

# Economic Climate Report – Business and Annual Round Up Report

## UPDATES

### Strategic Updates

- The **£588m, ten-year Investment Plan for Tees Valley** was approved at the TVCA Cabinet in January 2019. The Plan aims to create 16,875 new jobs and an additional £1.48bn economic output for the Tees Valley.
- During March 2019 **Stobart Group** was confirmed as the operator of **Durham Tees Valley Airport** following its return to public ownership. The announcement means that Stobart Group will be responsible for the oversight and strategic development of the airport, and to implement a 10 Year Rescue Plan to increase passenger numbers to 1.4m, secure a low-cost carrier by 2022, and drive the creation of 7,600 jobs. Two Stockton companies, **Rovin Environmental and Tindles Chartered Accountants**, have been successful in securing contracts for waste and payroll services at DTVA
- **Transport for the North** has set out its plans to transform the transport infrastructure of the Northern Powerhouse over the next 30 years, supporting the creation of 850,000 jobs. The **Strategic Transport Plan (STP) and the Investment Programme** outline how up to £70bn of investment to 2050 could contribute towards an additional £100bn in economic growth for the North's economy.
- **PD Ports** Teesport has been officially accredited with the internationally recognised quality mark of Authorised Economic Operator (AEO) by HMRC. Within the Northern Powerhouse, Teesport has become the first port to gain AEO status. **PD Ports has agreed a partnership with a Dutch shipping company**, which will establish a **bi-weekly connection with Northern Europe**. The service will provide additional connections for key sectors in the Tees Valley, including offshore energy and oil and gas. PD Ports will subsequently transport the ship's cargo onward to the Midlands via its extensive road haulage fleet.
- **Hydrogen vehicles and refuelling stations** will soon be coming to Tees Valley after it was announced in February that a £1.3m bid to Government had been successful. **Two refuelling stations will be built in Middlesbrough and Redcar**, plus a fleet of cars that use hydrogen technology for long-range travel (300+ miles) and fast refuelling capability. Tees Valley already produces 50% of the UK's hydrogen, and the **TVCA is currently progressing a pilot of the UK's first hydrogen train in the area**.
- Plans have been submitted for a **plastic conversion facility** that converts non-recyclable plastic into synthetic oil to be built at the **Wilton International industrial site** in Tees Valley. The proposed plant could create up to 40 jobs.
- Two Stockton-based businesses have successfully secured funding from the **Tees Valley Catalyst Fund** to the value of £5.5m that has secured contracts to the value of £68m.

Company	Investment	Contract Value	Location
<b>Process Control Equipment Ltd (PCE)</b>	£1.5m (2 investments)	£13m (4 contracts)	Teesside Industrial Estate
<b>Wilton Engineering Ltd</b>	£3m (2 investments)	£45m (2 contracts)	Port Clarence
<b>TOTAL</b>	<b>£5.5m</b>	<b>£68m</b>	<b>Tees Valley area</b>

### Business Announcements / Intentions

The following updates provide a summary of business announcements from Stockton based businesses, however it is not an exhaustive list of jobs growth or business investment:

- **The Research & Development team at, Nifco UK**, based at Durham Lane has brought a major project to its successful conclusion after a 12-month development phase. The team has worked in collaboration with material supplier, Celanese, and prototyping company, Graphite AM, to design, prototype and test a new engine bracket which could bring significant benefits to the running of a vehicle, provides a weight saving of 0.7kg or 50%; contributing to a reduction of CO<sub>2</sub> emissions, or by extending the range of an electric vehicle.
- The energy data consultancy, **EnAppSys**, located at Surtees Business Park, has expanded into Europe with the opening of a new office in the Netherlands.
- E-commerce and digital marketing agency, **Visualsoft**, is set to upgrade and expand its headquarters based on Teesdale Business Park. The works are due for completion in August 2019 and will create an auditorium to host events, a client “village” with a range of interactive meeting areas, and relocation of the company’s R&D department to a new wing of the building.
- **Sapere Software** based at Fusion Hive in Stockton has recruited two additional software engineers to service its growing client base. They have been successful in securing a six-month tender with **DigitalCity** (Teesside University) to focus on providing services to businesses on system integration and development consultancy.
- Billingham-based **Seqens Custom Specialities** (formerly Chemoxy) has announced a possible £10.5m investment in a cosmetics factory that could bring 190 direct/indirect jobs during its construction and operation; with 15 of these being based in Stockton. The factory will produce paraben-free preservatives for beauty products; with interest already being shown from overseas.
- **Px Group** located at Teesdale Business Park has been appointed to operate and maintain the Northampton fuel storage and distribution terminal owned by InfraNorth; with eight workers transferring to Px employment.
- **Biochemica UK**, based at Cowpen Lane Industrial Estate, has secured a six-figure investment from the Northern Powerhouse Investment Fund (NPIF) to support their expansion and the appointment of key personnel including a new head of sales. The company provides legionella control, boiler and cooling water treatment and wastewater treatment services, generating an annual turnover of £7m and employing over 80 staff.
- **KD Pharma Group**, which manufactures omega-3 based active pharmaceutical ingredients have acquired a facility at Seal Sands (production at the facility had been suspended a few years ago). The facility will be brought online this year and operated alongside the company's other global manufacturing sites.
- **Vertellus**, the specialty chemicals manufacturer based at Seal Sands has topped a list of the 50 highest growing manufacturing businesses in the North East. The company, which supplies into the agriculture, nutrition, pharmaceutical and medical industries has grown over 89% from the previous year.
- **KP Snacks** launched its new £6m pellet production facility in May 2019, with the opening of two lines in the new facility and the creation of 25 new jobs.
- **ConocoPhillips Petroleum Co. UK Ltd** - is undertaking a major investment in infrastructure which includes a new 2.5km pipeline from its terminal at Seal Sands to SABIC for the export of propane with completion expected mid-2019. A new propane storage facility is also being built on site with completion in mid-2020. The six 700 tonne tanks were transported by road to the site from the Wilton Engineering wharf in a major operation supported by the Council.
- **HMRC** has confirmed that it will be relocating its offices from George Stephenson House, Teesdale Business Park to Peterlee or Washington; with the loss of up to 400 jobs. The company is working closely with employees to either relocate them to the new premises or to find alternative solutions when the office closes in 2020.
- **Active Financial** based at Teesside Industrial Estate has invested more than £600K in purchasing the building they currently operate from; with £150K being used to refurbish the facility.

