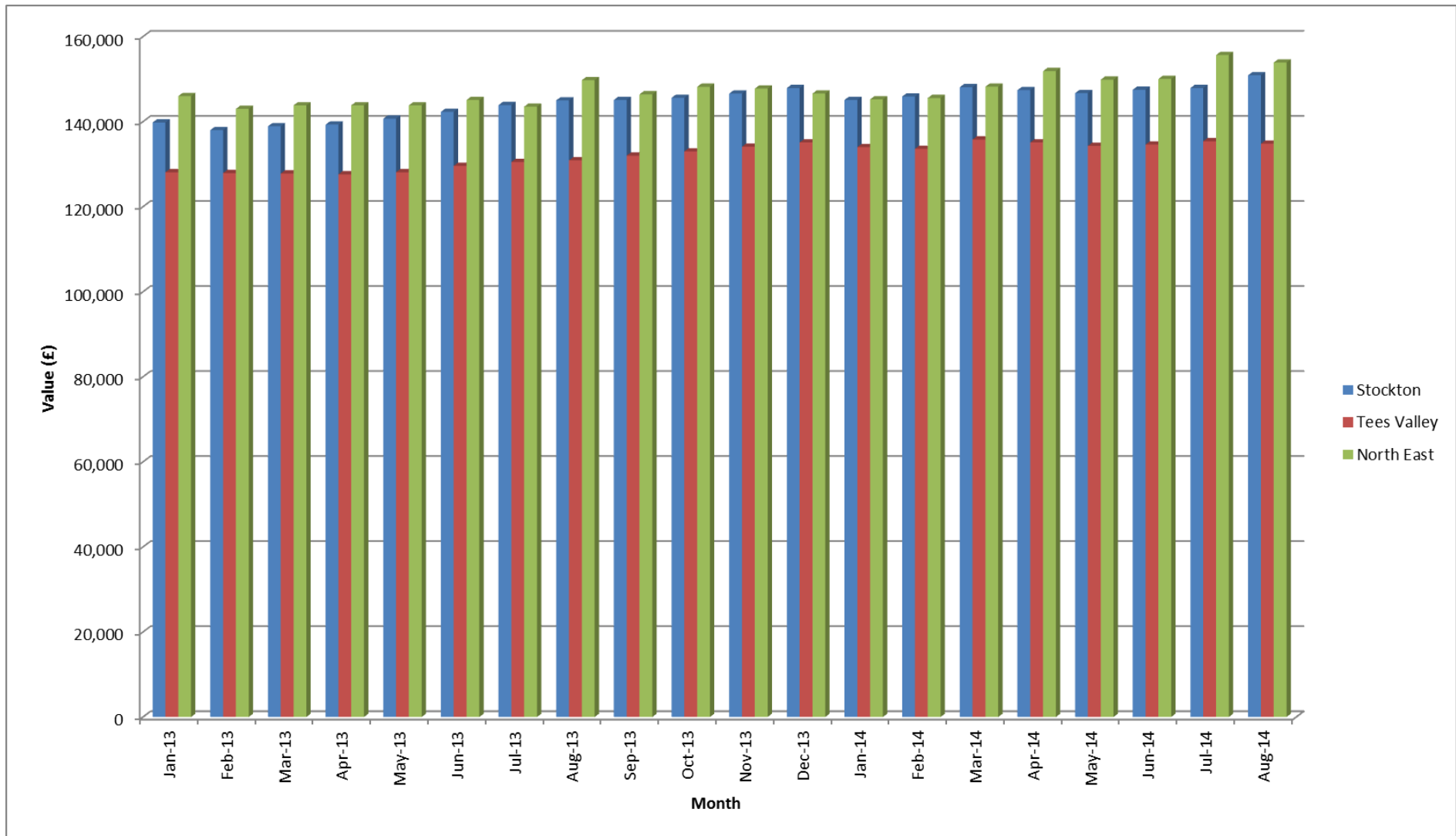
<u>Month</u>	<u>2014/15</u>	<u>2013/14</u>
Q1 (April – June)	134	132
Q2 (July – September)	82	89

HELP TO BUY & AFFORDABLE HOMEOWNERSHIP

In the Borough of Stockton figures for the number of completions for the National 'Help to Buy' (Equity Loan Scheme) are shown below. *Note: These figures are from the 'Firstbuy Scheme, which was replaced on the 1st April by the 'Help to Buy' Scheme.*

<u>Month</u>	<u>2014/15</u>	<u>2013/14</u>
Q1 (April – June)	64	68
Q2 (July – September)	74	81

TEES VALLEY HOUSE PRICE INDEX STATISTICS



In future reports, the Tees Valley House Price Index will only show Stockton and Tees Valley due to the national figures being calculated using a different methodology.