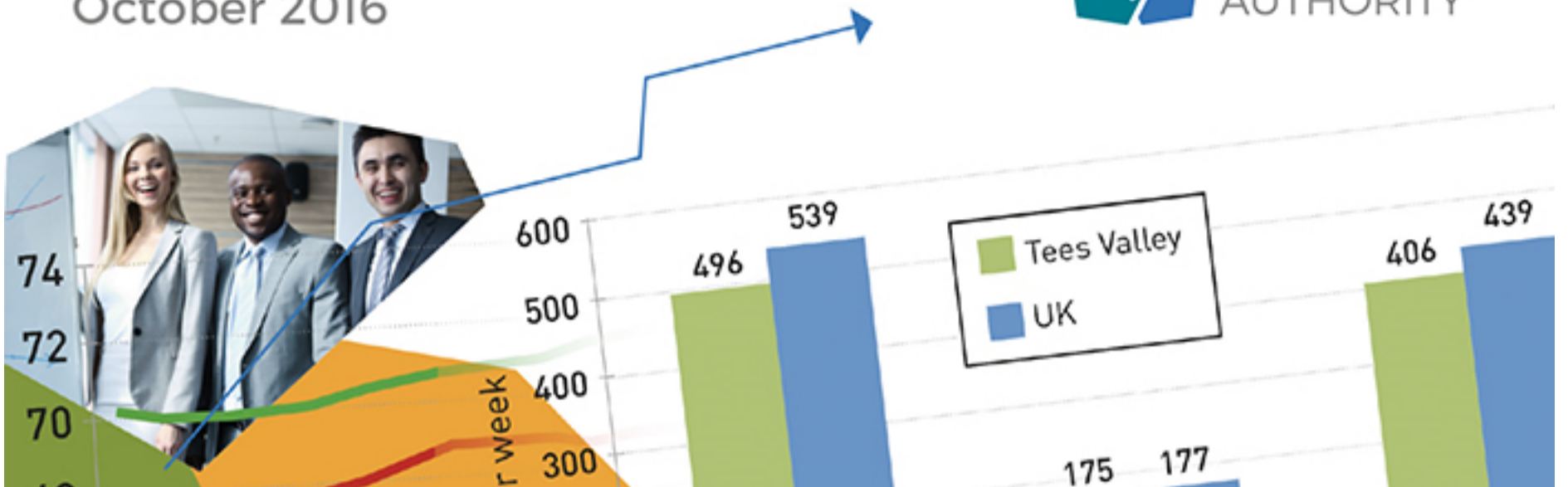


# Economic Briefing

October 2016

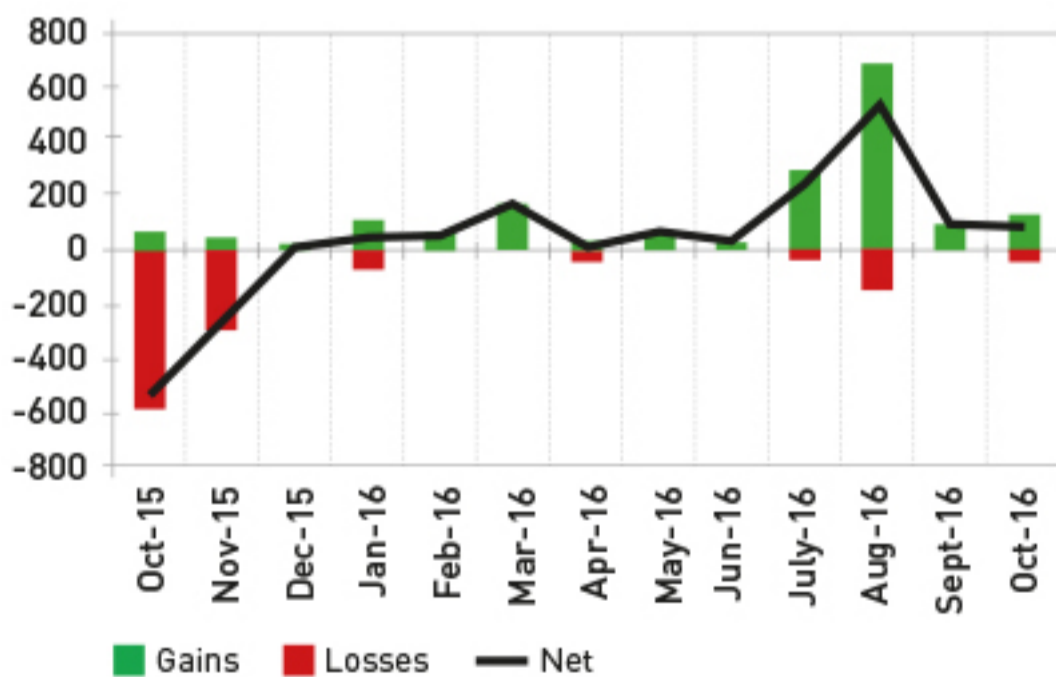


## Summary

A mixed month for Tees Valley job announcements, particularly in the engineering sector where positive news from heating systems manufacturer, BMM Heaters, was followed by job losses at steel fabrication firm SBV Engineering.

The Office for National Statistics (ONS) has released its preliminary estimate of UK economic growth for the third quarter of 2016. UK Gross Domestic Product (GDP) grew by 0.5% in Q3 2016 (July to September) compared to the second quarter.

Regionally, the latest Lloyds Bank/Markit Purchasing Managers' Index for business activity picked up to its strongest monthly rate for over a year. However, whilst job numbers increased across England, growth rates remained subdued compared to earlier in the year and in 2015.