- **Bespoke Financial** based in Gloucester House continues to grow and now employs 35 people. The company beat 300 other qualifying companies to win the top spot of ‘**Number One Protection Firm**’ in the national awards hosted by protection network PRIMIS.
- **Marlin Corporate Finance** has moved to Falcon Court, Preston Farm Industrial Estate, as part of its expansion plans.
- **UKinsuranceNet.com** has invested £1m in purchasing and fitting out a 6,000 sq.ft office on Preston Farm Business Park. The business is an online insurance broker that specialises in both standard and bespoke products for landlords’ insurance, unoccupied property insurance, home and property protection products for both residential and commercial premises.
- **Den Hartogh Logistics** has invested in larger premises at Phoenix House on the Surtees Business Park. The company has 43 locations in 24 countries around the world.
- **Halcyon Tankers** based at Port Clarence has secured a loan of £250,000 from the Northern Powerhouse Investment Fund to invest in growing its fleet of bulk chemical road tankers. The company currently operates 21 HGV tractor units and 27 tankers.
- **Pickerings Lifts** headquarters located on the northern gateway to Stockton Town Centre is growing with the opening of its third dedicated loading systems premises in Manchester. The news follows the company securing a contract with a national supermarket chain to replace its goods lifts.
- **Francis Brown** located on Church Road has secured a contract to manufacture the lining for two 1,600m deep shafts at Woodsmith Mine in Whitby.
- Construction of the steel fabrication contract worth £1.3m for the Tees Advanced Manufacturing Park has been secured by **Nationwide Structures** based at Boathouse Lane.
- **Paperchase** has hired advisers at KPMG to draw up store closure plans. The greeting cards retailer is understood to be considering a company voluntary arrangement (CVA). It is unknown yet whether this news will affect the Teesside Park outlet.
- Work has commenced on the new **Great North Air Ambulance Service** at Uray Nook in Eaglescliffe (former Elementis site), with an investment of £3.9m; with the office based element of the service moved in.
- **Scott Bros** has invested £1m in a new and environmentally-sustainable “urban quarry”. The new wash plant would take waste material and convert it into high quality sand and aggregate for use in the building and construction industry. Currently 20% of residue from the plant’s output cannot be recycled. However, the company is working with academics at Teesside University’s School of Science, Engineering and Design to find a practical use for the residue as part of a **Knowledge Transfer Partnership (KTP)**.
- One of the largest indoor go-karting operators, **TeamSport**, has opened a new branch at Portrack Industrial Estate and agreed a 20-year lease on the former Arco unit.

### Strategic Locations

- In February 2019 1,420 acres of land on the former Redcar steelworks site was acquired by the **South Tees Development Corporation**. As well as the land, it also includes almost 2km of prime river frontage to accommodate even more investors. The move now enables the Development Corporation to kick-start further negotiations with potential investors and press ahead with projects that are already earmarked for the site. In March 2019 the Tees Valley Mayor and Combined Authority approved the move to make a **Compulsory Purchase Order (CPO) to secure the remaining 870 acres of land at the site**.
- **Magnum Packaging** has purchased the freehold interest of a 280,000 sq.ft industrial complex in Cowpen Lane Industrial Estate, Billingham. The property, which comprises two large industrial units on an 11-acre site was previously occupied by Sims Recycling Solutions.

### Town Centres

- **Drake The Bookshop** based on Silver Street in Stockton Town Centre has been named **regional winner for the North in The British Book Awards** for the second year running.
- A **Future of our High Streets Conference** was held in Stockton in June 2019 at Durham University Queen’s Campus where a national audience of circa 70 delegates attended to hear “The Stockton Story” and insights from industry experts, which ended with a tour. Initial feedback from participants is of a very successful event.

### Training & Skills

- Businesses are helping to shape the direction of a **national centre of excellence for the bioscience industries** based in the North East. A series of focus groups were held with key stakeholders to determine priorities for the **National Horizons Centre (NHC)**, which opens in the spring 2019. The Centre will work in partnership with regional, national and international industry players including **Fujifilm Diosynth Biotechnologies** and the **Centre for Process Innovation (CPI)** to provide specialist education, training and professional development for the current and future workforce, and to promote industry-focused innovation and research. The University has been working with businesses including Fujifilm Diosynth, Quorn, Hart Biologicals, GlaxoSmithKline, and AstraZeneca UK, to identify current and future skills gaps. **The information from the focus groups will be used to develop a series of Continuing Professional Development courses that the NHC will offer to businesses.**
- Tees Valley Mayor and Combined Authority has been successful in its bid to expand its Careers Hub. The Secretary of State for Education has revealed that the **Tees Valley Careers Hub** will be one of two to be expanded, alongside the launch of 18 new hubs backed by a further £2.5m investment. While expansion will allow an extra 25 schools and colleges to join the programme the Tees Valley Mayor has pledged to extend this offer to all 70 educational institutions in the Tees Valley area.
- The Education and Skills Funding Agency (ESFA), **ESF Procurement Round 2** process for the new programme of skills funding commenced on 1st April 2019. The contracts support activity under the following Investment Priorities (with the successful prime provider indicated):
  - 1.1 **Skills Support for the Unemployed** (PeoplePlus Ltd.)
  - 1.4 **NEET (15-24 year olds)** (Learning Curve Group)
  - 1.4 **Community Grants** (Hartlepool Borough Council). A launch event for third sector and small organisations took place on 12th June with circa 90 organisations attending.
  - 2.1 **Skills Support for the Workforce and Redundancy** (Calderdale College)
- **In April 2019**, Tees Valley launched an **ESF Direct Bid Open Call**. The call will support activity under Investment Priority 2.2 'Improving the Labour Market, Relevance of Education and Training Systems', which will provide support to businesses to carry out training needs analysis, improve their workforce planning and increase their access to relevant training. The closing date for applications is 25th June 2019.
- The Education & Skills Funding Agency (ESFA) will survey businesses and providers on the **development of apprenticeships post-2020**, which is open to all apprenticeship employers, providers and representative organisations. Officers are proactively being issued to businesses across Tees Valley.
- The **Tees Valley Enterprise Co-ordinators** continue to work with 67 of the 70 education establishments in Tees Valley. These include secondary schools, special schools, sixth forms and further education colleges. Of the education establishments, 50 now have a business Enterprise Adviser working directly with the Careers Lead in the establishment to develop meaningful encounters with employers for all students; with delivery to commence in Spring 2019.
- Leaders in the pump industry have pooled together with plans to provide essential resources and equipment for one of the North East's leading technical training providers. Headed up by Billingham-based, **Tomlinson Hall**, the business has joined forces with three of the world's biggest investors in industry research and development to supply equipment to **NETA Training Group** as part of the training provider's ambitious plans to upgrade its facilities.
- Plans for a new **Civil Engineering Training Academy** in Tees Valley have been given the go ahead; with a view to opening fully for business in time for the new academic year. The Academy, which is being delivered in partnership with Hartlepool College of Further Education, would provide qualifications to those needed to construct the UK's future infrastructure.

