

**ECONOMIC CLIMATE UPDATE REPORT**

This report summarises the positive and negative economic changes that have taken place in the Borough during December 2014 and January 2015.

**EMPLOYMENT****JOB GAINS**

- **Atom Health and Fitness Club** has opened at Wynyard Business Park creating 9 jobs.
- A new cafe bar called **Canteen & Cocktails** has opened on Norton High Street creating 14 jobs.
- **Offshore Structures (Britain) Ltd**, a joint venture between German engineering firm EEW SPC and Danish steel contractor Bladt Industries, has taken over the former TAG Energy Haverton Hill facility are now recruiting 70 staff, and have aspirations to grow further and employ up to 400 staff. The business has secured its first order from Dong Energy to supply turbine parts for a major wind farm in Liverpool Bay, the contract win may trigger investments in the site of up to £30 million. Development consent has been granted by the Secretary of State for Energy & Climate Change
- **The Anson Farm** family pub and restaurant is opening on Teesside Industrial Estate in April and is recruiting for 85 jobs. A recruitment day has been arranged for 2 February 2015 at Thornaby Pavillion.

**FUTURE JOB GAINS**

- Preston Farm based **Odyssey Systems** is expanding its operations after acquiring the building opposite its head office in Stockton. It is looking to increase its workforce from 32 to 40.

**JOB LOSSES**

- **City Link Limited** has gone into administration with the majority of employees being made redundant on 31 December 2014. 56 employees were made redundant from the Durham depot, 4 of these were from Stockton. Rapid Response Support is in place for those employees affected.

**TOWN CENTRES**

**Stockton Town Centre** - A new toy shop called **Toz Tots** has opened on Bishopton Lane, a florist called **Open All Flowers** has opened at 29 Dovecot Street and the refurbished pub at 97 High Street has now opened its door under the name of **Dr M'Gonigles Emporium**. **Dec-a-cake** based at 86 High Street; **Topstitch** based at 11 High Street; and the alternative retailer **Labyrinth** at 110 High Street have closed. **Universal Gadgets** and the fashion retailer **Limited** have also closed in Wellington Square Shopping Centre. **Remember Me Tearooms** has extended into 6 Finkle Street with plans to hold special events and themed afternoon teas. **DW Hughes** has opened in the Enterprise Arcade, selling a range of leather goods and saddlery repairs. **Neil Sinclair Newsagents** at 112 High Street and **Hollywood Nails** on Prince Regent Street both have new owners.

A planning application has been submitted by **Urban Student Life** to turn the vacant Swallow Hotel into student accommodation, which will comprise of 133 luxuriously refurbished student rooms with common areas including in house Laundry, Cinema room, Safe storage and Multi Faith prayer rooms.

**Teesside Hospice** has expanded and relocated from Danby Wynd, Yarm to a new store on Yarm High Street.

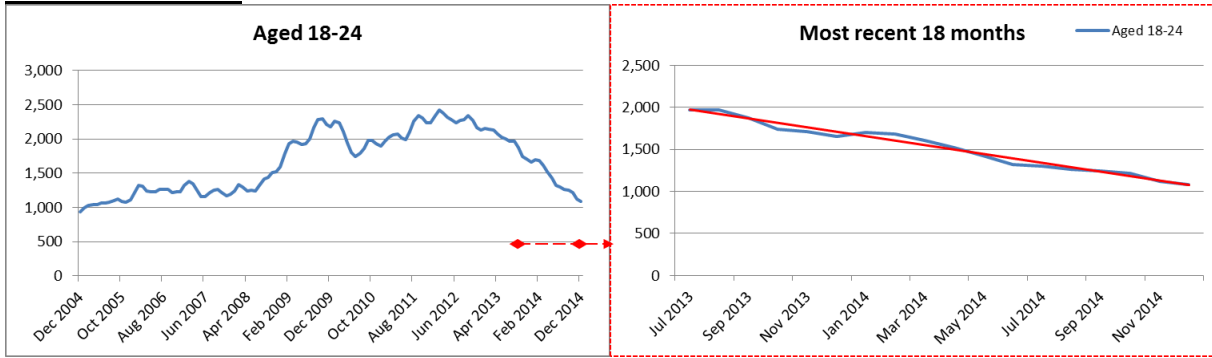
Teesside floral store **Sweet William Floral Design and Gift Shop** has opened at Orchard Parade Shops on Durham Lane, Eaglescliffe.

