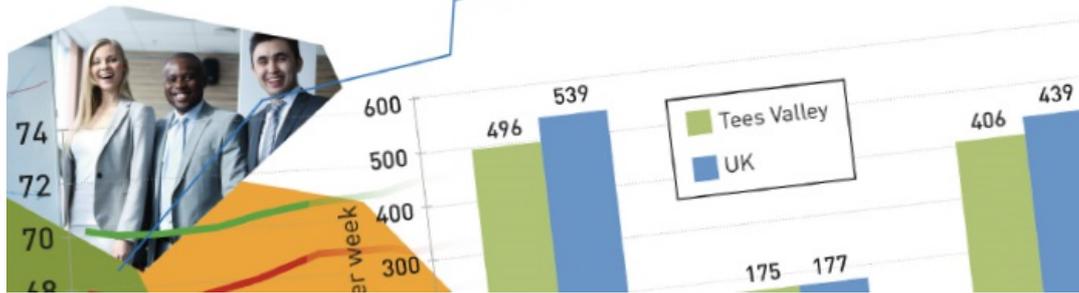


# Economic Briefing

November 2016

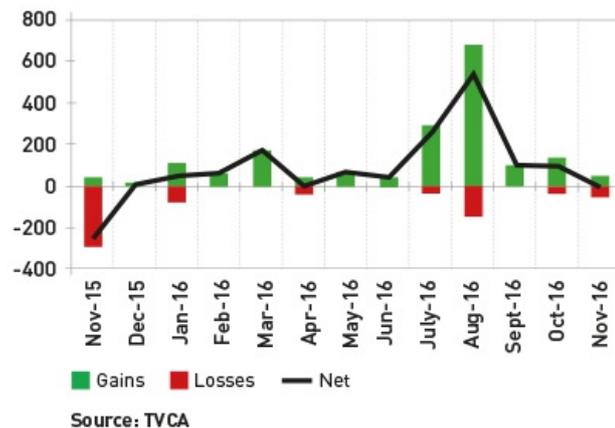


## Summary

November was a relatively quiet month for new job announcements across the Tees Valley. Whilst there were a number of smaller scale positive news stories across a wide range of sectors, these were largely negated by job losses associated with the closure of Impetus Waste Management. However, major contracts signed by companies such as DeepOcean and CFB Risk Management are expected to safeguard many more jobs in the area.

ONS have reported that UK business investment, a key driver of productivity, grew strongly from £43.8bn to £44.2bn between Quarter 2 and Quarter 3 2016, an increase of 0.9%. This growth builds on a similar rate of increase between the first and second quarters of 2016.

Two of the Tees Valley's key strategic transport priorities, which would have positive economic impact on the Tees Valley, moved a step closer following announcements of funding awarded through the Large Local Majors Scheme. Business cases for a new Tees Crossing and proposals for improved East/West routes between the A1 and Teesport will now be developed by the Tees Valley Combined Authority.



## Reported Job Gains & Losses

A quiet month for Job Gains & Losses

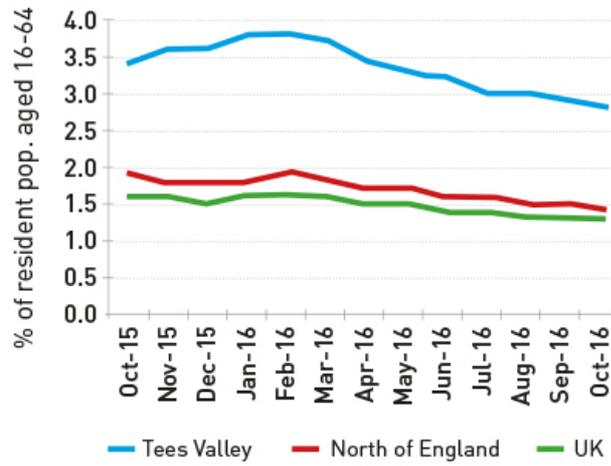
November was a relatively quiet month for job announcements across Tees Valley's private sector.

Note that only stories reported in the press are reported. Trends can be affected by significant individual announcements. Developments outside the Tees Valley (e.g. in County Durham or North Yorkshire) are not included.

## Jobseeker's Allowance unemployment rate

The local JSA unemployment rate for October was 2.8%, the lowest rate ever observed for this indicator. However, unemployment in the Tees Valley

remains above both national and North of England (defined as a combination of NE, NW and Y&H regions) rates which themselves recorded record lows of 1.3% and 1.4% respectively. Note that because of the rollout of Universal Credit, this will be the final month that the Economic Briefing examines JSA in isolation.