# ECONOMIC GROWTH INDICATORS UPDATE

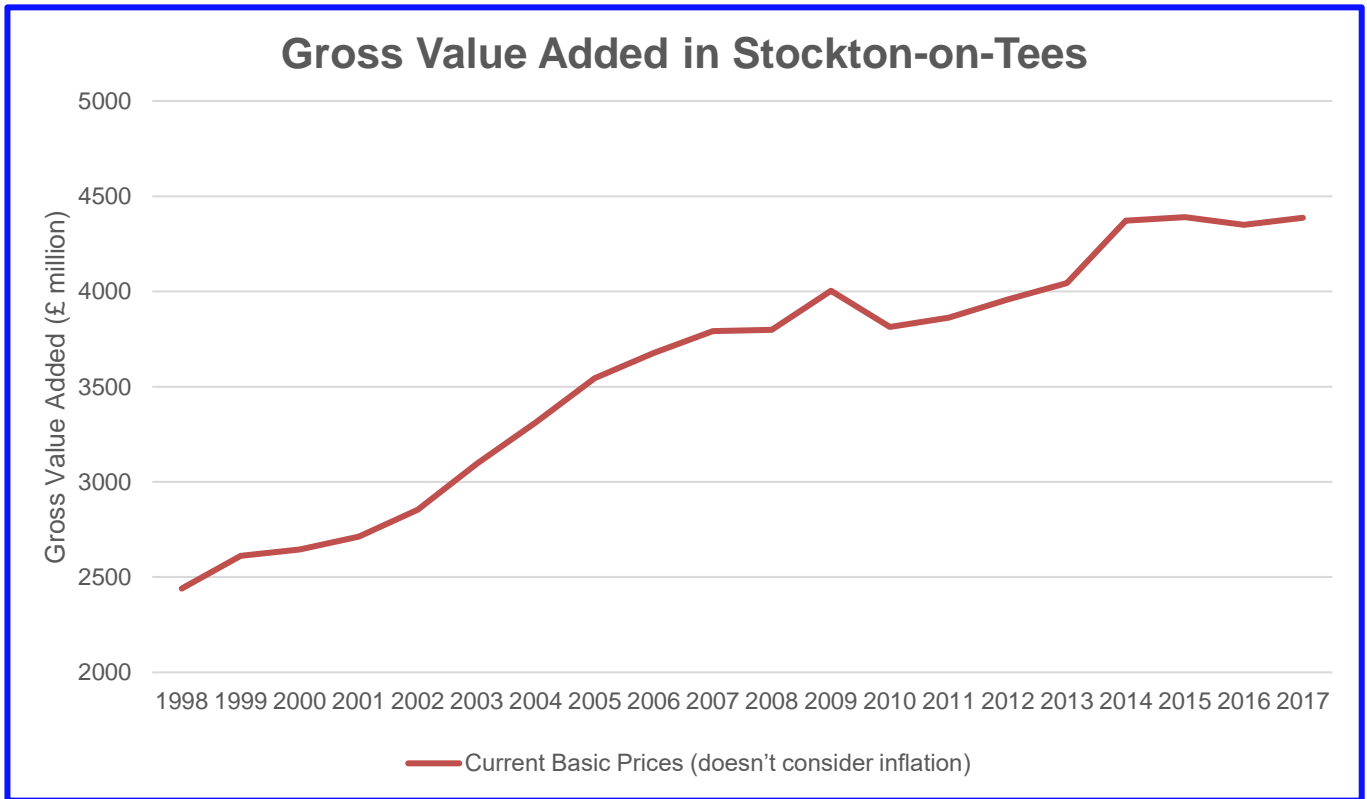
## Gross Value Added (GVA)

### Measure

Gross Value Added (GVA) relates to the total value of goods and services produced in an area, which is essentially the ‘economic output’ of a location. The measure shown refers to the GVA for Stockton-on-Tees in 2017, which was estimated to be £4.4bn (provisional). Stockton-on-Tees made up 33.4% of the economic output of Tees Valley - so just over a third.

### Trend

In Basic Prices, GVA in Stockton-on-Tees is £428m higher than in 2012; equating to a 10.8% rise. Adjusting for inflation, the GVA in Stockton-on-Tees is only 1.6% higher than 2012 and has fallen since 2014. Between 2007-2017, adjusting for inflation, there has been a rise of 3.0% in Economic Output which exceeds the majority of North East Local Authorities, half of which have 2017 GVA levels lower than 2007.



Source: [ONS - Regional GVA \(balanced\) by Local Authority](#)

### Data Quality

Official statistics for GVA are produced by the ONS at a larger geography (NUTS 3) than Local Authority level. These statistics are calculated using a detailed methodology with its own statistical limitations. Estimates for Local Authorities are produced by breaking down the components of GVA at NUTS3 level to Local Authorities based on a range of datasets. As a result, the Local Authority estimates are experimental and subject to issues affecting data quality.

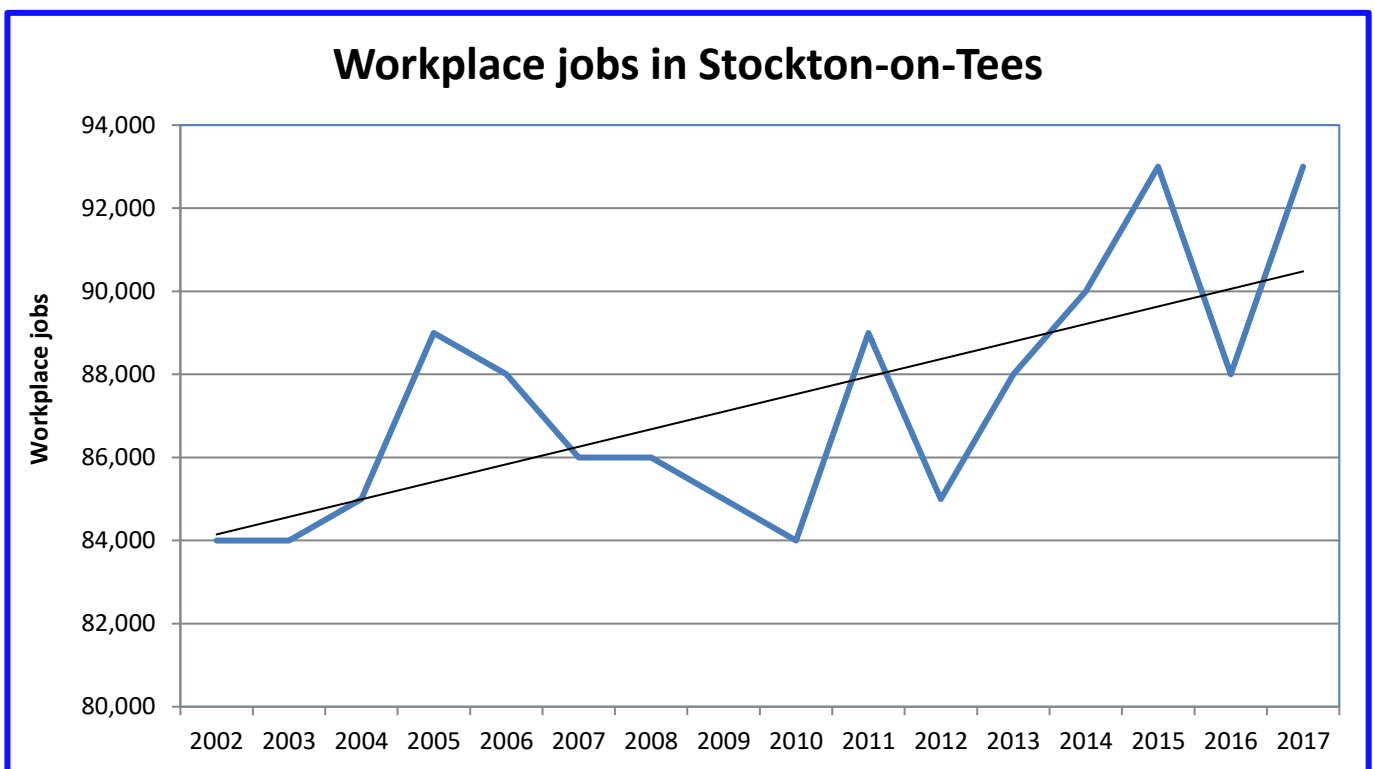
## Jobs

### Measure

The estimate for 2017 was 93,000 jobs, which is 0.76 jobs for every working age resident of Stockton-on-Tees. The 'jobs density' figure of 0.76 is higher than the Tees Valley and North East figures but lower than the national figure of 0.86.