Source: TVCA

## Reported Job Gains & Losses

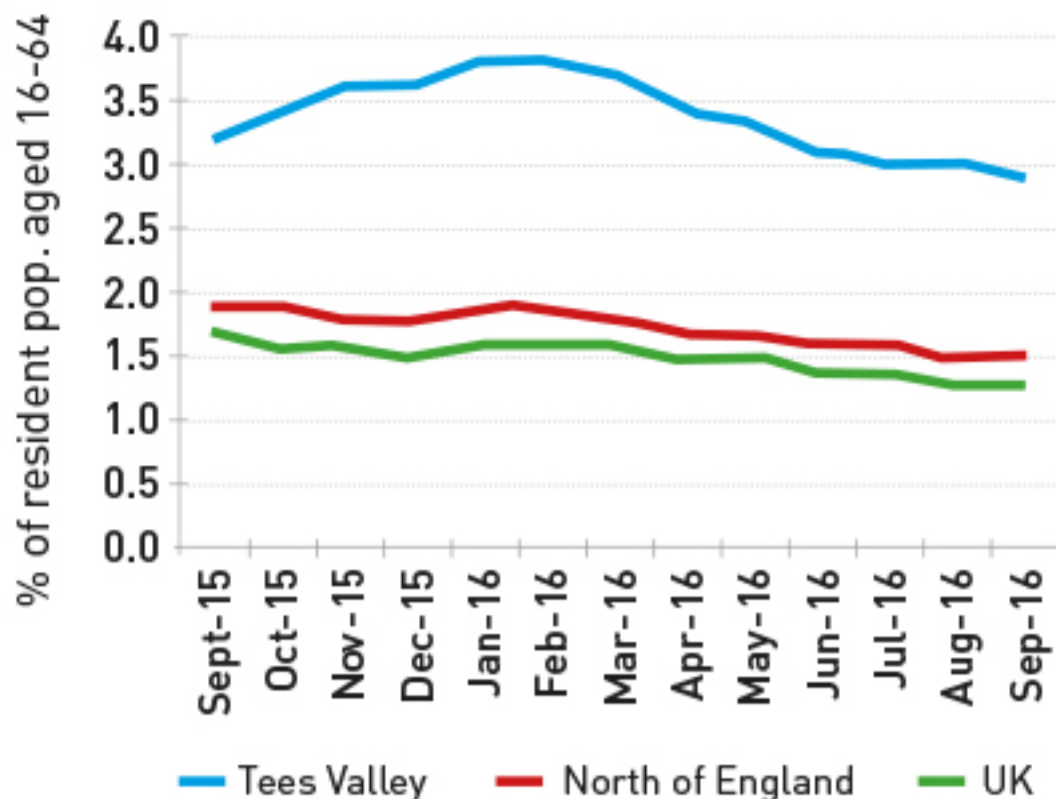
A mixed month for Job Gains & Losses

October saw a number of positive job announcements across Tees Valley's private sector but further steel related jobs were lost.