The new £2.7million **Library and Customer Service Centre** has now opened in Billingham Town Centre.

**Viable SEO** has moved out of 62 Dovecot Street taking the total number of tenants to 12.

## YOUNG PEOPLE (16 – 24)

### JSA STATISTICS



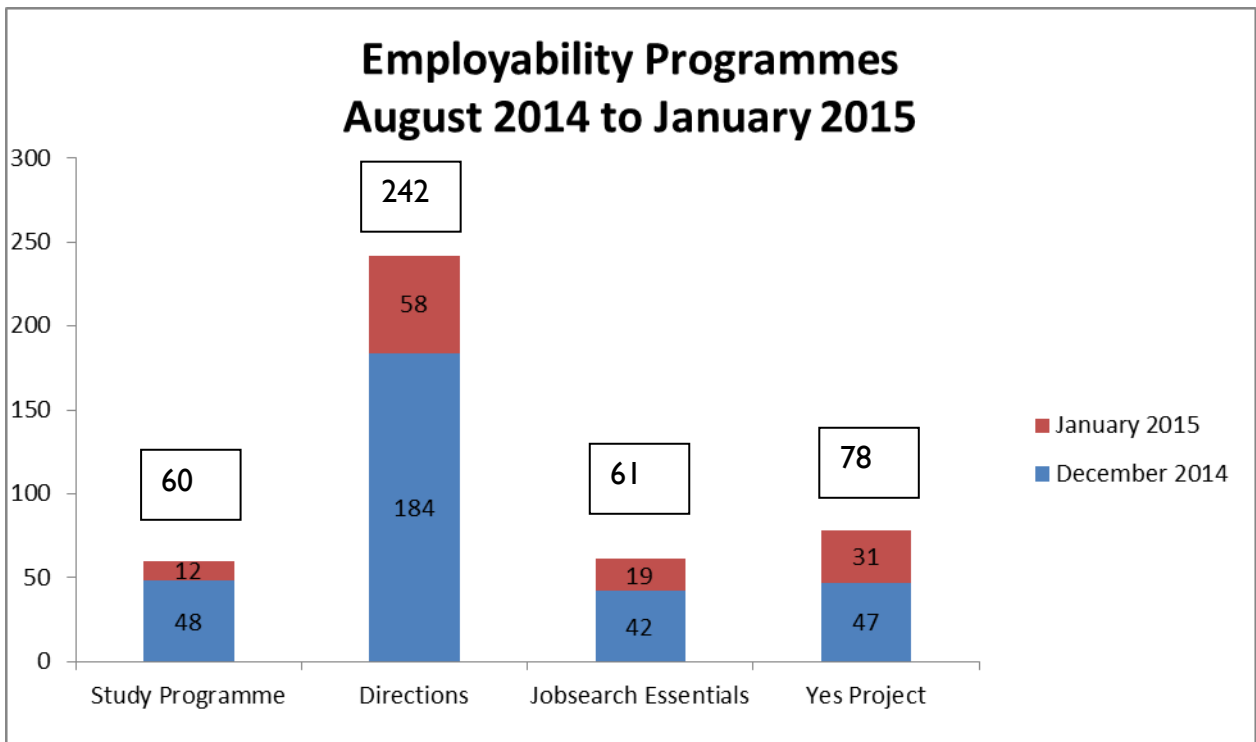
The current number of young people claiming JSA is 1,085 (representing 25.99% of the total number of JSA claimants), the lowest figure since October 2005. 310 of these young people have been claiming for over 6 months. There has been a steadily decreasing trend in claimant numbers since July 2013.

