

ECONOMIC CLIMATE UPDATE REPORT

This report summarises the positive and negative economic changes that have taken place in the Borough during July and August 2013. The format of the report has been updated this month to try and better reflect work which is ongoing to improve the economy. It focuses specifically on Employment and there is a new section on the Town Centre's, Awards, Young People, and Enterprise. A Business Case Study section has also been included to provide a more in depth overview of a successful local business each month. The Housing section has also been updated to try and better reflect how the housing market is performing locally, and will be reported on a quarterly basis.

EMPLOYMENT

JOB GAINS

- Telecoms company **Odyssey Systems** based on Preston Farm Industrial Estate has taken on 2 new members of staff after reporting a steady 5% growth over the past 12 months.
- **Halfords Autocentre**, based on Cheltenham Road, opened at the beginning of July, creating 6 new jobs, offering facilities and expertise for local motorists.
- **GSE Systems** based on the Three Acres Business Park in Thornaby is celebrating its 40th anniversary on Teesside. The global engineering and simulation company operates in more than 35 countries and has offices in the UK, Sweden, China, India and the USA. Since December 2012 the company has recruited 8 new members of staff including 2 modern apprentices through NETA training. The company is currently recruiting for at least 5 engineering roles.
- **Visualsoft** – are currently recruiting for 6 members of staff which includes 2 apprentices, which bring their total staff numbers up to 136.

FUTURE JOB GAINS & DEVELOPMENT

- Stockton's **Tesco** store on Durham Road is building an in-store gym on its mezzanine floor in partnership with the budget gym operator Xercise4Less. The gym, which will create 50 new jobs, is expected to open in October 2013 and will be the first of its kind in the UK.
- **Fabricom Offshore Services**, a provider of brownfield engineering, procurement and construction and project management service for the offshore gas and oil industry has relocated 24 staff from Belasis Hall to a larger, fit for purpose site at Wynyard Park House. The company expects further expansion and will be recruiting at least 26 new Tees Valley employees.
- **Tracerco**, part of Johnson Matthey Plc, is the most recent company to benefit from incentives on one of Stockton Borough's Enterprise Zone sites. They plan to build a new £8.6m research and development centre next to its current site in Billingham, which will create 50 new jobs. The centre will take 12 months to complete and will allow the company to market new innovative technologies for the world's oil and gas industry. The company has secured a £1m grant from the £30m 'Let's Grow' RGF programme. The development will be one of the largest developments on an Enterprise Zone Business Rate Relief site in the country.
- **Bootylicious Bootcamps** is a new keep fit business that has been set up in Stockton, which also offers professional advice for depression, body dysmorphia, addictions and eating disorders as part of its Booty Clinic. Workshops will be taking place at the ARC in September. The business is close to acquiring a trade mark and is planning a national roll-out of classes. Instructors have been employed for classes in Middlesbrough, and Billingham as well as Stockton and towns in North Yorkshire, but the business is looking to employ instructors from other towns to roll out the classes.
- **Cosyseal**, a family-run energy-saving company based on Teesdale has signed a major deal with Watford Community Housing Trust, with the launch of Watford ECO Homes. Cosyseal will be providing high cost carbon saving measures to four of the housing estates in 2013, with further estates planned in 2014 and 2015. The project value total is £38m and the group have committed to creating over 40 jobs with the scheme. Cosyseal was set up 20 years ago and employed just 2 family members and a small fitting team, it now employs 50 plus workers and is still recruiting.
- Footwear retailer **Schuh** is opening its first out-of-town store at Teesside Park in early autumn on a 10 year lease.

- **Reef Subsea Power and Umbilical** based in Thornaby has more than trebled its workforce from 11 to 34 in three years and intend to expand into bigger premises amid plans to increase staffing to 50.

JOB LOSSES

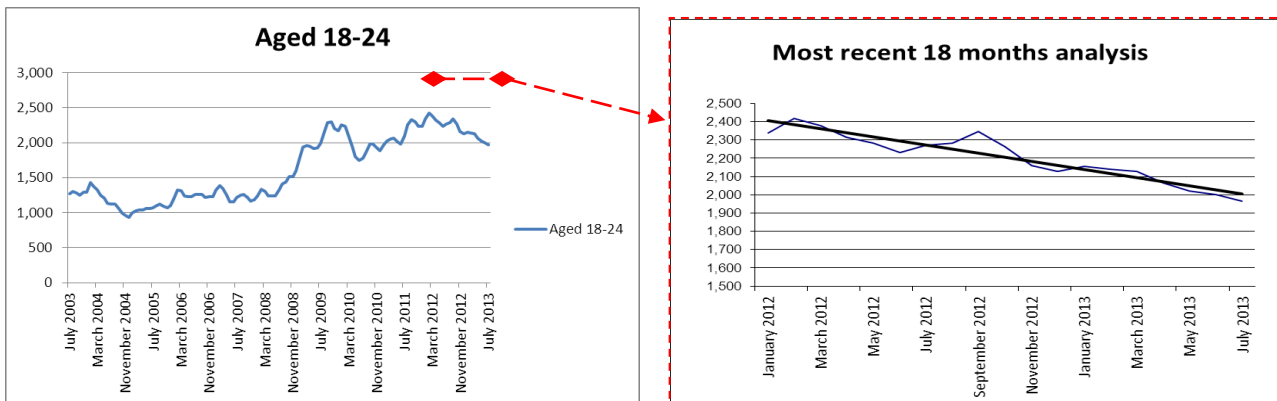
- 22 members of staff were made redundant at Stockton Riverside College on 31st July.