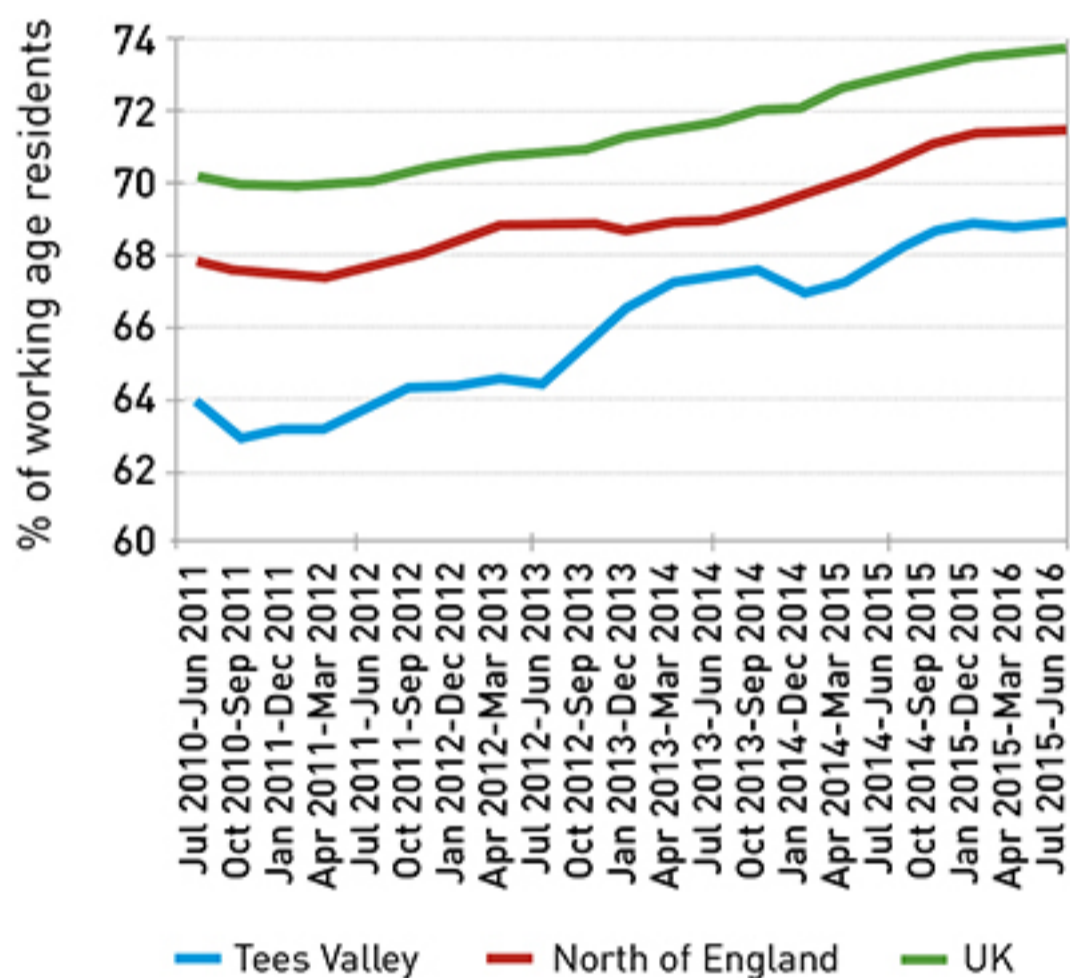
Note that only stories reported in the press are reported. Trends can be affected by significant individual announcements. Developments outside the Tees Valley (e.g. in County Durham or North Yorkshire) are not included.