### Trend

Jobs estimates are at their joint highest ever and have risen by 8,000 since 2012 or 9.4%. This rate of growth is higher than the North East (7.8%) and more than double the rate seen in the Tees Valley (3.9%).



Source: ONS – Jobs Density

### Data Quality

The total jobs estimates come from multiple sources and comprises of estimates of employees (from the Business Register and Employment Survey), self-employment jobs (from the Annual Population Survey), government-supported trainees (from DfES and DWP) and HM Forces (from MoD). The employee jobs estimates make up the large majority of the figure and come from source based on a sample of businesses so it can be affected by sampling variability, which is also the case for estimates of self-employment from the Annual Population Survey (APS). The quality of the estimates is less robust at sub-regional geographies like Local Authorities and this should be taken into account when making inferences about the figures.

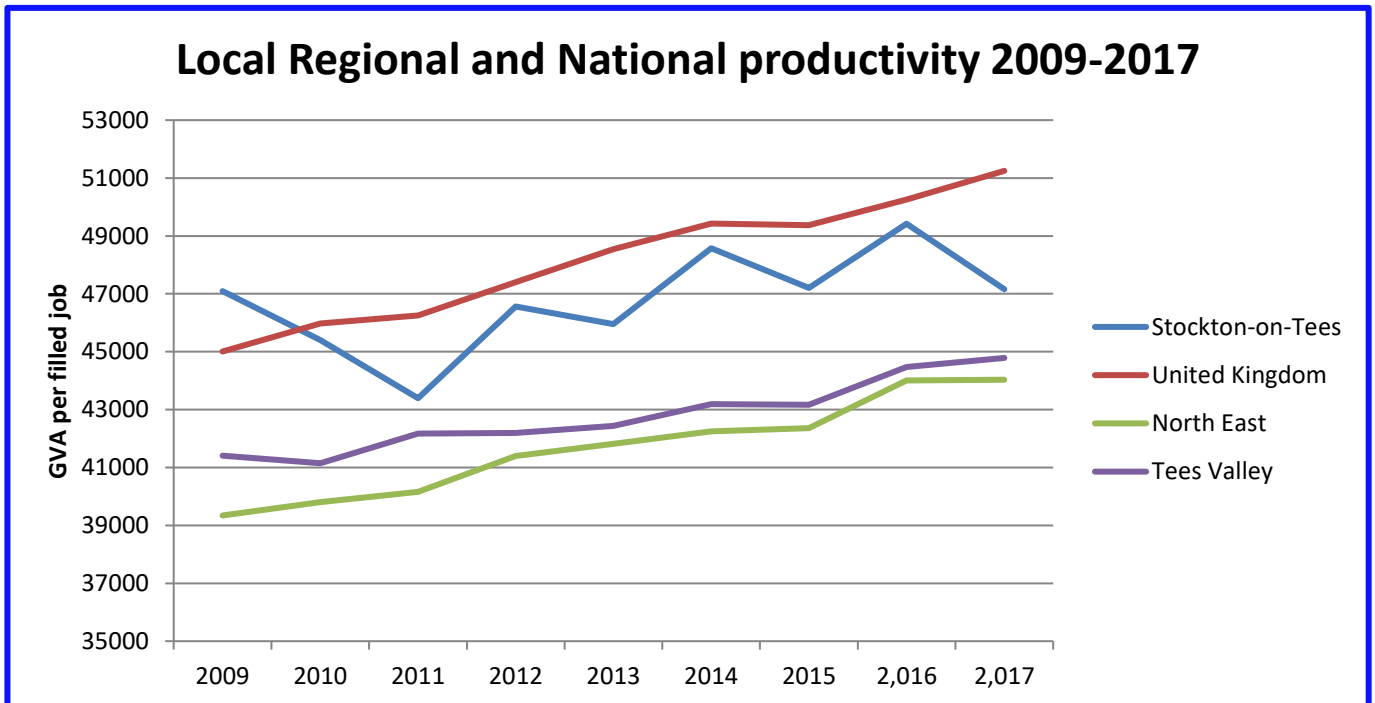
## Productivity

### Measure

This measure estimates the amount of output that occurs in Stockton-on-Tees for every workplace job that exists. It is simply the measure for GVA divided by the measure for jobs. Per workplace job there was £47,161 of GVA in Stockton-on-Tees in 2017. This is higher than the North East and Tees Valley figures but lower than the UK figure of £51,247.

### Trend

GVA per job was lower in 2017 than the previous year. This is mainly driven by a large increase in the workplace jobs estimates and a relatively small increase in Gross Value Added. Longer term, there has been an upward trend in this measure for Stockton-on-Tees, which is now higher than Tees Valley and the North East, although remains slower than the UK growth rate.



Source: ONS - Regional GVA (balanced) by Local Authority and Source: ONS – Jobs Density

### Data Quality

GVA per workplace job is a crude estimate at a Local Authority level and is subject to all the data limitations associated with both the GVA estimates and workplace jobs estimates. Caution must be taken when making inferences about the figures.