TOWN CENTRES

- **Stockton Town Centre** – Dec-a-cake is relocating from Regency West Mall to 86 High Street, and Bennetts fish and chip shop is opening up in the former Barnacles unit next to the Royal Oak. Catch of the Day (fishmongers), The Beanie Girl, Mrs Brown's and James Cameron Barbers have all opened in the Castlegate Market Hall. The Officer's Club has opened in the former Ethel Austin store in the Castlegate Centre, and Furniture Express has opened in the former Walmsley's unit. The New York Trading Company, and Liberty Fashion have also opened in the Castlegate Centre. Superstitch is moving from Dovecot street into 123 High Street (ex Johnson's store), Card King closed down, and a new business has opened as Katy's Cards Ltd in a different unit in Wellington Square. Roman Originals (clothing store) has also opened in Wellington Square. Arriva Travel Shop has relocated to 109 High Street and The Money Shop to 140 High Street from Lindsay House to facilitate the regeneration works. Toysorts has opened in Regency Mall, however Hunter's Toys has closed which was formerly on Regent Mews. Remember Me (Tea Rooms) has opened on 5 Finkle Street and Café Latte Da opened in the former Logan's unit in July on Silver Street. Café Alma has also opened in Stockton Business Centre.
- **Stockton Enterprise Arcade** continues to be fully occupied. New retail units include 'Shabby to Chique' selling small furnishings and vintage interiors, 'Gracie Green' which designs and manufactures graphics and 'Nappy Cakes' selling gifts for new babies. 'The Beanie Girl' moved to open a unit in the Castlegate Market Hall in July and is continuing to trade well, and 'Affordable Art' continues to trade online from home.
- **Yarm Town Centre** a new independent travel agency has opened on 27 High Street, Yarm (formerly Sandra Rose florist). The travel agency, based in Wakefield, opened on 19th July and is employing 4 full time members of staff. They hope to create an additional 2 jobs over the next twelve months.
- **Thornaby Town Centre** currently has only 1 vacant retail unit and 1 vacant office unit. In July, Iceland extended into the former Superdrug unit and it is now one of the largest Iceland stores in the region and has extended its offer to include more fresh fruit and vegetables. Roman Originals, a woman's clothing store, also opened in the former Bon Marche unit in July. Thornaby Town Centre has also been shortlisted for Northumbria in Bloom which will be announced at the awards ceremony in September. The floral displays in the town centre are provided by Heaven Scents, an existing florist within the Centre. The Centre Manager is keen to encourage local groups to use the centre for promotion or events.
- **Billingham Town Centre** – Weatherspoons has received approval to open from the licensing committee and work is due to start on its unit in West Precinct in September. Billingham Customer Service Centre and Library also received planning permission in July.

YOUNG PEOPLE (16-24)

JSA STATISTICS



- The current number of young people claiming JSA is 1,965 (representing 30% of the total number of JSA claimants), of which 945 have been claiming for over 6 months. Over the past 18 months there has been a steadily decreasing trend since January 2012