## Jobseeker's Allowance unemployment rate

The local JSA unemployment rate for September was 2.9%, 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.



Source: ONS, NOMIS



Source: ONS, NOMIS, APS

## Employment growth rate slows

Across the 12 month period July 2015 to June 2016 the employment rate for Tees Valley residents stood at 69.0% (representing 285,200 people), 0.2% up on the rate recorded three months previously. Over the past five years the Tees Valley has reduced the employment gap with both the North of England and the UK average to around 10,000 and 20,000 respectively.

## Median gross weekly pay in 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 ASHE 2016 - Median gross weekly earnings, workplace based data.

## Engineering

BMM Heaters, the Tees Valley air heating systems designer and manufacturer, is aiming to create seven new jobs as part of a £430,000 expansion. The growing firm is looking for engineers and metal workers to bolster their existing 25 strong team and are relocating to Redcar as part of the expansion to bigger premises. The company is also planning to improve testing facilities, IT and storage in addition to investing substantially in research and development. Their growth plan was supported by a £100,000 investment from UK Steel Enterprise, which is Tata Steel's business-support subsidiary.

The Redcar & Cleveland-based steel fabrication business, SBV Engineering, has closed with a loss of 38 jobs after being hit by a significant drop in sales on the back of major customer SSI UK being liquidated last year. The firm supplied steel fabrication and associated services to the steel industry, as well as energy sectors including nuclear and oil and gas.



## Recycling

Hartlepool-based J&B Recycling has created jobs following a company restructure and a number of new contract wins. The recycling firm, which in addition to a neighbouring site in Hartlepool, has a third facility in Middlesbrough, took on 18 new workers in the summer and has since recruited an additional 12 staff that will start in the coming month.



## Business Services

Stockton-based global transport payment company, Cubic Transportation Systems (CTS), is set to create around 80 jobs over the next 12 months. The company design and create payment systems that make travelling on public transport easier. There are more than 24 billion transactions processed using Cubic software every year. CTS already employs 120 staff at the Stockton site, with around half of those engineers.

Wasley Chapman Chartered Accountants has expanded to Riverside Park in Middlesbrough, signing a ten year lease. Founded in 1918, Wasley Chapman has offices in Redcar, Guisborough, Saltburn, Scarborough and Whitby, catering to both private and public clients. Since the expansion in June the firm has added four new members to the existing team.

## Transport

A £1m government-funded scheme that will improve transport links to Faverdale Industrial Estate in Darlington

has been announced. The scheme, part of a wider package targeting access to one million square feet of business land in Faverdale, will improve the A68 at Rotary Way Roundabout and has the potential to create up to 5,000 jobs.

## Retail

Australian stationery store, Smiggle, has opened in the Hill Street Centre in Middlesbrough with the creation of eight new jobs. The Smiggle brand came to Britain in 2014 and there are now more than 80 stores throughout the UK. The business “where a smile meets a giggle” sells colourful and fun things that appeal to a younger audience – everything from backpacks to headphones, scented stationery, gadgets and gizmos.

Food manufacturer, Country Valley Foods, is launching a new cook shop. The firm has turned one of their old office buildings into Chef and Baker, a new high-end cookware, tableware and giftware shop. Chef and Baker, based at the company’s Billingham site, has created two new jobs and will sell a range of kitchen equipment used by professional cooks



## Apprenticeships

Hartlepool-based legal services firm Heir Hunter UK has partnered with Hartlepool College to help it grow its business through youth employment. The company, based on Queens Meadow Business Park, specialises in tracing missing beneficiaries to unclaimed estates and helps families track down long-lost relatives. Heir Hunter UK has enlisted the help of the College to help boost the workforce from nine to in excess of 50 by next summer.

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