Source: ONS, NOMIS



Source: ONS Business Demography

## Business Birth Rate

Healthy business birth rate in Tees Valley for 2015

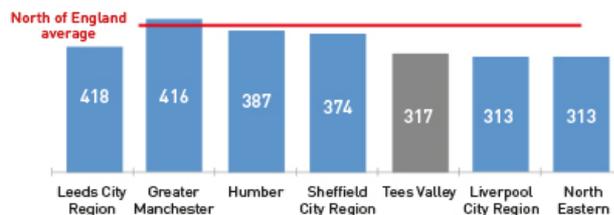
The Tees Valley business birth rate, that is the the number of enterprise births divided by the number of active enterprises during the year in question, performed strongly in 2015. The Tees Valley rate was 14.6%, ahead of the UK (14.3%) and the North of England (13.9%).

In numerical terms there were 2,715 enterprise births in the Tees Valley in 2015.

## Businesses per 10,000 adult population, 2016

Tees Valley pay still below national levels

ONS has released 2016 earnings data from the Annual Survey of Hours and Earnings. This shows that headline average (median) weekly pay for full-time employment in the Tees Valley (£496 per week) is around 92% of UK earnings. Tees Valley part-time earnings are typically only marginally lower than the national average.



Source: ONS, NOMIS

## Subsea

The Darlington-based subsea company, DeepOcean, has secured a contract to support what is claimed to be the world's largest offshore wind farm. The firm

will transport and install cables for Dong Energy's Hornsea Project One development. The multi-million pound contract will support around 150 jobs across the region.



## Manufacturing

Crystal Galleries, the Middlesbrough-based family business, is expanding and creating jobs after securing a five-figure funding boost. The firm supplies glass and crystal for decorative products and has created eight new jobs after securing a £67,000 investment from the Tees Valley Business Compass Capital Grant Scheme.



## Waste management

Stockton-based Impetus Waste Management has gone into administration with 73 redundancies across the firm's Waste Transfer Stations in North Tees and Leeds. However, after a sale to Highfield Environmental Limited, 31 jobs have been saved at the company's two landfill and composting facilities at Cowpen Bewley and Teesport in addition to jobs at the Head Office in Wynyard.

## Hospitality

A new restaurant has been opened in Middlesbrough creating 25 jobs. Great Greek is located on Linthorpe Road and was launched with a £250,000 investment from Middlesbrough Football Club goal-keeper Dimi Konstantopoulos.

Turtle Bay, the national chain of Caribbean-themed restaurants, has submitted a premises license application to Middlesbrough Council for premises on Corporation Road. The firm has only one other outlet in the region. Turtle Bay is also advertising online for a number of Middlesbrough-based jobs, including a general manager, assistant manager, head chef and sous chef.

## Business and Engineering Services

Fire and Rescue firm, CFB Risk Management, has announced the signing of multi-million pound contracts involving three of the world's largest chemical, plastics and bulk storage companies with plants in Tees Valley. The contracts will provide industrial Fire and Rescue safety services to Ineos Nitriles (UK) Limited, Navigator Terminals and Huntsman Tioxide at their neighbouring sites on Seal Sands. The contract will safeguard 50 permanent

jobs at CFB in addition to creating new posts and boosting the company's apprenticeship scheme.

Tees Valley firm Yendalls Engineering, has set its sights on further growth and job creation on the back of its move to the new Preston Farm Business Centre. The company made the move after requiring additional space to fulfil its long-term expansion plans and expects to double its present workforce of five over the coming months. The 20,000 sq ft business centre, created and newly refurbished by Odyssey earlier this year, is now home to four SME firms.



## Services

Two new businesses have set up shop in Middlesbrough's Dundas Indoor Market, part of the Dundas Shopping Centre. The firms - beauty business Beauty2Glo and hair product retailers Ebenezer Hair Boutique - have taken advantage of the Indoor Market's initiative to help entrepreneurs test out their business ideas whilst minimising costs and risks by offering a limited number of units on flexible terms for £60 per week.



## Culture & Leisure

National gym operator Xercise4Less is set to open a new gym in Hartlepool before Christmas. Forty jobs will be created at the site above H&M in the Middleton Grange Shopping Centre.

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