APPRENTICESHIPS

- Tees Achieve has assisted 9 people into apprenticeships during August, 3 within Customer Services and 6 within Business Administration. In total Tees Achieve currently have 98 Apprentices enrolled onto apprenticeship programmes, of these 52 are aged under 17 years, 29 are aged between 19 and 25 years and 17 are aged over 25. The apprenticeships vary from Business Administration, Construction, Customer Services, Children and Young People's workforce, Health and Social Care, and Support Teaching and Learning.
- The Council currently employs a total of 21 young people who are following an apprenticeship framework. Of these, 3 have secured temporary contracts but are still continuing with their apprenticeship qualification. Since April 2013, 8 new apprentices have been appointed – 4 are undertaking a NVQ level 3 in Business Administration over a 12 month period and 4 a Level 3 ICT Diploma in Professional Competence over 18 months. Recruitment to 3 Ground Maintenance posts is currently ongoing and these apprentices will undertake a Level 2 Diploma in Horticulture over a period of 20 months.
- **Lucite International**, the world's largest manufacturer of monomer, has a site in Billingham and is committed to employing graduates and investing in apprentices. In Billingham, Lucite currently employs 23 apprentices and mature entry trainees working in electrical engineering, business administration, the laboratories and with the production teams. Each apprenticeship combines college study and hands-on work to gain both knowledge and essential experience. Lucite's first programme to re-train ex armed forces personnel with transferrable skills as production technicians has just finished in July which has resulted in them recruiting 5 ex forces staff. A second ex-forces programme is starting in September.
- **Interserve Construction Limited**, a major construction firm located on Portrack Lane have employed two students from Stockton Riverside College (SRC) after they completed a two-year apprenticeship at the company, which included gaining level 3 qualifications in carpentry and joinery at SRC. The company's regional director started his career at Interserve as an apprentice in the 1980s. Interserve is currently considering employing some more apprentices.
- **The Sembcorp Skills Development Programme (SSDP)** is a new apprenticeship and graduate training initiative which has been launched for 16-24 year olds and is specifically aimed at young people not in Education, Employment or Training (NEETs). It is expected to create 200 additional opportunities for apprentices and graduates in Teesside and also aims to make it easier for SME's in the process industry supply chain to employ apprentices and graduates whilst addressing skills shortages. The programme is led by Sembcorp Utilities UK based in Middlesbrough but is supported by several employers in the process industry including Lucite International and Fujifilm Diosynth Biotechnologies in Billingham. NEPIC and TVU are also amongst the key partner organisations.

- **Jacobs UK** which has an office in Bowesfield is one of the world's largest and most diverse providers of technical, professional and construction services and is competing to win the Macro Employer of the Year award at the regional final of the National Apprenticeship Awards 2013 on September 12. The award seeks to acknowledge and celebrate employers' commitment to developing their workforce through Apprenticeships.

INITIATIVES

Stockton Youth Employment Initiative - To date, 156 young people have started employment: 66 were aged 16-18; 59 were aged 19-20; 31 were aged 21-24. **In July**, 7 young people started employment: 5 aged 16-18 and 2 aged 21-24 undertaking apprenticeships in Bricklaying, Painting and Decorating and Joinery (Community Campus). **In August**, 3 young people have started employment: 1 aged 16-18 and 2 aged 19-20 undertaking roles as an ICT Community Engagement Officer, Digital Inclusion Apprentice and Customer Service Officer (Tristar Homes).

There have been 7 young people into permanent employment following the Initiative (3 where the opportunity became permanent and 4 where employment was gained with other organisations).

Flexible Support Fund – At the end of July, from 124 people who entered work following support received, 94 have sustained employment for 13 weeks.

Skills Funding Agency, ESF Funded NEET Provision –The Tees Valley have successfully secured this contract to the value of £2,173,400 to target 14-19 year olds who are NEET (Not in Education, Employment or Training) or at risk of becoming NEET. It will focus particularly on 16-18 year olds and the following groups which are over represented in the NEET cohort who:

- have no or low level skills and/or attainment
- have learning difficulties and/or disabilities, including those with mental health and other serious health issues
- are supervised by the youth offending team
- are young parents
- are in care or leaving care

Stockton Council is leading on the delivery of the contract for the Tees Valley. Stockton Borough has been awarded £755,000 of the total £2.1m contract and in Stockton alone, the programme will work with 355 young people.

CREATIVE PROGRAMME

The Arts Council have been successful in securing £15m Arts Lottery funding to deliver the Creative Employment Programme, which aims to create nationally 2,900 formal apprenticeships and 2,000 paid internship opportunities for 16-24 year old young people wishing to pursue a career in the arts and cultural sector.

Stockton Borough Council has successfully submitted a consortium application working with ten organisations from a mix of public, private and voluntary and community sectors, which provides for a total of 21 jobs, 12 apprenticeships and nine internships.

The Council is at the forefront of developing entrepreneurial internships to support five young people to test trade their creative business ideas in a self employment capacity. These young people will be mentored by both the Council's Creative Partner – Mike McGrother and the Five Lamps Organisation to provide the generic business skills.

The delivery partners include: ARC- Stockton Arts Centre, Stockton Arts Development, Tees Music Alliance, Preston Hall Museum and Grounds, Billingham Environmental Link Project, West Row Arts, Stockton Events Team, Stockton Riverside College and two private sector businesses.

The first young people will be employed from October.

