

TEES VALLEY LIVING BOARD

**Meeting to be held in the Boardroom, Cavendish House, Teesdale, Thornaby
at 5.00pm on Thursday 16th September 2010**

1	CHAIR'S WELCOME AND DISCUSSION OF CURRENT MARKET CONDITIONS		Angela Lockwood Mark Leigh RSL reps
2	APOLOGIES FOR ABSENCE & CONFLICTS OF INTEREST		
3	NOTES OF MEETING 15th JULY 2010	Attached	
4	MATTERS ARISING		
5	THE TEES VALLEY HOUSING INVESTMENT IMPACT AND ASPIRATIONS STUDY	Attached Appendix to follow	Arc4/ Nathaniel Lichfield and Partners
6	TEES VALLEY LOCAL INVESTMENT PLAN – PROGRESS	Verbal	Les Southerton
7	ACTION PLAN IN RESPONSE TO AUDIT COMMISSION PERFORMANCE REVIEW OF TEES VALLEY LIVING 2010/11 UPDATE	Attached	Jim Johnstone
8	MERGER OF	Verbal	Les Southerton

TVR/JSU/TVL/VTV INTO TVU

9	TEES VALLEY GROWTH POINT PROGRAMME OF DEVELOPMENT - UPDATE	Attached	Jim Johnstone
10	TEES VALLEY HMR PROGRAMME 2010/11	Attached	Jim Johnstone
11	HMR REVENUE BUDGET 2009/11	Attached	Jim Johnstone
12	ANY OTHER BUSINESS		

Introduction

1. Tees Valley Unlimited (TVU) Board Members should act impartially and should not use their position on TVU to further their personal or private interests. It is therefore good practice to have, and One NorthEast requires, TVU to have a set of clear procedures for dealing with any conflicts of interest, which may occur during business, whether at the Leadership Board, the Executive or the Sub Boards.
2. The purpose of this note is to advise TVU Board Members what is meant by a “conflict of interest” and to set out procedures for dealing with such conflicts if they occur.
3. Board Members, who are also elected members or co-opted members of one of the Tees Valley Local Authorities, will have signed an undertaking to adhere to a Model Code of Conduct, issued under section 50 of the Local Government Act 2000, and adopted by their authority. Within that Code are requirements relating to the declaration and registration of personal non-prejudicial and personal/prejudicial interests. Local Authority members should have regard to all the requirements of the Model Code when representing their authority on TVU Boards.

Definition

4. A conflict may be defined as an interest in any TVU business which relates to or is likely to affect the financial, commercial, professional or personal interests of an individual member, their relatives, close associates, employer, any firm in which they are a partner, any company of which they are a Director, or the organisation they are representing on TVU.
5. An example of a conflict of interest could be a business representative influencing a decision that will be of financial benefit to that member's business or another business that they have an interest in.
6. The responsibility for declaring an interest and for withdrawal from the meeting room and not improperly influencing a decision on a partnership matter rests with the individual Board Members.

Basic Principles

7. In conducting its business, TVU requires all partner organisations, and their representatives, to act in the overall interests of TVU and its schemes.
8. Partners should accept a collective responsibility for the effective delivery of the funding programmes, which over-rides any individual interests (corporate or personal).
9. Partners should declare an interest when involved with partnership business and act at all times in good faith, in the best interest of the schemes and the local area.

Procedures

10. In conducting TVU business, the following procedures will be applied:
 - (i) A standing item, regarding conflicts of interest, will be included on each agenda at the start of TVU meetings. All members should declare the existence and nature of any interests at this point. Details of the declaration will be recorded in the Board's minutes. If members arrive part way through a meeting they should declare any interest at the start of the relevant item or as soon as it becomes apparent that they have an interest;
 - (ii) TVU will maintain a register of such declared interests, detailing the nature and extent of such an interest;
 - (iii) Where a conflict of interest occurs, the Board member should withdraw from the meeting room whilst the relevant business is being considered / determined and, must not vote or otherwise improperly influence decisions on that business;
 - (iv) In respect of collective decisions, such as partnership quarterly grant claims or the approval of annual delivery plans, partnership members should consider the issues in respect of the *other* elements of the schemes and not their own projects or interests. *In practice, this means that within the context of an overall scheme decision, members should vet each other's claim or submission.*

In the case of Local Authority Board Members they should consider whether they have a personal non-prejudicial or personal/prejudicial interest in any matter, as defined in the Model Code of Conduct for Local Authority Members. Where a member has a prejudicial interest in a matter they should leave the meeting room and must take no part in the discussion or voting on the business concerned.

