

## **ECONOMIC CLIMATE UPDATE REPORT**

### **EMPLOYMENT**

#### **JOB GAINS**

- Ten new jobs have been created at the **Ketton Ox** pub in Yarm, following a £248,000 refurbishment investment.
- **Evolution LLP**, an accountancy practice, is moving into a larger office at Wynyard Park House due to the growth of its client base which has resulted in the creation of 20 new jobs.
- **Nifco UK Limited** has secured its largest ever contract to date worth in the region of £50M with automotive giant Ford 7which will secure up to 50 jobs for the region.

#### **FUTURE JOB GAINS**

- St Modwen has completed the sale of a 1.6-acre site in Billingham town centre to discount food retailer **Aldi**. This multimillion-pound investment will see up to 30 new jobs being created along with additional employment opportunities during construction. The store is expected to open in early 2016.
- The Masham pub in Hartburn Village has had an application approved for a one storey extension which will lead to 3 new jobs.

#### **JOB LOSSES**

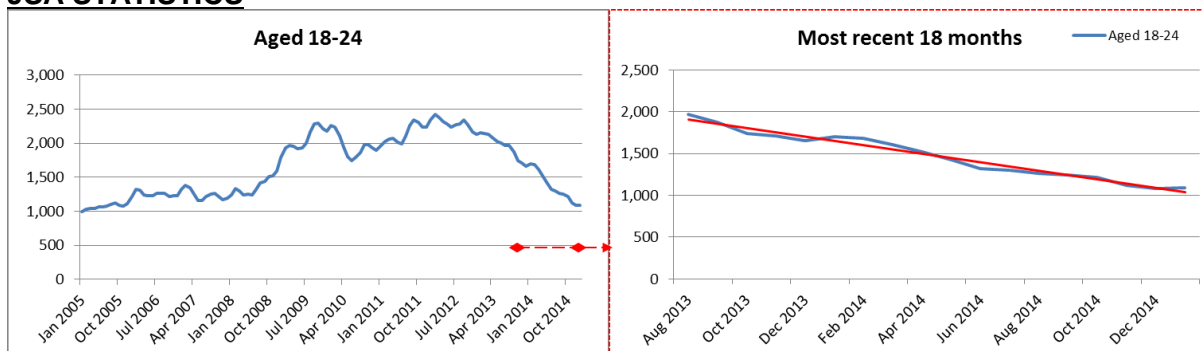
- 19 jobs have been lost at the Teesside Park store of **Bank Fashion** retailer due to administration. The store will close on 8 March and staff are being made redundant on 10 March. The Council is working with JCP to ensure the relevant support is in place for those employees affected.
- Oil drilling services firm **MHWirth** has announced the closure of its Preston Farm Industrial Estate site by the end of September 2015 due to the “market situation”. It is not yet known what will happen to the 18 jobs at the Stockton base.

### **TOWN CENTRES**

**Stockton Town Centre – Greenwoods Menswear** at 65 High Street and **Pacitto** at 21 Dovecot Street have both closed. **The British Red Cross** is due to open a new shop in March at 134 High Street following its relocation from 148 High Street. **Frandos Peri Peri** Takeaway has opened at 26a Prince Regent Street and Walker House, above the Castlegate Shopping Centre, has a new tenant, **Grant Callander Wealth Management**.