LOCAL BUSINESS NEWS

ENGINEERING/MANUFACTURING/CHEMICAL

- **Steel River** Consultancy offers Health and Safety consultancy support which spans all industry sectors, including a particular specialism in onshore and offshore renewable energy. The company based on Preston Farm Industrial Estate was set up in August 2010 and had just one member of staff, however it now employs a team of 8 specialists and its turnover has trebled in the last year from £256,000 to £850,000.
- **Evolution Valves** has successfully moved from Stockton Business Centre to a new manufacturing facility in Portrack, reflecting increased demand for its products. The valve manufacturer has several global customers in the offshore oil and gas industry, including clients in Aberdeen, China as well as within Teesside.
- **Carroll & Meynell**, based at Durham Lane Industrial Park, Eaglescliffe have recently secured additional contracts and were looking to recruit a number of new staff for their coil winding section, this was found to be difficult as the skills/experienced workforce was not available. As a result of this a partnership was formed with Neta Training and JCP to develop a bespoke training package to assist in the recruitment of the coil winding engineers.
- **SITA UK** - work has started on a major new ash processing facility at the Haverton Hill site. The new facility will replace SITA's existing plant, which processes the bottom ash created by its energy-from-waste (EfW) incineration processes. The new facility will have the capability to process 200,000 tonnes of ash a year, delivered from SITA's waste facilities. The recycling and waste management company has awarded a £2.3m contract for the build work of its new plant to Stockton and Northumberland-based company, Owen Pugh.

SERVICE SECTOR/RETAIL

- **Wynyard Park's** Serviced Office Scheme in Wynyard Park House is now fully let and houses 20 companies, including BP, Fabricom Offshore Services and Air Products. The Scheme has been expanded twice in order to keep pace with demand. The number of people employed on the wider Wynayrd park site has now reached 2,000 for the first time. Businesses cite Wynyard Park's location, close to the A19 and airports, in addition to flexible agreements on offer as key reasons for basing their business there.
- **Elite Serviced Apartments** based in Yarm has secured a partnership deal with the market leader Deep Blue Apartments to add a network of more than 500 luxury properties to its portfolio across all major cities and towns in England, Scotland and Wales. This deal follows success for Elite Serviced Apartments in Teesside after it has acquired more serviced apartments in Yarm, Thornaby and Hartlepool Marina due to an overwhelming demand for accommodation. The demand for its serviced accommodation has doubled as more customers are opting for a cost effective alternative to hotel accommodation, with occupation rates standing at 95% over the last six months, which is nearly 20% higher than the UK average.
- **Lemon Business Solutions** is a 24/7 call management company that was set up in ten years ago above a garage in Stockton by 2 people, now has major national companies amongst its clients. The company handles 2,000 calls a day for customers ranging from small businesses to an international law firm, facilities management clients and national engineering organisations. The company moved from the garage to premises on Preston Farm Business Park in 2004 and has since moved to a bigger office on the estate, it now employs 35 people.
- **The Prince of Wales** pub near Portrack Lane has been acquired by a local restaurant operator.
- **Leisure Tech North East, Concorde Business Centre, Preston Farm Business Park** has opened a new unit at Concorde Business Centre. They provide mobile caravan and motorhome servicing and repairs including a full range of repairs from Water heaters, fridges, fires to gas systems and road lights.

BUSINESS CASE STUDY

Total Control & Distribution Ltd are an independently owned specialist electrical wholesaler based in Stockton. The company was formed in May 2006, to meet the needs in the local area for the supply of Industrial Control and Hazardous Area Products. In 2010 the business re-located from Arkgrove Industrial Estate to Preston Farm, in order to expand its range of services. Since then it has

increased its staff numbers from 7 to 10, including recruiting an apprentice through Tees Achieve, who is now employed full time within the company. The company was successful in securing a capital grant of £4,500 from Stockton Borough Council in 2010, which enabled them to diversify into 'in house assembly' of the components i.e. distribution boards, resulting in a number of their products being exported to Asia. The business is continuing to grow, with further plans to expand early 2014, including employing a new apprentice, through Tees Achieve. The Business Engagement Team are also continuing to maintain a strong relationship with the company, so any future support and assistance can be given if required.