## Enterprise

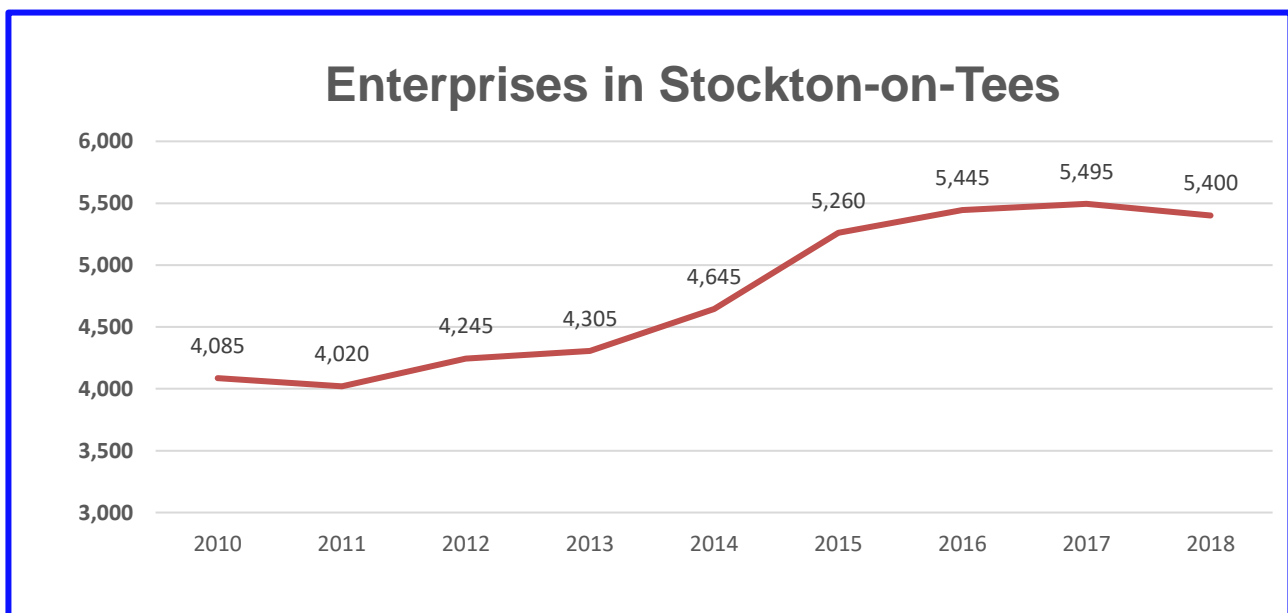
### Measure

The measure represents the businesses registered with HM Revenue and Customs (HMRC) for Value Added Tax (VAT) and/or Pay-As-You-Earn (PAYE) systems. For 2018 there were 5,400 'enterprises' in Stockton-on-Tees.

The 5,400 enterprises in Stockton-on-Tees was equivalent to 342 enterprises for every 10,000 residents aged over 16. This is higher than the Tees Valley and North East figures but lower than the national figure of 496.

The number of enterprises in Stockton-on-Tees has fallen after 6 consecutive years of growth. The business stock is still significantly higher than 5 years ago and long term trends highlight higher growth than the North East and UK rates.

### Trend



Source: ONS – UK business: activity, size and location (2018)

### Data Quality

An **enterprise** can be thought of as the overall business; made up of all the individual sites or workplaces and defined as the smallest combination of legal units that has a certain degree of autonomy within an enterprise group.

The information used is from administrative sources and is considered accurate, however it is restricted to VAT and PAYE registered businesses. Many unregistered businesses will operate in Stockton-on-Tees and not be covered by the measure.



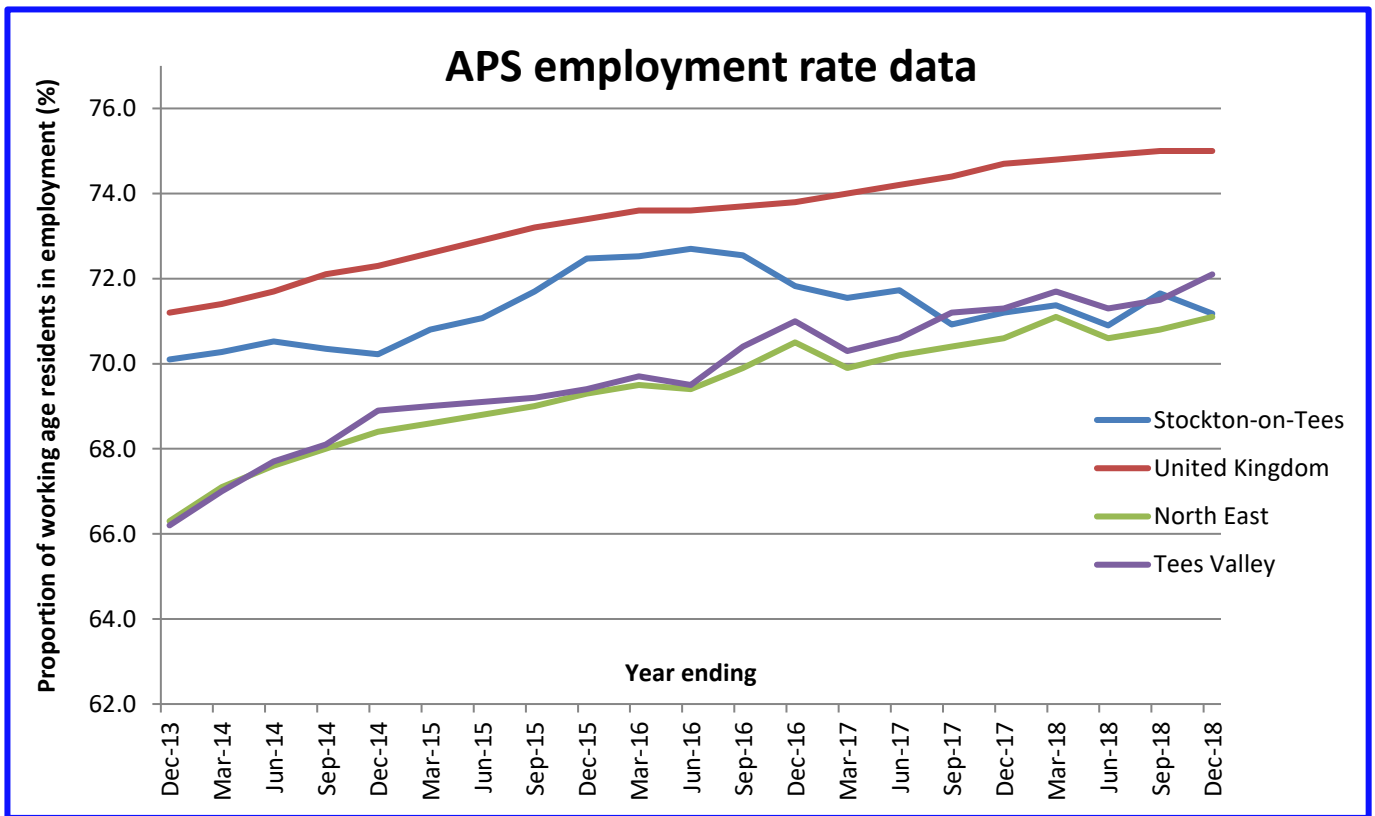
## Employment Rate

### Measure

The employment rate is an estimate from the Annual Population Survey and is based on the responses of a sample of Stockton-on-Tees residents surveyed 4 times each year. The latest employment rate in Stockton-on-Tees is 71.2%, which is slightly higher than the Tees Valley estimate and lower than the North East figure of 72.1%. The UK figure is consistently higher than Stockton-on-Tees.

### Trend

In recent years, the employment rate estimate has risen in the Tees Valley and North East whilst previous growth in Stockton-on-Tees has stagnated widening the gap between Stockton-on-Tees and the UK. The recent fall in the employment rate reflects a rise in economic inactivity (e.g. sickness, study, retirement and looking after family) rather than a rise in unemployment.



Source: ONS – Annual Population Survey (Year ending December 2018)

### Data Quality

The estimates are from a sample survey so are subject to sampling error. The smaller the geography the smaller the sample size so the less robust the estimates are. The figures for Stockton-on-Tees are a 4-quarter moving average to increase accuracy. Caution must still be taken when making inferences about the figures.