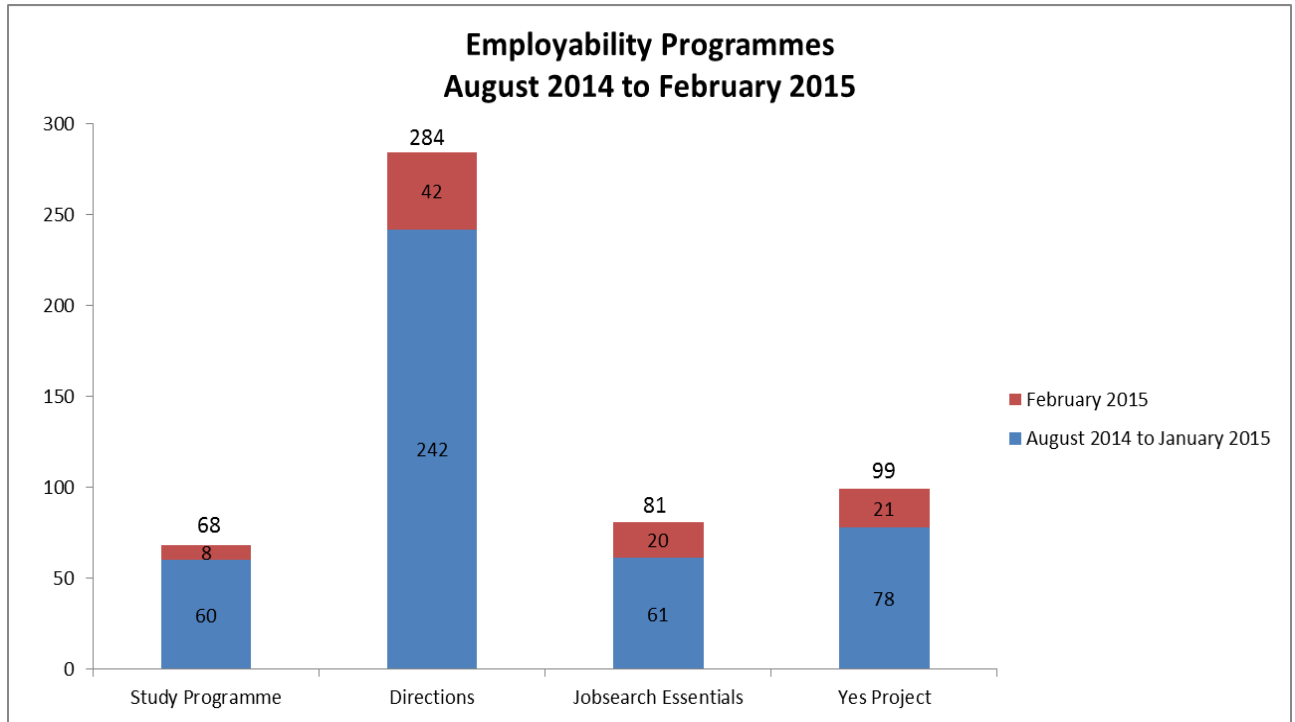
### **YOUNG PEOPLE (16 – 24)**

#### **JSA STATISTICS**



The current number of young people claiming JSA is 1,090 (representing 25.38% of the total number of JSA claimants), the lowest figure since October 2005. 320 of these young people have been claiming for over 6 months. There has been a steadily decreasing trend in claimant numbers since August 2013.

## 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**

- Update: The European Commission has approved the sale of TAG Energy assets to **Offshore Structures (Britain)**, a joint venture between Bladt Industries and EEW Special Pipe Constructions at the former TAG Energy site.
- Chemical company, **Chemoxy International** has secured a £20m funding package to make further investments in capital and plant over the next four years in order to increase capacity. £10m has been secured from the Business Growth Fund and £10m from the RBS bank. Chemoxy, which has sites in Middlesbrough and Billingham, intends to expand its product and service range and hopes to more than double revenue to £100m by 2020.
- **Carroll & Meynell** has been awarded €50,000 from the EU Horizon 2020 Fund to help take its electric vehicle charger to market. The transformer and coil manufacturer, based at Eaglescliffe, has come up with a patented prototype that charges up to 10 vehicles at once. It's the only North-East company - and one of just

185 out of 2,600 projects Europe-wide - to succeed in the Horizon 2020 bidding process.

- Plastics manufacturer, **Victrex**, based at Seal Sands, Billingham, has secured £1.3M from the sixth round of the Regional Growth Fund (RGF). The grant funding is for a Polymer Innovation Centre which could help to create over 80 direct and indirect jobs over the next 10 years.
- **Pickerings Lifts** have confirmed they are to scale down operations at its Stockton factory due to rising costs and shrinking demand, this will affect a limited number of its 140 employees.
- Thornaby-based subsea firm, **Reef Subsea UK**, has clarified it is not in administration after its Norwegian parent company filed for bankruptcy.

