

**AGENDA ITEM**

**REPORT TO CABINET**

**17TH OCTOBER 2019**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

**CABINET INFORMATION ITEM**

**Cabinet Member for Regeneration and Housing - Lead Cabinet Member – Councillor Nigel Cooke**

**ECONOMIC CLIMATE UPDATE**

**SUMMARY**

This report provides Members with an update on key economic and business announcements.

**REASONS FOR PRODUCING THIS REPORT**

Members are being presented with this report to provide them with relevant and timely information in relation to the local 'Place' specific economic conditions as they relate to Stockton-on-Tees.

**DETAIL**

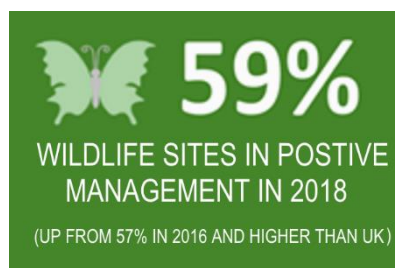
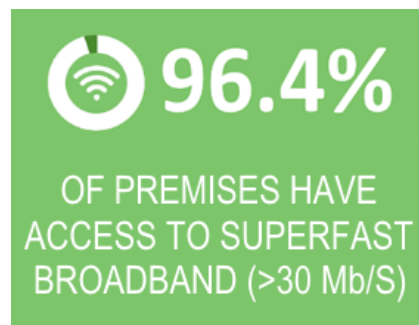
1. The Economic Climate Update reports are presented to Cabinet quarterly and themed by either 'Business', 'People' or 'Place'.
2. The structure of this report and subsequent ones will be streamlined for ease of interpretation and reference; however more details are available and can be accessed via the hyperlinks included at various points of the report.
3. The report is presented in sections as follows:
  - i. **Headlines** – a graphical update on the latest estimates and data trends associated with Stockton-on-Tees as a place;
  - ii. **Summary** – a useful narrative of the key economic statistics for Stockton-on-Tees;
  - iii. **Updates** – headlines from recent strategic and business announcements.
  - iv. **Case Study** – a look at the local economic importance of Low Carbon and Renewable Energy

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# Economic Climate Report – Place

## PLACE THEME REVIEW - HEADLINES

The graphics below provide an update on the latest estimates and data trends relating to indicators associated with Stockton-on-Tees as a place



## PLACE THEME REVIEW – SUMMARY

### Stockton-on-Tees has a diverse supply of land for development

Stockton-on-Tees is well placed to attract investment and new businesses with land available across a range of plot sizes and locations all connected by a significant infrastructure network.



### Record numbers of journeys on Stockton-on-Tees roads<sup>1</sup>

In 2018, a record 941 million vehicle miles were travelled on Stockton-on-Tees roads of which 80.2% were cars / taxis. There has been a 7.8% rise in vehicle miles in Stockton-on-Tees in the last 5 years.

### Housing in Stockton-on-Tees is some of the most affordable in the country

The average house price in Stockton-on-Tees in June 2019 was £132,696 compared to £246,728 nationally<sup>3</sup>. In 2018, the house price to earnings ratio in Stockton-on-Tees was 5.4 compared to 8.0 in England.<sup>4</sup>

### Fuel Poverty has fallen<sup>2</sup>

An estimated 11.3% of households were in fuel poverty in Stockton-on-Tees in 2017; down from 13.4% the previous year. Stockton-on-Tees has the lowest fuel poverty levels in the Tees Valley.

### CO<sub>2</sub> emissions are reducing<sup>6</sup>

CO<sub>2</sub> emissions in Stockton-on-Tees in 2017 were 2255.7 ktCO<sub>2</sub>. That is a decrease of 4.7% from the previous 5 years and 12.5% lower than 10 years ago. Domestic emissions in particular have seen significant falls with 2017 emissions reduced by 26.6% in 5 years.

### Superfast Broadband availability continues to grow<sup>5</sup>

96.4% of premises in Stockton-on-Tees can currently access superfast broadband speeds of 30 Mb/Second. This has increased from 91.9% from 5 years previously.



### Only a fraction of waste collected by Stockton Borough Council goes to landfill<sup>7</sup>

2.9% of waste collected in 2017-2018 ended up in landfill. Less than a quarter of the average national rate of 12.5%. 49.4% of waste was converted to energy and 31.7% was recycled / composted.

### Local Wildlife sites are improving<sup>8</sup>

DEFRA figures on the status of sites of nature conservation importance show 59% of sites in Stockton-on-Tees were in positive management in 2018. This has grown from 57% in 2016 and is much higher than the national average (43%).