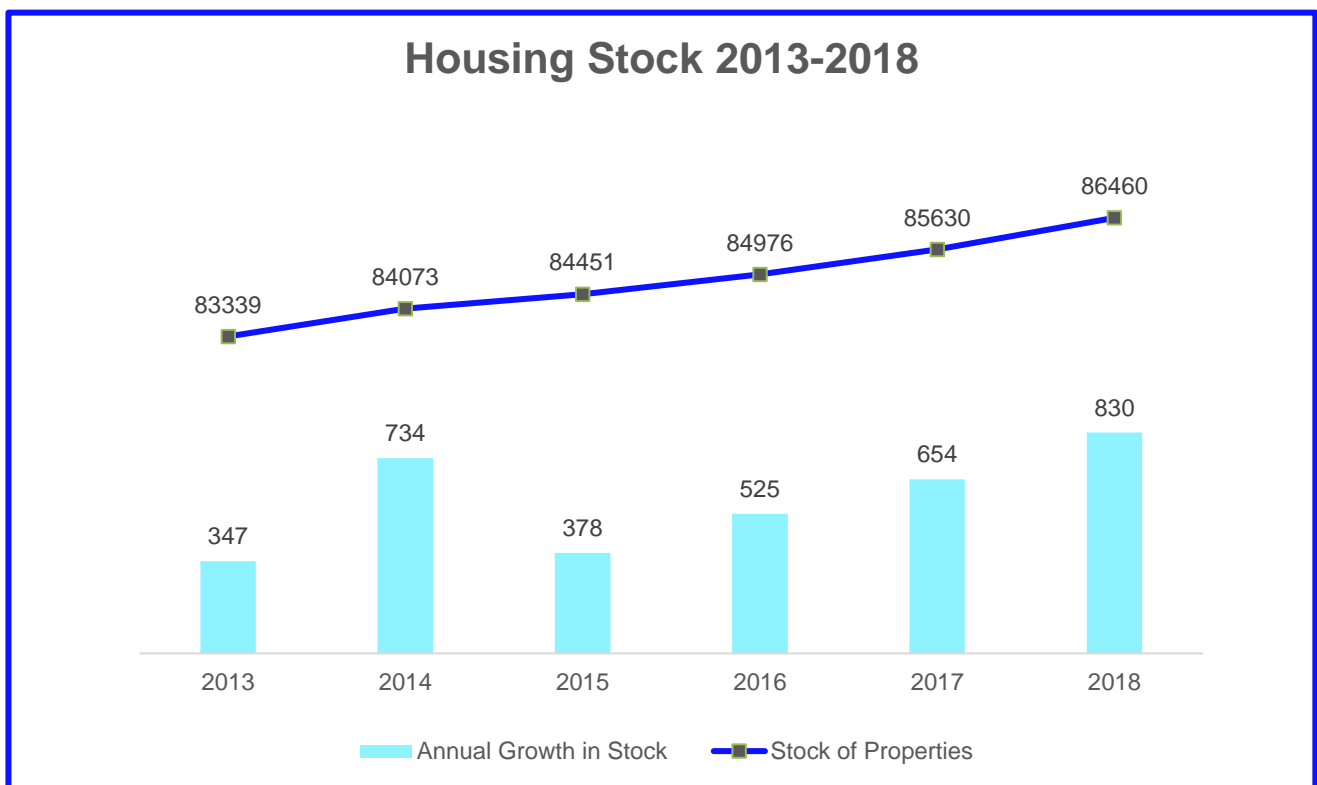
## Housing Stock

### Measure

The housing stock measure is the number of residential properties that form the Council Tax Base in Stockton-on-Tees, as published by the Valuation Office Agency (VOA) using Local Authority data. The 2018 position showed that the stock of properties in Stockton-on-Tees was 86,640. The most recent annual growth in the housing stock saw 830 additional houses which is higher than the Objectively Assessed Need outlined in the Stockton-on-Tees Local Plan.

### Trend

In April 2018 the stock of housing was 830 higher than the previous year; exceeding the assessed housing standard and the last 5 years of figures. The growth in the stock of properties has grown year on year since 2014.



Source: Valuation Office Agency – Council Tax: stock of properties (2018)

### Data Quality

Figures are submitted by Local Authorities and are subjected to rigorous pre-defined validation tests. They are, therefore, considered accurate and robust.

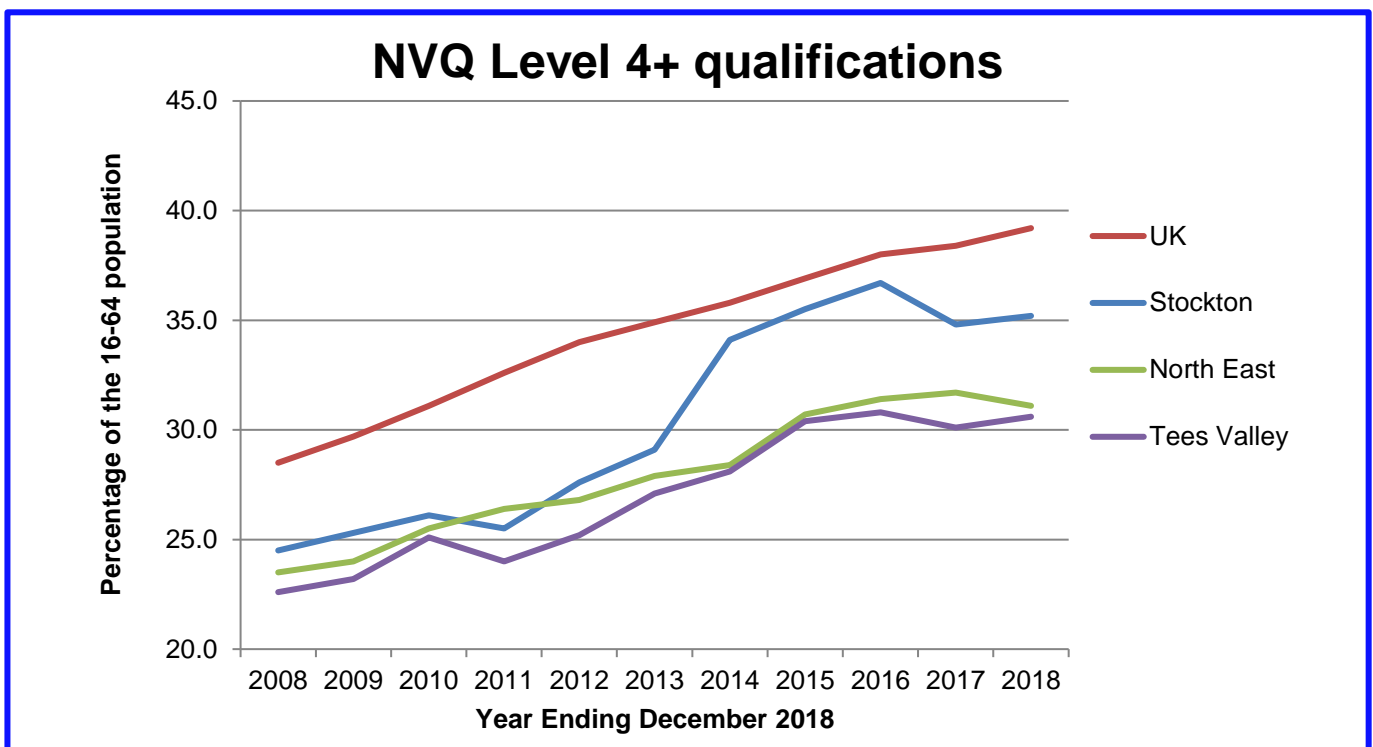
## Level 4 Qualifications

### Measure

An estimated 35.2% of the working age (16-64) population in Stockton-on-Tees had a qualification equivalent to NVQ Level 4 or higher in 2018. This estimate comes from the Annual Population Survey; where information from a sample of Stockton-on-Tees residents is used to estimate figures for the wider Borough. The estimate of 35.2% is higher than estimates for the Tees Valley and North East but lower than estimates for the wider UK where the rate is 39.2%.