If partnership members require further advice on conflicts of interest, they should contact **Linda Edworthy, Senior Assistant Director (Corporate Support) at the Tees Valley Joint Strategy Unit (01642) 264908.**

This page is intentionally blank for double-sided printing

TEES VALLEY LIVING BOARD

Meeting held at Cavendish House, Thornaby at 5.00pm on Thursday, 15th July 2010

ATTENDEES

Cath Purdy (CP)	Housing Hartlepool	Chair
Cllr Steve Nelson (SN)	Stockton Council	
Cllr Lynn Pallister (LP)	Redcar & Cleveland Council	
Cllr Bill Dixon (BD)	Darlington Council	

OBSERVERS

Anne Mulroy (AM)	Homes & Communities Agency
Jim Darlington (JD)	One NorthEast
Diana Pearce (DP)	Government Office North East
Janine Turner (JT)	Middlesbrough Council
Pauline Mitchell (PM)	Darlington Council
Lee Savage (LS)	Redcar & Cleveland Council
Iain Sim (IS)	Coast & Country Housing
Michael Bullock (MB)	Arc4
Phillip Barnes (PB)	Nathaniel Lichfield and Partners
John Lowther (JL)	Tees Valley Unlimited
Jim Johnstone (JJ)	Tees Valley Living
Mike Mealing (MM)	Tees Valley Living
Jennine Robson (JR)	Tees Valley Living
Sarah Johnson (SJ)	Tees Valley Unlimited

Richard Buckley	Tees Valley Unlimited
-----------------	-----------------------

APOLOGIES

Alison Thain	Tees Valley Housing/Fabrick
Ian Wardle	Redcar & Cleveland Council
Angela Lockwood	Endeavour Housing Association
Cllr David Budd	Middlesbrough Council
Cllr Charles Rooney	Middlesbrough Council
Julie Nixon	Stockton BC
Stuart Drummond	Hartlepool Council

1 CONFLICTS OF INTEREST

None.

2 NOTES OF THE MEETING HELD ON 25TH MARCH 2010

The minutes of the meeting held on 25th March 2010 were agreed as a true record.

3 MATTERS ARISING

The visit that had been planned to the Building Research Establishment in Watford was no longer going ahead due to the high cost involved. Northern Architecture had been asked to suggest an alternative site closer to the Tees Valley.

RESOLVED that the information be noted.

4 DISCUSSION OF CURRENT MARKET CONDITIONS

A report on the current market conditions was circulated to Board members for their information, entitled Tees Valley Housing Market Intelligence Update Summer 2010

RESOLVED that the information be noted.

5 PRESENTATION OF THE PRELIMINARY FINDINGS OF THE TEES VALLEY HOUSING IMPACT AND ASPIRATIONS STUDY

The Board was given a presentation from Arc4/Nathaniel Lichfield and Partners on the preliminary findings of the Tees Valley Housing Impact and Aspirations Study.

The following comments were made:

- There needed to be more of a focus on the place as well as housing. More detail was needed on St Hilda's in terms of the clearance generating confidence and inward investment.
- The consultants were requested to advise on the right housing product, locations and neighbourhood characteristics to attract the identified target groups.
- The Local Authorities needed to provide as much information as possible to assist with the study going forwards.
- Some base information was needed on the first step into the market e.g. apartments.

The first draft of the report would be circulated to the Directors of Regeneration in August and then forwarded to the Board to

be signed off.

RESOLVED that the information be noted.

6 TEES VALLEY LOCAL INVESTMENT PLAN PROGRESS

The Board was given an update on the current position of the development of the Tees Valley Local Investment Plan. Details were also given on the format of the document and its proposed timetable for preparation.

It was noted that there had been some good discussions in relation to the housing agenda and that this work was being worked into the plan.

RESOLVED that the information be noted.

7 DRAFT STATEMENT OF HOUSING AMBITION

The Board considered the Draft Statement of Housing Ambition (SHA). The SHA was a synopsis of the key issues within the Tees Valley replacement Sub-regional Housing Strategy. The SHA would be used to communicate the key issues and challenges to the Homes & Communities Agency and other key stakeholders.

The key issues and action points within the document would also inform the preparation of the Tees Valley Local Investment Plan.

The following changes were requested :-

- The document should acknowledge the role of Registered Providers as broader than just being a landlord. More focus was needed on the 'housing plus' element such as employment and skills and worklessness etc. The RPs worked closely with communities on social inclusion etc and it was considered that this aspect may not be adequately covered in the document.
- A major role for LAs in the regeneration areas in the future will be neighbourhood management, to ensure that communities are sustainable.
- The live work units picture at Boho actually shows "Digital City" the caption therefore needs to change.

RESOLVED that the Tees Valley Statement of Housing Ambition be approved.

8 TEES VALLEY UNLIMITED REVIEW

The Board was given an update on the Tees Valley Unlimited Review. The Board was informed that Les Southerton had been appointed as interim Managing Director. His role was to drive the review process going forward in terms of looking at the structure of TVU and the senior management structure, the future budgets and also business planning work. Martin Waters had also been appointed as Project Manager and would be looking at the more detailed work.

A report on the basic principles of the review was currently going to the Local Authorities Cabinets. A proposal to replace the current sub board structure with task and finish group was being looked at. The task and finish groups would have more focus on issues that needed dealing with at that point in time. Board members expressed some reservations that Housing issues may be regarded as suitable subjects for a "Task and Finish" group.

In terms of LEPs the Board was informed that TVU would be putting forward a submission to CLG and BIS to become a LEP. TVU would be supporting a wider proposal for a regional organisation to carry out work at a regional level.