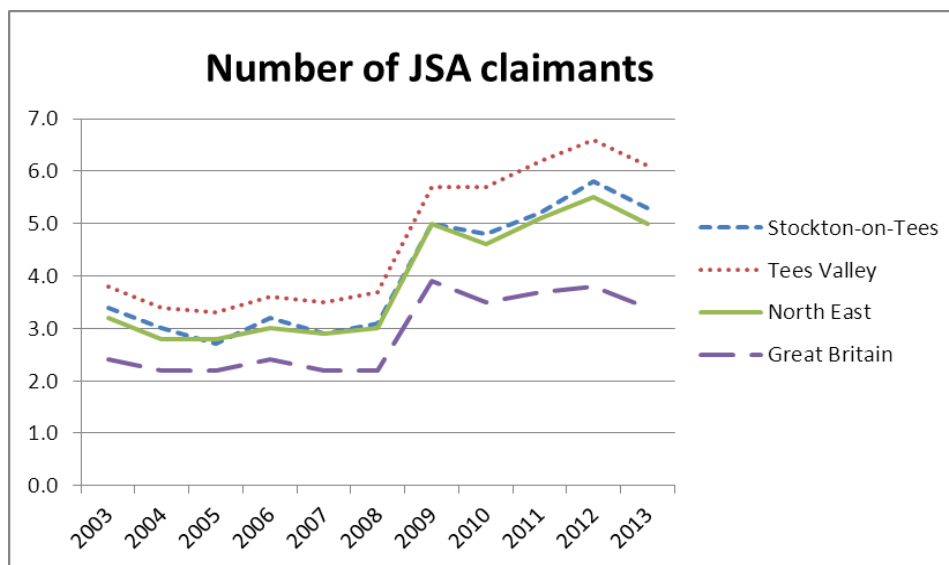
ENTERPRISE

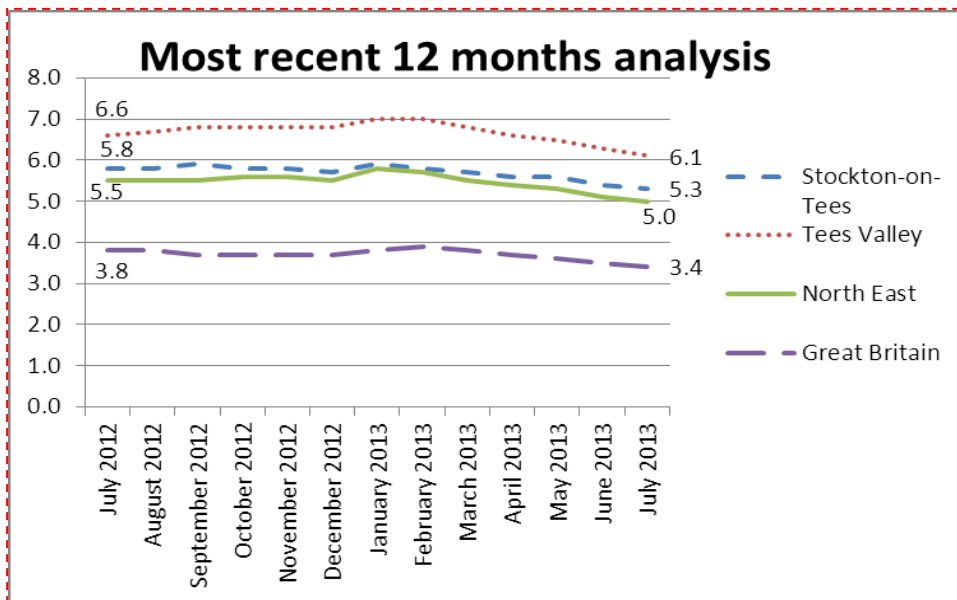
- An Eaglescliffe entrepreneur who launched her own home interior specialist boutique '**Pins and Ribbons**' in 2006 has been chosen to be a BT business mentor and will be working with other local businesses and start ups to share advice and encouragement.
- **Stockton Enterprise Network** which consists of Stockton Riverside College, Digital City, Avanta, 5 Lamps, Enterprise Made Simple and the Council is currently working on Global Entrepreneurship week which takes place from 18 – 22 November. They are also contributing towards Stockton Enterprise Strategy.

SBC FINANCIAL ASSISTANCE SCHEMES

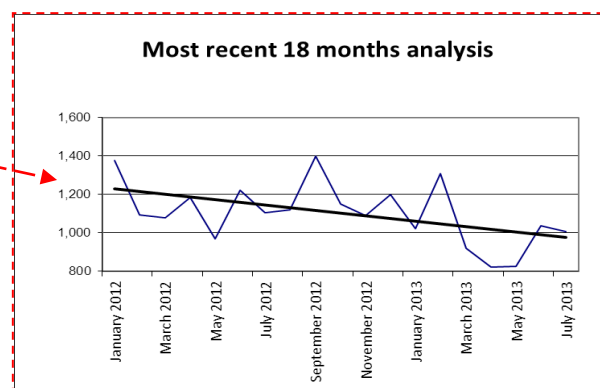
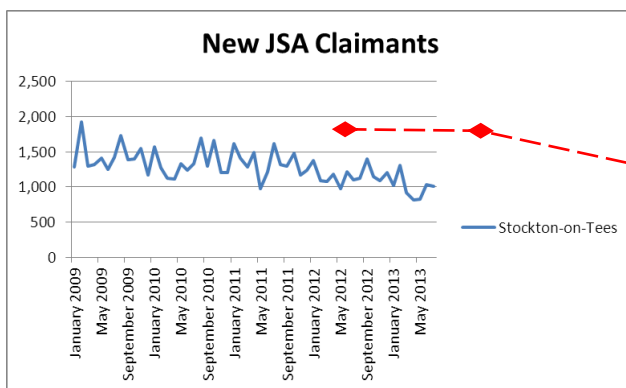
- **Business Loan Scheme** – To date five businesses have received support; two are from the Digital and Creative sector and three are new retail sector businesses located in Stockton Town Centre.
- **Furniture Express** – Three retail managers, including the manager from the Stockton store, who were made redundant when furniture chain Walmsley's went into administration have opened their own furniture store in the Castlegate Centre. The business has also qualified for rate reduction through the Council's Business Rate Reduction Scheme. In addition Katy's Cards situated in Wellington Square have benefitted from the Council's Business Rate Discount Scheme.