### Trend

The estimated proportion of those with qualifications at NVQ Level 4 and higher saw a sharp rise between the years 2011 and 2016 closing the gap between Stockton-on-Tees and the UK. The 2018 estimate is not as high as the 2016 estimate suggesting the gap between Stockton-on-Tees and the UK has widened in the last 2 years. The Stockton-on-Tees NVQ qualifications rate is still higher than the Tees Valley and North East figures and suggests 42,400 people are qualified to NVQ Level 4 and above in the Borough.



Source: ONS – Annual Population Survey (Year ending December 2018)

### Data Quality

The estimates are from a sample survey so are subject to sampling error. The smaller the geography the smaller the sample size so the less robust estimates are. The latest figure for Stockton-on-Tees has a confidence interval of 3.3, which means that statistically there is a 95% chance the actual figure falls within 3.3 percentage points of that shown. So, essentially, there is a 95% chance the actual figure is between 31.5% and 38.1%.

# Annual Round up – Why Stockton is attractive for business

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A successful business base is key to local economic prosperity, a strong labour market and the health and wellbeing of local populations.

The climate for business in the UK is one of ongoing economic and political uncertainty. Whilst the labour market remains fairly strong, business investment is sluggish and the locally important sectors like manufacturing, construction and retail face numerous challenges.

Despite a challenging economic climate, businesses still chose Stockton-on-Tees as a place to invest in, grow or establish a business. Hundreds of businesses are born each year and over £45 million last year of business investment supported a growing number of jobs locally. There are a wide range of factors that make Stockton-on-Tees an attractive environment for businesses.



Over £45 million  
of investment last year  
(financial year 18/19)

A recent report by the “Legatum Institute” ranked 289 Local Authorities by measuring indicators associated with entrepreneurial and business activity, alongside the key infrastructure required for businesses to form and grow. Stockton-on-Tees was ranked in the top 15% of all UK Local Authorities for its business environment.

The following pages explore the factors that make Stockton-on-Tees a positive environment for business. Whilst the focus is on the “**business**” environment, it will cover strengths associated with the “**people**” of Stockton-on-Tees and the Borough as a “**place**” to do business, providing a round-up of the Council’s three Economic Growth themes.

## A resilient and growing Economy

When inflation is taken into account, [2017 Economic Output](#) in Stockton-on-Tees is 3% higher than 10 years ago. Whilst only a small increase, this is still higher than the majority of North East Local Authorities, half of which have not seen economic output reach pre-recession levels. Economic output in Stockton-on-Tees makes up over a third of the Tees Valley Output.



Over a third (£4.4 Billion)  
of the £12.6 Billion Tees Valley  
GVA comes from Stockton-on-Tees

## A Resilient business base

44.4% of businesses that started in 2012 in Stockton-on-Tees were still active in 2017. This “[5 year survival rate](#)” is higher than the North East (43.6%) and UK (43.1%) equivalent. One-year survival rates are also higher in Stockton-on-Tees than the wider regional and national averages meaning a higher proportion of businesses that started in 2016 were still trading in 2017.



93.2%

Proportion of 2016 businesses  
that survived their first year  
(NE = 92.4% UK = 91.6%)

## A growing business base

The 2018 [business stock](#) is 25.4% higher than the 2013 business stock in Stockton-on-Tees. This 5-year growth in businesses has outpaced the North East and UK figures and is the equivalent to 1,095 more businesses now than there were 5 years ago.



25.4%

Growth in businesses in  
Stockton-on-Tees 2013-2018  
(UK = 23.2% NE = 23.0%)

## Specialism in high value sectors

The [workforce](#) and [business stock](#) of Stockton-on-Tees has higher concentrations of jobs and businesses in certain sectors than the national equivalent. These “specialisms” are in industries that are particularly productive, have significant economic output, create opportunities in their supply chain and have a high growth potential.



### Specialisms in:

- Advanced Manufacturing and Engineering
- Chemicals and Process
- Construction
- Scientific Research and Development
- Logistics

## Competitive Rents

[Analysis from Colliers](#) suggests that Grade A office accommodation in Stockton-on-Tees can be rented at £13.50 per square foot, which is less than half the price of Leeds City Centre, more than 40% cheaper than Newcastle Centre and out-of-town Leeds locations and nearly 20% cheaper than out-of-town locations around Newcastle.

Grade B office accommodation is also cheaper in Stockton-on-Tees at £10 per square foot, which is nearly 60% cheaper than Leeds and nearly 40% cheaper than Newcastle.

Rents for industrial premises shown in tables 1 and 2 are some of the cheapest in the country.

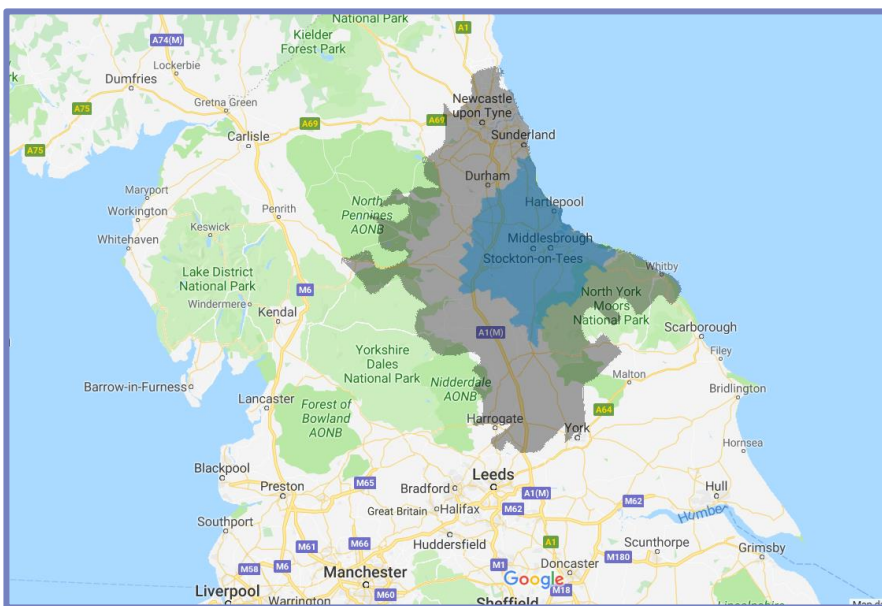
**Table 1 - Estimated rental costs of large industrial units and land values**