### APPRENTICESHIP

It has been reported nationally that the number of apprenticeship starts are down for 2013/14 compared to that of 2012/13. In Stockton apprenticeship starts have increased from 276 in 2012/13 to 356 in 2013/14, this is based on information from four main providers; Stockton Council, Stockton Riverside College, North East Chamber of Commerce and Neta.

Recent data released by the National Apprenticeship Service shows the number of vacancies posted on its Apprenticeship Vacancy website by employers across the region has risen by 45% in the period August 2014 to October 2014, compared to the same period the previous year. Stockton has seen a 33% rise during this period. This is in addition to opportunities offered to young people directly.

### 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

**Public Health Young People Apprenticeship Funding** – A further £35,000 has been secured from the non-recurrent Public Health Funds taking the total amount secured to date to £120,000. The funding supports 16-24 year olds into employment/apprenticeship. As a result of the additional funding the total number of people that have started employment has increased from 61 to 109.

#### **Tees Valley Jobs & Skills Investment Scheme**

- 213 jobs have been created and 16 safeguarded from the approved applications from Stockton businesses,
- In total 734 jobs have been created by the scheme therefore Stockton businesses account for 29% of the total number of new jobs created.
- Stockton residents have also filled 29% of the new vacancies.

#### **ENTERPRISE**

- 9 schools took part in the **Starter for Ten Enterprise Challenge**. The schools were given a £20 cash loan and asked to come up with innovative ideas to turn it into fundraising for the charity. The schools carried out ideas generation sessions and subsequent fundraising activities and brought in circa £1,800 for Children in Need.
- This year's Stockton Sparkles market saw young people trading their wares as part of the **Made in Stockton** enterprise initiative. Over a 2 day period, 11 different groups set up a market stall and sold a variety of items including cards and gifts, cakes and sweets, decorations, wood crafts to name a few. As well as local primary and secondary schools, groups of young carers working with Local Solutions CIC and Eastern Ravens Trust took part in the market activities.
- Following the success of **Nannie Nora's** enterprise arcade trading day, the group of pupils from Redhill Education set up and ran a vintage tea party on December 10<sup>th</sup>. The event was well attended by staff, parents, local residents and other organisations and the pupils have plans to grow this activity to deliver the tea parties to care homes and residential homes in the Borough in the New Year.

#### **LOCAL BUSINESS NEWS**

##### **ENGINEERING/MANUFACTURING/CHEMICAL**

- **Ennsub**, an independent subsea design, engineering and technology company, has been awarded a £2m contract by Benthic for offshore equipment in ultra-deep-water conditions. The company will build a newly enhanced and portable Launch and Recovery System at its new production facility at Wynyard .
- **UPDATE: KP Snacks** will close its Consett factory next year in order to streamline its operations which may see jobs transfer to its Billingham and Tanfield sites.
- **Tinsley Special Products**, which had an office on Durham Lane, Eaglescliffe, has gone into administration. Administrators have confirmed that 90 redundancies are likely at the company's Peterlee and Cambridge operations. The proposed new facility that was to be set up in Stockton is now unlikely to go ahead.

- Thornaby based **Reef Subsea** has successfully completed work on one of the largest offshore wind farms in the world. Reef Subsea has grown its workforce to more than 100 staff since its formation in January 2012, 70 of which are based in Thornaby.
- **Chemoxy International**, which has sites in Billingham and Middlesbrough, is taking part in a Trailblazers apprenticeship scheme to recruit an apprentice lab technician. Around 20 per cent of the company's staff began as apprentices and the company currently has eight.
- **Amec Foster Wheeler** has acquired Aberdeen based Scopus Group as part of their growth strategy to strengthen their project delivery capability across the upstream, midstream and downstream oil and gas sectors.