ECONOMIC INDICATORS





- The current number of working age people claiming Jobseekers Allowance (JSA) in Stockton is 6,586, a decrease of over 100 on the previous month and the lowest figure since July 2011. The proportion of working age residents claiming JSA has therefore dropped to 5.3%. A more detailed 12 month analysis highlights the decrease overall across the year since July 2012.



- The number of new JSA claimants has slightly reduced over the last month (1,005 in July, compared to 1,035 in June). Over the past 18 months there has been a decreasing trend since January 2012.

OTHER ECONOMIC NEWS

Successful Round 4 RGF bids:

- Air Fuel Synthesis** (Eaglescliffe) has the world's first project to make transport fuel from carbon dioxide and hydrogen in water and hopes to build a large scale facility on Teesside after securing its first customer and the RGF bid. The RGF money will allow the company to employ people, which hopes to supply its first customer within 12 months. Teesside was the location choice for the product due to the local knowledge in the region which could assist with problem solving.
- Tinsley Special Products** (Eaglescliffe) a provider of commercial accident, HGV body repair, refurbishment, re-livery and mechanical maintenance, has secured RGF to create a heavy steel first operation and sub assembly manufacturing facility in Stockton. It will enhance and safeguard the long term future of the company and its current employees as well as bringing back premises in Stockton that have been vacant for a number of years into productive use. This new facility will enable the company to work with and support additional production at a major blue chip manufacturer also located in Stockton

REPORTS AND STUDIES

NEPIC has produced a study on Teesside's Process Industry which states that 83 companies have invested a total of £3.7bn in their businesses since 2005, either by developing new facilities or updating existing ones, demonstrating that Teesside's process sector is continuing to respond to the changing needs of society and is also continuing to invest in the region, which helps to retain and attract other companies. Although direct jobs have decreased at these companies from 10,051 to 9,257, this figure is expected to rise to more than 10,000 again in the next few years as a result of new investment from companies such as Air Products and SNF Oil and Gas.

The Government has published its **Offshore Wind Industrial Strategy** which TVU contributed to and have welcomed, as it both promotes the growth of the ambitious offshore wind market whilst offering the certainty the industry needs to enable ongoing investment. The strategy highlights a number of Tees Valley companies including TAG Energy Solutions in Billingham. Energi Coast, the North East's offshore renewables group, has 24 companies involved in its steering group which together have invested more than £400m in their offshore wind operations and employ in excess of 6,000 workers. The predicted growth in this sector is expected to increase these figures by at least 30 percent.

The Local Enterprise Partnership (Tees Valley Unlimited) has stated in its annual report that it has helped to attract £500m of private sector investment and created or safeguarded 3,000 jobs in the area. Its achievements include bidding for £57m to improve infrastructure, attracting eight companies onto the Tees Valley Enterprise Zone and securing £42m RGF monies.

Construction 25 has been announced by Business Minister Michael Fallon as a long term partnership between the government and the construction industry to help UK companies start building again and win contracts overseas. The strategy includes reducing growth barriers for business, particularly SMEs and sole traders, and improving access to trade credit to small businesses as well as developing a fair payment charter for construction. Construction accounts for nearly 7% of the UK economy, over 280,000 businesses and employs around 3 million people. The global construction market is forecast to grow by 70% by 2025.

PwC's annual UK Economic Outlook Report has stated that the North East's economy should grow by 0.5% this year, before increasing by 1.4% next year, however this is behind the UK's predicted growth of 2%. The report states that growth in the North East is led by the services industry, however it suggests that manufacturing and construction sectors are showing signs of stabilising and expects these sectors to return to modestly positive growth over the next 18 months.