## SERVICE SECTOR/RETAIL

- **Britcab**, one of the fastest-growing providers of portable accommodation in the UK, has invested £250,000 in a new building at its depot in Billingham. The investment forms part of the company's expansion plans which may lead to more local jobs. The company employs around 40 people across its Billingham and York sites and takes on average two local apprentices each year.
- **Visualsoft** has purchased Camden House on Teesdale to enable the business to expand and create a number of new jobs in the near future.
- Construction firm, **RPD Builders**, based in Billingham, has reached the £1m turnover mark and tripled its workforce to six with regular subcontractors.
- **Bond Dickinson**, a national commercial law firm, will be closing its Tees Valley office on Teesdale Business Park as a result of a recent review. The office will be closing on the 1<sup>st</sup> September 2015 but all the staff have been offered alternative roles at the Newcastle or Leeds offices.

## BUSINESS CASE STUDY

Following a successful major relocation Stockton warehousing and logistics firm the Inbond Group is making new plans for growth. The InBond Group, which serves clients including Tata Global Beverages, Next retail and the NHS, recently moved from Eaglescliffe to Malleable Way close to Northshore Stockton, a move which safeguarding 35 jobs. The relocation assisted by Stockton Council, followed a successful management buyout by Finance Director, Craig Rye, and Business Support Director, Phil Lyons. The business now has its sights firmly on growth, targeting an increase in turnover from £1.7 to £2.5 million within the next 18 months.

The relocation support provided commenced following a business engagement visit in 2013 when the company expressed their desire to re-locate to secure the future prospects with their existing site approved for housing development. Good relations between the Council and the business were maintained and a detailed property search was undertaken. Due to the businesses specific requirements for a large high bay warehouse unit finding a new site within the Borough proved to be a challenge.

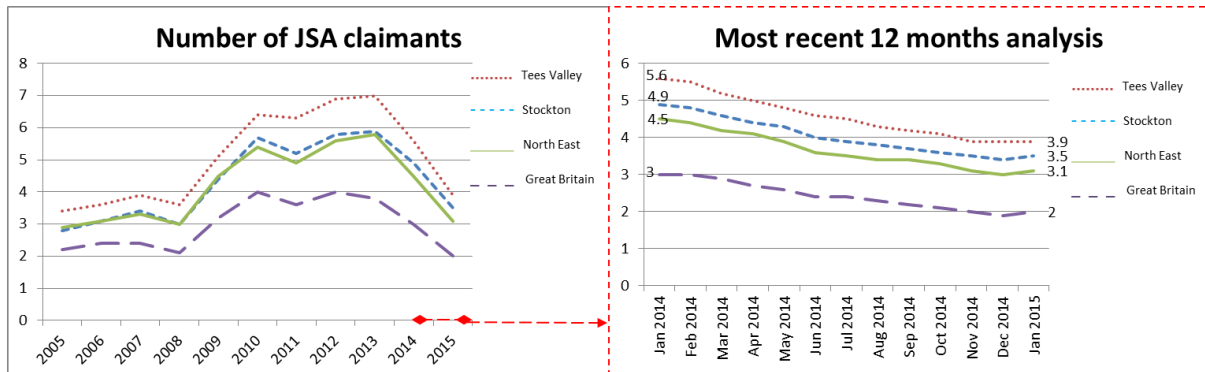
The business was however keen to remain in Stockton if feasible. The view of Business Support Director Phil Lyons being that having being in the Borough for nearly 20 years it was important for management to keep the business in Stockton.

Stockton Council provided a referral to the Tees Valley Workforce Skills Project (TVWS) a project designed to support the up skilling and re training of both current and new staff. A full skills analysis of the staff was completed and 27 members of the IN Bond team were put forward to access funding on the project. Courses identified were First Aid Recertification, IOSH Managing Safely, Manual Handling, COSHH, Working at Heights and Spill Kit. Out of 27 staff identified for training and development, to date the TVWS and nominated partner to deliver the programmes already booked 17 people onto programmes.