## SERVICE SECTOR/RETAIL

- Portrack headquartered IT infrastructure group **Onyx** has acquired a company in Washington, Tyne and Wear for £10 million as part of its growth strategy which involves increasing its workforce numbers and become a national £100 million revenue company in the next five years.
- **The Stockton Brewing Company** has opened in Light Pipe Hall Road, Stockton complete with its own bar to sample the beer brewed on the premises.
- Fashion chain **Bank** has gone into administration putting 20 jobs at Teesside Shopping Park at risk. All stores are open as normal and no redundancies have been made, while Deloitte considers potential interest in the business from several parties.
- Around 20 Teesside jobs are at risk after the country's largest dry cleaning chain **Johnson Service Group** announced plans to shut 109 of its 307 branches as it continues a shift away from traditional high street locations towards collection and delivery points within supermarkets.
- Billingham based **Nicholson's Transport** is gearing up for a prosperous 2015 after successfully growing its order book in 2014 and recruiting an additional 9 staff taking the total number of employees to just over 50.
- **Tesco** has announced plans to close 43 stores across the UK of which 3 are in the North East. None of the stores in Stockton are affected by the closure plan.

## BUSINESS CASE STUDY

Visualsoft is a full service eCommerce agency offering website design, development and online marketing services for retailers of all shapes and sizes from all over the UK. Since the company was established in 1998 by two graduate IT specialists, it has grown alongside the eCommerce industry and now boasts a portfolio of almost 900.

Stockton Borough Council has developed an excellent working relationship with the company over this period, which was further strengthened during their re-location to Gloucester House in 2012. The move originally stemmed from a Business Engagement visit in 2011 when the company expressed their desire to re-locate. On the back of this a detailed property search was undertaken which included various property options across the borough.

Introductions were made with various other Council departments and detailed discussions were held. Following a period of negotiation between both parties, Visualsoft purchased the freehold of the building and adjoining car park. The new premise has provided room for expansion as well as creating a prestigious setting when showcasing the business to international partners such as Google, PayPal and Amazon. Due to the expanding workforce they have since acquired an additional car park opposite their premises.

In 2014 the business announced a management buy-out. Led by original founder Dean Benson, a new management team has been created and ambitious plans for the future launched. Currently employing 180 staff it aims to double its staff and treble turnover over the next three years, at its Stockton headquarters, as well as their other offices in Newcastle and London. The company also now has an office in Sydney, Australia and has secured a number of successful contracts.

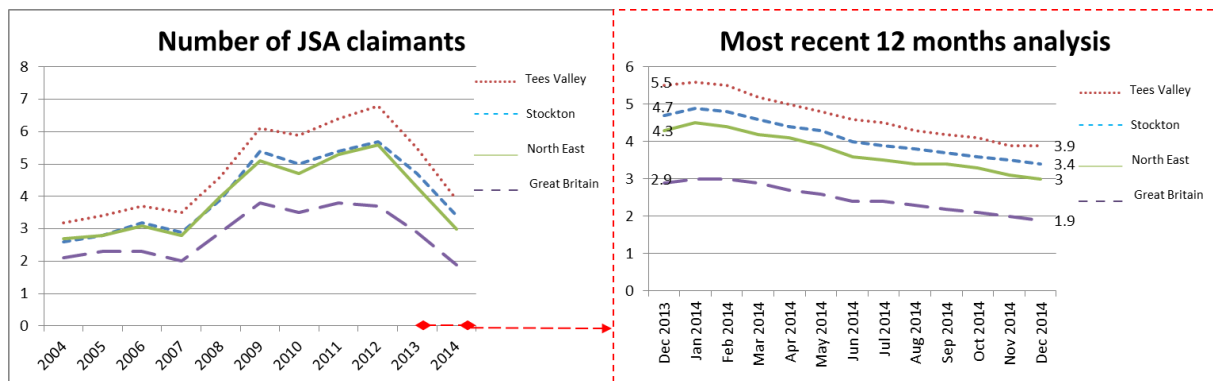
In order to assist with their grow plans, the Council identified funding via the Tees Valley Skills & Investment which supports job creation. As a result of a successful application, the company received funding towards 14 new jobs.

A further link has developed in recent months, which has seen the company offering work experience placements to young people. In addition to this they have also announced a partnership with Stockton Riverside College to help bridge a skills gap in the web development sector. This will see the piloting of an introductory web-development course that could lead to pupils securing an apprenticeship with the company.