NEW FUNDING SCHEMES

- **Tees Valley Catalyst Fund** is a £10m fund, set up by Tees Valley Unlimited (TVU) through the Regional Growth Fund. It is designed to enable businesses to bid for larger contracts, than they can at present, by providing security for performance bond guarantees. Performance bonds provide a financial guarantee to a contractor that a supplier will deliver on time and to standard. The fund has been established in response to TVU identifying that companies are often shortlisted at tender stage on technical capability, however they are not awarded the contracts as they do not have the cash reserves needed to set up the required bond facility. It is hoped the fund will open up new markets and opportunities for local businesses and create almost £700m of additional work and support approximately 1,440 jobs in the Tees Valley over the next 10 years.
- **Creative England** has launched a new £1m business investment fund to assist companies in the North, West Midlands and South West that would like to develop new software, applications and content for a range of markets from games and interactive entertainment to feature films, healthcare and e-learning. Supported from RGF the fund will offer interest free loan of between £60,000 and £100,000.
- To date, 7 Stockton businesses have been awarded (in full or in principle) £2.2m of grant from the RGF '**Let's Grow**' Fund, against a total private investment of £16.8m which will create or safeguard 192 jobs.

AWARDS

- The **Cosyseal Group** situated on Teesdale is one of the first energy saving technology installers in the region to achieve accreditation to the Government's 'Green Deal' programme. Over the last year the company has employed over 50 people, more than doubling its workforce and is continuing to recruit.
- **Tracerco** (Belasis Hall Technology Park) – a group of research workers at the company have received an Innovation Award from the Institute of Physics for their development of a leading gamma-radiation based tool for pipe measurement in the oil and gas industry, which has led to considerable efficiency savings for the companies using the product.
- **Raj Bari**, an Indian restaurant based in Yarm has come third in an annual national competition run by MP's – the Tiffin Cup. It was one of 12 eateries chosen to take place in the final from 80 nominations.
- **Tata Global Beverages**, the manufacturer of Tetley's teabags has been shortlisted to receive the award of Best British Factory at the Best Factory Awards on 27 September. It is one of 13 firms to be shortlisted.

HOUSING

HOUSING BENEFITS

As previously reported the benefit teams workload remains high for the number of new claims and change in circumstances in comparison with previous years due to the implementation of a new automated system of direct notification of changes to DWP benefits. As a result of this new system the change in circumstances figures will remain high in 2013 when compared to 2012. July's figure however is not significantly different from previous months in 2013. Similarly there has been no significant change in the number of new claims received in July 2013, when comparing to previous months or July 2012. At present there is no significant decline in the number of claimants as a result of the welfare reforms.

	<u>July 2012</u>	<u>July 2013</u>
No of New claims received	657	727
No. of Change in circumstances received	10,257	17,835
Total	10,914	18,562
Total no of benefit claimants	23,162	22,810
Total no. of claims	38,933	38,443 (this figure reflects the fact that many customers claim both housing benefit and council tax support)

HOUSE PRICES AND SALES

In order to provide more of a local view of the housing market, a quarterly update on house sales and reservations for the Council's Housing Regeneration and Help to Buy Schemes has been included below. An update on some large private schemes has also been provided, where possible. It is hoped this will provide more of a meaningful picture of how the local housing market is performing and will be supported by data from the Land Registry on a quarterly basis.

- **Housing Regeneration Schemes**

Since 1st April 2013 until July 2013, 6 sales have been reported by housing developer Keepmoat at Mandale. In addition a further 7 sales have been contracted and 6 more reserved. Similarly at Hardwick 8 sales have been completed, and there have been a further 7 sales contracted and 9 more reserved. Keepmoat have reported that the majority of the sales are being progressed through Help to Buy which has made a big difference for first time buyers, stating that if it was not available people would be finding it hard to buy still because of the old problems with deposits and mortgage availability. In the developer's opinion without Help to Buy, the Teesside housing market is still in

recession. In contrast they believe that their sites on Tyneside are moving forward, and although prices are still constrained they are generally achieving their target of 36 sales per site in the north of the region which secures profitability.

Similarly Barratts have also reported sales at both Hardwick and Mandale (Phase 2) however they have cited this is a result of low pricing and assistance through Help to Buy, and other incentives such as Part Exchange and assistance towards a deposit. Lack of affordable deposits is the main issue for people and for developers the number of greenfield sites coming forward in Stockton will continue to hinder progression on brownfield sites. Barratts have reported that sales have slowed down at both these sites, however this is partly due to the time of year and lack of availability. They are however in the process of opening a new show complex at both sites (one complex is for Phase 3 at Mandale) which is expected to generate new visitors. In total of the 317 houses at Hardwick Green, 202 have been sold to date, of which 3 have sold in the last week. At Mandale (Phase 2) 108 have sold out of 133.