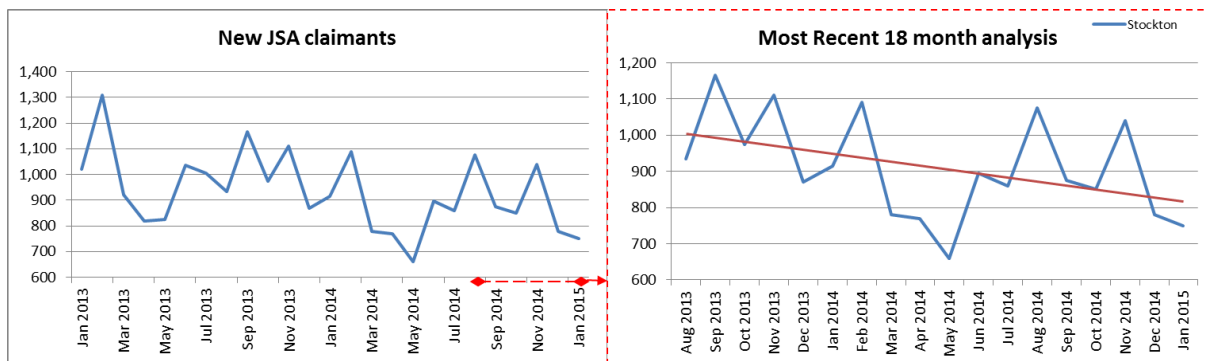
In bond are committed to all aspects involving the development of the team, having the right staff in the right role is important to the senior management team. Having the opportunity to

access funding for training and development has been a great support to In Bond during their transition to new local ownership and a extensive new site. Now firmly located in Stockton the company have safeguarded the future of their business and their existing workforce and aim to create new employment opportunities in the future.

## ECONOMIC INDICATORS



The current number of working age people claiming Jobseekers Allowance (JSA) in Stockton is 4,295 an increase of 120 from the previous reporting period. The slight increase reflects the ending of seasonal working over the Christmas period. The proportion of working age residents claiming JSA has therefore increased to 3.5%. A more detailed 12 month analysis highlights the overall decrease across the year since January 2014.



The number of new JSA claimants has decreased since the last reporting period (750 in January, compared to 780 in December). There continues to be a decreasing overall trend since August 2013.

## OTHER ECONOMIC NEWS

- The **Tees Valley Local Enterprise Partnership** has agreed an expansion to its Growth Deal with the Government which sees an extra £13.9 million invested in the area between 2016 and 2021. This money is in addition to the £90.3 million worth of funding committed by the Government in July 2014. Eight projects across the Tees Valley are set to benefit from the money including road improvement schemes and site clearances for business expansion.
- The **North East Chamber of Commerce (NECC)** has secured a five-year contract by the government to offer UKTI export support to businesses in the region.

## AWARDS

- Discovery, the ground breaking oil and gas scanner developed by **Tracerco** in Billingham, has won the Innovation & Technology Subsea UK Award at the Subsea UK Awards - the second top industry accolade it has won in a year.
- 2015 NEPIC Awards - Billingham's **Tomlinson Hall & Co Ltd** collected the SME of the Year title and **Lucite International** shared the Manufacturing Sustainability Award. Jonny Lofthouse of **Biochemica UK** and Lucy Pringle of **Bond Dickinson** received Young Achiever awards, and Alex Burr of Billingham-based **Fujifilm Diosynth Biotechnologies** and Jasmin Gibson of **Jacobs UK Ltd** received Apprentice of the Year awards.

- Best New Business Awards 2014 – **Yarm Butchers** received the award for Best New Retail business, the Environmental award went to **Your Energy Advisor** based at Primrose Hill Business Centre, the Marketing award was picked up by Bowesfield based **Skignz Ltd** and the Young Entrepreneur award was received by **Old Autumn House** located at Preston Farm.
- Shortlisted Stockton businesses in the Teesside finals of the North East Business Awards 2015 are **Visualsoft** for Company of the Year and the Innovation Award, **Tadea-UK** for the Green Award, Innovation Award and Heart of the Community Award, **Additional Lengths** and **PJA Distribution Ltd** for the Let's Grow Award, **Ace Aluminium & Architectural Services Ltd** and **Teesside Industrial Solutions Ltd** for Newcomer of the Year Award, **Raw Digital Training** for the Services Award, **Tomlinson Hall Ltd** for Small Business Award and **Integrity Search Ltd** for the Digital & Media Award. The Teesside awards ceremony will take place on 26<sup>th</sup> March, and winners from the sub regions will then go forward to the regional final on 23<sup>rd</sup> April.