## PLACE THEME REVIEW – UPDATES

Strategic Updates
<ul style="list-style-type: none"> <li data-bbox="146 360 1445 539"> <p>• <a href="#">Exclusive talks to buy British Steel</a> (Gazette) In August the Official Receiver confirmed an agreement had been signed with Ataer Holding AS – A Turkish firm, which will now hold exclusive talks to buy the steel firm that went into compulsory liquidation in May 2019.</p> </li> <li data-bbox="146 613 1445 792"> <p>• <a href="#">The TVCA Local Industrial Strategy (LIS) was approved by the TVCA Cabinet in July 2019.</a> (TVCA) TVCA are now in discussions with Government teams in readiness for a jointly published LIS in the autumn.</p> </li> <li data-bbox="146 866 1445 1046"> <p>• <a href="#">Advanced funding for four major transport schemes worth £45million has been signed off by the TVCA.</a> (TVCA) The funding will allow work to begin on a range of projects covering public transport, sustainable travel and green vehicles.</p> </li> <li data-bbox="146 1120 1445 1299"> <p>• <a href="#">President Trump's US ambassador visits Teesside to help bring 'comfort to major investors'</a> (Gazette) The US ambassador visited technology firm Cubic, pigment business Venator, and energy giant ConocoPhillips.</p> </li> <li data-bbox="146 1373 1445 1458"> <p>• <a href="#">Durham Tees Valley Airport becomes Teesside International Airport</a> (BBC) Launch of new name and rebranding.</p> </li> <li data-bbox="146 1532 1445 1617"> <p>• <a href="#">Durham Tees Valley Airport reveals new 2020 destination</a> (Bdaily) JetsGO holidays has announced flights to Majorca, Spain</p> </li> <li data-bbox="146 1691 1445 1776"> <p>• <a href="#">Tees Valley Combined Authority outlines £257m proposals for region's future travel methods</a> (Bdaily)</p> </li> </ul>
Business Announcements / Intentions
<ul style="list-style-type: none"> <li data-bbox="146 1921 1445 1955"> <p>• <a href="#">Modern Persian Kitchen will be opening Persian Express soon in the former Nosh unit on</a></p> </li> </ul>

[Church Road](#) (Local)

The original company is Durham-based and delivers frozen Persian meals. The Church Road premises will offer takeaway Persian food including wraps and stews and salads.

- [Three long-term contracts worth £10m have been won by technology firm Vianet](#) (Gazette)  
Located at Surtees Business Park the company's smart machines' division, which connects vending machines to the internet remotely, has won the contracts.
- [Queensway Dental Practice in Billingham Town Centre has invested £500K in a new implant clinic](#) (Local website)  
The facility will open in September 2019 was opened in August 2019
- [Stockton firm receives £150k Northern Powerhouse funding to tackle unemployment](#) (Bdaily)  
Since receiving £150K investment in September 2017, Stockton-on-Tees based Nordic Products & Services has helped over 150 unemployed people into work.
- [Engineering software firm creates jobs after securing several new contracts](#) (Insider Media)  
Phusion IM based at Belasis Business Park is to create 10 new jobs.
- [Chief executive appointed at px Group](#) (Insider Media)  
Stockton-based px Group, which manages, operates and maintains some of the UK's largest energy and chemicals infrastructure, has appointed a new chief executive to support the next phase of its growth.

**Strategic Locations**

- [£2m granted to Stockton Council to bring 16 properties back into use in Stockton Town Centre](#) (Gazette)  
  
Heritage Lottery Fund approved for a five-year scheme to improve sites at the "northern gateway" near Norton Road and Victoria Estate; with work starting later this year. This has leveraged £600K private sector investment.
- [Stockton successful in its bid to the Future High Streets Fund](#) (Gazette)  
  
Stockton Town Centre will benefit from £150,000 of Government funding.

**Training & Skills**

- [Schools, colleges, businesses and organisations across Tees Valley have been shortlisted for three national awards, celebrating the best in careers provision](#) (TVCA)  
  
Tees Valley Careers Hub; Partnership of the Year; SEND Champion of the Year

- [Stockton-on-Tees Public Health is to provide some further funding for the Stockton Youth Employment Fund \(Local\)](#)

There will be a grant available of up to £1,000 to Stockton businesses that recruit a Stockton resident aged between 16-24-years old.

- [£29.5m adult education budget officially devolved to the region \(TVCA\)](#)

An annual devolved budget to deliver adult education provision across Tees Valley.

- [Total Solutions training site opened](#) (Darlington and Stockton Times)

Stockton-based Total Solutions, which specialises in climbing courses for energy industry workers and trainees has opened its new Rope Access & Career Skill Academy.