Dunelm Homes have reported that at Nursery Gardens (Parkfield and Mill Lane Regeneration site) 81 plots have been sold in total, of which 4 have been sold this financial year, leaving 29 to sell. The developer has reported that the level of interest in the site has improved since May and is above levels seen this time last year, but that the ability to obtain a deposit, even a 5% deposit is the main problem for potential buyers, however Help to Buy and Newbuy is helping.

Help to Buy & Affordable Homeownership

The Council's Help to Buy (Equity Loan scheme) figures for reservations in Stockton are as shown in the table below for this financial year. The figures have been compared to the same quarter last year, however it must be noted that these figures are from the FirstBuy scheme, which was replaced on 1st April by the Help to Buy scheme.

	2013 /14	2012 /13
Q1	68	38
July	20	6

Reservations¹ have greatly improved this financial year, when comparing the same quarter last year; however FirstBuy was a much more restrictive scheme. Some of the main changes between the two schemes, which has made Help to Buy more accessible are noted below:

- FirstBuy had a maximum purchase price of £280k, which is now £600k under Help to Buy
- FirstBuy had a maximum household income of £60k pa, and Help to Buy has no income cap
- FirstBuy had a minimum affordability threshold in place i.e. if the purchase was deemed 'too affordable' they wouldn't receive the assistance, however now under Help to Buy there is no restriction in place
- Help to Buy has no restrictions on retained savings, whereas FirstBuy had a cap of £5k, and any savings over and above this level had to be invested in the purchase
- Help to Buy allows people to sell their existing house whilst purchasing under the new scheme, whereas under First Buy you had to sell before applying unless in priority need with Local Authority
- FirstBuy was 50% funded by the developer, now Help to Buy is fully funded by HCA which has opened up the scheme to smaller developers who couldn't afford to sell via FirstBuy
- Development sites where FirstBuy was offered had to be approved by Local Authority, under Help to Buy no approval is required
- A national marketing campaign is underway for the Help to Buy scheme, which wasn't the case for FirstBuy.

¹ Reservation is the point at which the buyer chooses a plot and pays the developer a fee to reserve it. The developer should have already checked the buyer can get the correct mortgage and therefore the conversion to actual sales is very high. Please note actual sales figures cannot be released and some of the figures above will be counted within the Housing Regeneration Scheme data.

The Council also has an Affordable Homeownership Register which helps to allocate affordable homes for sale which have been negotiated as part of developers' section 106 agreements at planning stage. In total 246 new affordable homes were completed in the borough in 2012/13.

Housing Sites Completions and Sales

Across the 18 housing sites in the Borough (which includes the regeneration sites), 132 housing build completions have been reported in Q1 in 2013/14, compared to 175 for Q1 in 2012/13. It should be noted that although there have been 18 housing sites in both financial year; some of the sites have varied.

To give an indication of how the housing market is performing, sales figures have been obtained for a few of the main private housing sites (in addition to the housing regeneration sites) across the Borough.

Persimmon has reported 3 sales at their Stockton, Whitewater Glade site between 1st January and the 20th June and 15 sales during the same time period at The Elms in Norton. The sales team have commented that the housing market is improving slightly but the majority of sales are as a result from Help to Buy and other incentives, alongside Persimmon continually remixing developments to provide the type of property that meets demand, which takes time. For example w/c 19 August, Persimmon had 11 reservations throughout the region of which 8 were through the Help to Buy scheme and another was their Part Exchange deal.

The sales team at Bellway's Queensgate site (Yarm Road) stated that sales have picked up significantly and the majority of sales result from incentives such as Help to Buy, part exchange and also an Express Move scheme which helps people to buy their house. Building works had stopped on the site, however due to the increase in sales they have commenced again.

Vivo is also performing well; with only 3 homes remaining for sale of the original 50 homes on Phase 1 of the development. Work on Phase 2 has also commenced.

Stockton Based **PF Developments** has sold 60% of its £2.5m residential development 'off-plan' in less than 2 months. The White House Farm project will transform a farmhouse and redundant barns into 5 luxury homes at Ingleby Barwick.

Land Registry Statistics

Average house prices in the Borough continue to be lower than the national average. According to figures from the Office for National Statistics UK house prices have increased by 2.9% in the past year to May 2013, an increase from 2.6% in the 12 months to April 2013.

Number of House Sales in the borough (source: land registry)		Average monthly House Prices in the borough (source: land registry)	
April 2012	151	June 2012	£110,134
Dec 2012	210	Feb 2013	£108,641
Jan 2013	119	March 2013	£107,033
Feb 2013	126	April 2013	£108,306
March 2013	193	May 2013	£107,704
April 2013	162	June 2013	£108,872

Note: The Land Registry publishes the number of house sales two months behind house prices. This is due to the data capture lag between the sale of the property and subsequent registration with land registry. There is enough data however to produce an average house price.