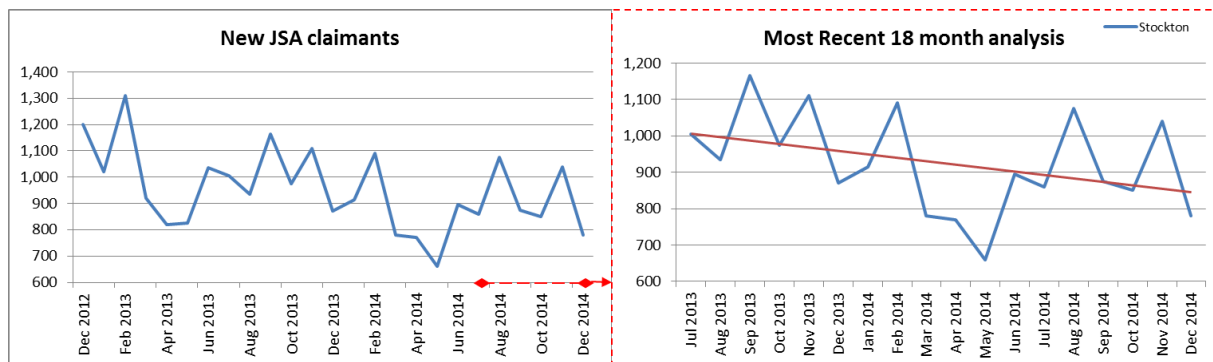
The company has have recently launched a new innovation service, 'The Innovation Lab'. Staff are encouraged to bring together new and exciting business and product ideas, which are then built using in-house resources and released to the market. For each successful release, the collaborator will receive 5% stake of all profits made from the launch.

As a demonstration of their success the company has seen repeat shortlist positions and two winning spots in the North East Business Awards. In addition to this the company was also awarded a league place in the prestigious Sunday Times Hiscox Tech Track 100, which charts the most influential and fast growing creative technology companies in the UK. In January 2015 it achieved the prestigious Investors in People Silver Accreditation following on from a stringent review process.

**ECONOMIC INDICATORS**



The current number of working age people claiming Jobseekers Allowance (JSA) in Stockton is 4,175 a decrease of 85 from the previous reporting period, the lowest figure since February 2007. The proportion of working age residents claiming JSA has therefore decreased to 3.4%. A more detailed 12 month analysis highlights the overall decrease across the year since December 2013.



The number of new JSA claimants has decreased since the last reporting period (780 in December, compared to 850 in October). There continues to be a decreasing overall trend since July 2013.

## **OTHER ECONOMIC NEWS**

- A £10m pot to allow small and medium-sized engineering companies to up skill their workforce has now opened for applications. Grants are available from £10,000 to £1.5M, and funding provides 50% of the total costs. The **Employer Fund** is open for applications from 12 December 2014 to Friday 27 February 2015.
- **UPDATE: The North East Business Support Fund**, which was set up to support the costs of projects designed to encourage growth, has been extended to June 2015 to allow more business to access the support.
- The **Business Enterprise Fund (BEF)**, a social enterprise, which already has bases in Bradford, Leeds and York, is opening its fourth office on Teesdale in a bid to support businesses across the North East which have been unable to raise finance from mainstream lenders and high street banks.

## **AWARDS**

- **Lucite International** has won both of the main prizes at the recent Teesside Apprenticeship awards. Cameron Appleyard, 21, was crowned best overall Tees Valley Production Technician (TVPT) apprentice and another Lucite sponsored apprentice finished runner up. A quarter of the Lucite's 300-strong workforce on Teesside is now made up of people under the age of 30.
- **NEPIC 2015 Awards** - Billingham's **Tomlinson Hall & Co Ltd** collected the SME of the Year title, **Lucite International** shared the Manufacturing Sustainability award. Jonny Lofthouse of **Biochemica UK** and Lucy Pringle of **Bond Dickinson** received Young Achievers awards, and Alex Burr of Billingham-based **Fujifilm Diosynth Biotechnologies** and Jasmin Gibson of **Jacobs UK Ltd** received Apprentice of the Year awards.