#### REFERENCES

1. [Department for Transport – Road Traffic Statistics](#)
2. [Department for Business, Energy & Industrial Strategy - Fuel poverty sub-regional statistics](#)
3. [HM Land Registry – House Price Index Report – June 2019](#)
4. [Office for National Statistics – Housing Affordability in England and Wales - 2018](#)
5. [Think Broadband – Local Broadband Information – August 2019](#)
6. [Department for Business, Energy & Industrial Strategy - UK local authority and regional carbon dioxide emissions national statistics](#)
7. [Department for Environment, Food and Rural Affairs - Local authority collected waste: annual results tables](#)
8. [Department for Environment, Food and Rural Affairs - Local sites in positive conservation management](#)
9. [Department for Business, Energy & industrial Strategy – Regional Renewable Statistics](#)

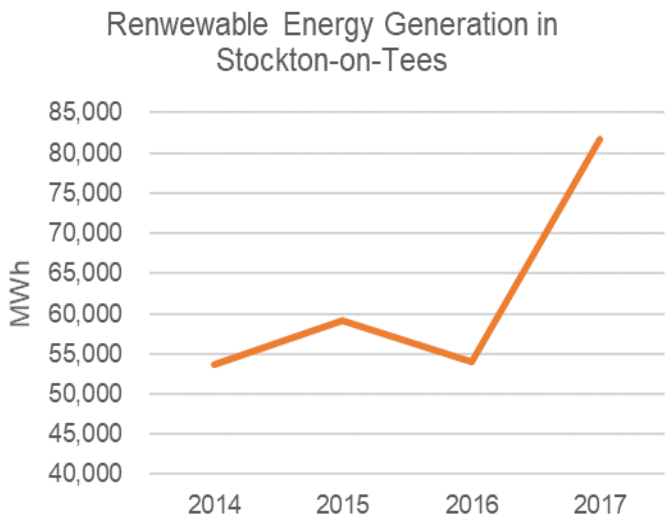


**CASE STUDY – Low Carbon and Renewable Energy in Stockton-on-Tees**

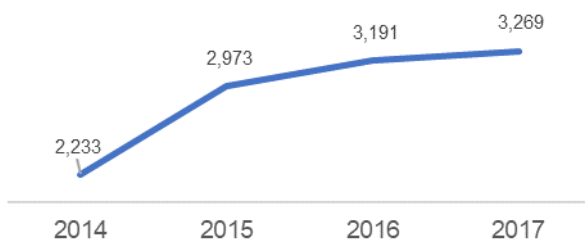
The UK low carbon and renewable energy (LCRE) economy in 2017 grew to £44.5 billion and employs 209,500 full time equivalent (FTEs).

Stockton-on-Tees has seen significant reductions in Boroughwide greenhouse gas emissions with a 31.5%, or 1,412 kt reduction since 2005. 79% of Borough emissions in 2017 were from industrial processes.

In 2017, renewable electricity generation in the Borough totalled 81,777 MWh<sup>9</sup> which was an increase of over 50% on the previous year and prevented 23,149 tonnes of CO<sub>2</sub>e from the atmosphere. Most of the renewable energy generation in the Borough comes from onshore wind installations but solar generation and waste gasification are also significant contributors. For example, the 8Mw Lambs Hill Wind Farm became operational during this period.



Number of Photovoltaic installations in Stockton-on-Tees



The number of solar photovoltaic installations in Stockton-on-Tees has grown year-on-year with both domestic solar installations and large scale “solar farms” contributing to renewable electricity generation in the Borough.

The Borough is also a producer of hydro-power. In 2013 four Archimedes screws, weighing 30 tonnes apiece, were installed at Tees Barrage. The screws are used to pump water around the course but the flow of water also powers a generator providing renewable electricity generation. Since their installation the screws have generated 1,053,969 kWh, which is the equivalent of the annual domestic consumption of 340 houses and reducing emissions by 298 tonnes of CO<sub>2</sub>e.

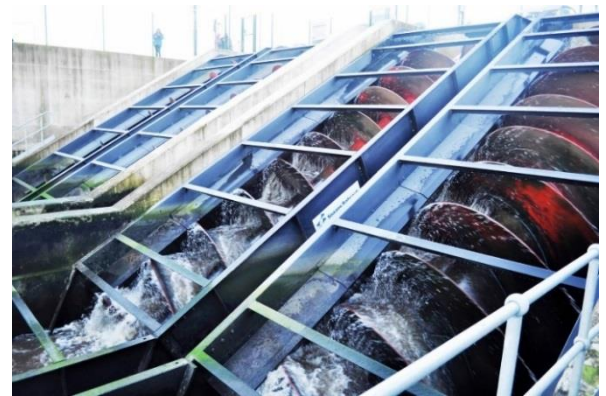


Image - Archimedes Screws at Tees Barrage

The LCRE economy in Stockton-on-Tees is not limited to renewable electricity generation. Many businesses in the borough are investing in technology to reduce their own emissions. Businesses involved in energy from waste, biofuel production, decommissioning of oil rigs and the manufacture of low carbon technologies all contribute to sustainable economic growth in the local area.

Examples in Stockton-on-Tees include ‘Greenergy’, Europe’s largest manufacturer of biodiesel from waste vegetable oils and tallow, with a plant located at Seal Sands, capable of producing 250,000 tonnes of biodiesel (the UK’s largest). The Borough is also home to parts of the supply chain for the wider North East electric vehicle market, including Mitsubishi Chemical Corporation’s electrolyte plant and Johnson Matthey’s growing research and development capability; both of whom are located in Billingham.