	Large Units (100,000 sq.ft)		
	Stockton-on-Tees (Tees Valley)	Newcastle	Leeds
<b>PRIME RENTS</b>			
New accommodation (GIA per sq.ft)	£4.50	£5.50	£5.75
<b>SECONDARY RENTS</b>			
Early 1990s accommodation (GIA per sq.ft)	£3.50	£4.00	£4.50
<b>LAND VALUES PER ACRE</b>			
(based on Prime locations - up to 5 acres for small shed and over 10 acres for big sheds)	£175,000	£250,000	£350,000

Table 2 - Estimated rental costs of smaller industrial units and land values

	Smaller Units (10,000 - 30,000 sq.ft)		
	Stockton-on-Tees (Tees Valley)	Newcastle	Leeds
<b>PRIME RENTS</b>			
New accommodation (GIA per sq.ft)	£5.00	£6.50	£6.75
<b>SECONDARY RENTS</b>			
Early 1990s accommodation (GIA per sq.ft)	£4.25	£5.00	£6.00
<b>LAND VALUES PER ACRE</b>			
(based on Prime locations- up to 5 acres for small shed and over 10 acres for big sheds)	£175,000	£250,000	£350,000

## A large supply of labour and customers within a short distance



Stockton-on-Tees sits at the heart of the Tees Valley and is highly accessible. A 30-minute drive time stretches to Bishop Auckland to the West, Northallerton and Thirsk to the South and Seaham to the North covering a population of over 850,000.

Current improvements to the road network could see the 30-minute drive time area expand to cover over 1 million people and the 60-minute drive time covers most of the North East of England and up to 3 million people stretching as far as Leeds to the South and covering Newcastle to the North.

A healthy labour supply makes recruitment easier and employers in Stockton-on-Tees report that recruitment is easier than the wider UK. The national Employer Skills Survey (2017) saw 25.7% of [vacancies classed as “hard to fill”](#). This is lower than the UK rate of 32.9% and has fallen since the 2015 survey when it was 30.6% for Stockton-on-Tees.



Hard to fill vacancies lower than UK and fallen since 2015

## A highly skilled workforce

Those starting or running a business in Stockton-on-Tees benefit from a highly skilled workforce on their doorstep. An estimated 42,400 Stockton-on-Tees residents aged 16-64 are qualified to [NVQ Level 4 and above](#) for the year ending December 2018. At 35.2% of the working age population, this is the second highest of the 12 North East Local Authorities. In the last 5 years the proportion qualified to NVQ Level 4 and above has grown from 29.1%, which is the second fastest rate of growth of the 12 North East Local Authorities.



Highest Proportion of residents qualified to NVQ Level 4 and above than 10 of the 11 other North East Local Authorities

## Disposable income

The [median weekly wage of a full time worker](#) in 2018 was £524.30 for a Stockton resident which is in the top 3 for North East Local Authorities and highest in the Tees Valley. Gross Disposable Household Income, (which looks at the money available for households to spend or save after direct and indirect taxes are paid and any direct benefits are received) was £15,989 per person in Stockton-on-Tees in 2017. This was 2.3% higher than the previous year which is the largest increase of all 12 North East Local Authorities.



Highest annual growth in Disposable Household Income in the North East

## Quality of life

87% of residents surveyed in 2016 were satisfied with their local area as a place to live. [Wellbeing indicators](#) for Stockton-on-Tees in 2017/18 were at their highest ever level for Life Satisfaction, Feelings of Worth and Happiness and are higher than national averages.



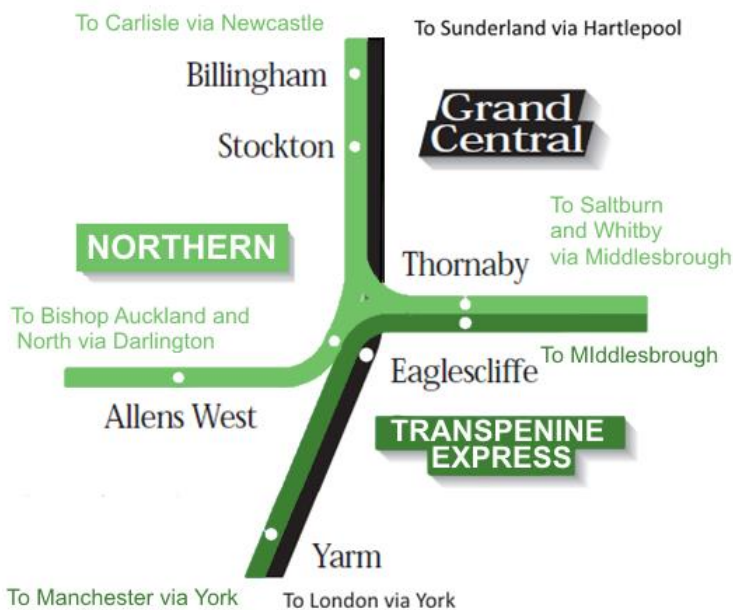
Highest ever rates of life satisfaction



## Accessibility

Stockton-on-Tees benefits from excellent transport links to the rest of the UK and beyond. The A19 runs north to south through the Borough crossing the A66 running East to West where it meets the A1M and Darlington. The road network benefits from lower travel times and higher average speeds than national averages. Within minutes of central Stockton is Durham Tees Valley Airport with an increasing number of international flights and at the mouth of the river Tees is the location of one of the busiest ports in the UK providing import and export links to the world.

There are six train stations in total in the Borough providing frequent access to destinations in the Tees Valley and across the North of England. There is also a direct link to London from Eaglescliffe via the East Coast Mainline.



From Stockton-on-Tees Stations	
Destination	Travel Time by Rail
To Newcastle	1 hour
To Leeds	1 hour
To Manchester	2 hours 30 mins
to London	3 hours
From Darlington	
Destination	Travel Time
To Edinburgh	2 hours
To London	2 hours 20 mins

Figure 1 - Information on the train network in Stockton-on-Tees

## Affordability of housing

Stockton-on-Tees benefits from some of the best value housing in the country. In 2018, the [house price to earnings ratio](#) for residents was 5.05 which is in the lowest 10% of Local Authorities in the country (meaning the 10% of Local Authorities with the most affordable housing).



**Top 10% for Affordability**  
**House Price to Earnings Ratios in Stockton-on-Tees are in the lowest 10% of Local Authorities in England**

## Broadband

Stockton-on-Tees has good infrastructure to support businesses with [broadband speeds and availability](#) exceeding most other UK Local Authorities.

Less than 4% of premises could not receive 30 MB/S broadband speeds in Stockton-on-Tees which is lower than 60% of other Local Authorities according to the 2018 Connected Nations report from OFCOM. Nearly three quarters of premises have access to “Ultra-Fast Broadband”, which is a higher rate than 78% of other Local Authorities.

Although there are some places without superfast broadband coverage, the situation is improving with coverage increasing from 93% in May 2017 to 96% by September 2018.



Figure 2 - Broadband availability