RESOLVED that the information be noted.

9 TEES VALLEY HMR PROGRAMME – END OF YEAR REPORT 2009/10

The Board was presented with a report that gave details of the end of year summary of grant expenditure, additional investment and outputs achieved between 1st April 2009 and 31st March 2010.

RESOLVED that the report be noted.

10 TEES VALLEY HMR PROGRAMME 2010/11

The Board was presented with a report that discussed the recent Government announcements relating to HMR Pathfinder grant allocations for 2010/11 and considered current proposals and likely implications. The report also considered the implications of recent announcements for the Tees Valley HMR programme.

It was noted that an announcement on Friday had set out 17.482 % cuts for the HMR grant allocations which was more than the anticipated 16%. It was also noted that The vired money from Stockton had been paid back and would be

deducted from this years programme.

The government was looking at the legal and financial implications of un-ringfencing money

RESOLVED that

1. The HMR Pathfinder grant allocations for 2010-11 be approved.
2. The need for Councils to discuss with TVL any proposed changes to the SHIP Objective 1 grant allocation be supported.
3. The 2010-11 programme of grant expenditure and outputs be approved, with the knowledge that these will form the basis of targets agreed with HCA for the 2010-11 Funding Agreement.
4. The risks and contingency arrangements set out for each TVL-assisted HMR scheme be acknowledged.
5. The Board considers what steps should be put in place to position the sub-region for further HMR funding post 31.03.11.

11 TEES VALLEY GROWTH POINT PROGRAMME OF DEVELOPMENT UPDATE

The Board considered a report that provided an end of year summary of the grant expenditure and outputs achieved between April 1st 2009 and 31st March 2010. It also gave details of potential changes to the PoD for 2010/11.

It was noted that work on how growth was linked to the localism agenda had been requested. The Local Authorities would be putting together information of what work they had been doing and TVU would be compiling this into one document for the Tees Valley. A submission would be made to Housing Minister Grant Shapps before the end of July.

RESOLVED that PoD progress be noted and that the changes to the PoD for 2010/11 be approved.

12 AUDIT COMMISSION PERFORMANCE REVIEW ACTION PLAN 2010-11

Consideration was given to a report that sought approval of the draft action plan, in response to the Audit Commission

Performance Review recommendations. It was noted that recommendation No. 5 concerned governance and the full integration of Housing Market Renewal into the Tees Valley Unlimited governance structure. This recommendation was not therefore addressed by the report and the Audit Commission had accepted the position. Progress on the action plan would be reported to the Board on a quarterly basis.

The Board raised concerns over the proposed visit changing from December to September as the action plan would only be in its early stages of delivery. It was agreed that these concerns would be raised with the Audit Commission.

JJ

RESOLVED that the Audit Commission Performance Review Action Plan be approved.

13 HMR REVENUE BUDGET 2009/11

The Board considered a report that set out proposals for revenue expenditure covering staff and administrative cost, and with suggestions as to research projects that may benefit the development of housing growth and renewal strategies in the future.

It was noted that although the capital element of the Housing Market Renewal Fund had been reduced by £50 million nationally, the Homes and Communities Agency had indicated that there would be no reduction in the level of revenue funding allocated to each Housing Market Renewal Pathfinder. The level of funding was to remain at the 2009-10 figure, which meant that Tees Valley Living would receive £330,000 for 2010-11.

RESOLVED that:

1. The current revenue budget position be noted.
2. The Board agrees to further work being carried out to determine the scope and nature of potential research commissions that could be completed and funded in the current financial year.

14 ANY OTHER BUSINESS

None.

15 DATE OF NEXT MEETING

It was decided to bring the next scheduled meeting of the Board forward from 14th October 2010 to **5pm Thursday 16th September** in Cavendish House, in order that the Board could

Action

consider the current position with regard to the Local Investment Plan, the Audit Commission Action Plan and the transition of Tees Valley Living into Tees Valley Unlimited.

This page is intentionally blank for double-sided printing



Agenda Item 5

Report of:	Director of TVL
Report to:	Tees Valley Living Board
Date:	16 th September 2010
Subject:	Tees Valley Housing Investment Impact and aspirations study
Item for:	Information

SUMMARY

1. The latest version of the Housing Investment Impact and Aspirations study is presented to the TVL Board for comment. The report is in four parts.

- The impact of Housing investment in Tees Valley 2004-10
- The adjacency and displacement impact of the Tees Valley HMR programme.
- The aspirations of key target groups to assist economic growth
- Key issues for the future.

2. The study was commissioned as a single exercise in May 2010. The attached appendix is a summary of the key findings of the exercise, for discussion amongst Board members.

3. Board members are requested to comment on the key findings of the exercise to date.

PURPOSE OF THE REPORT

1. The latest version of the Housing Investment Impact and Aspirations study is presented to the TVL Board for comment. The report is in four parts.

- The impact of Housing investment in Tees Valley 2004-10
- The adjacency and displacement impact of the Tees Valley HMR programme.
- The aspirations of key target groups to assist economic growth
- Key issues for the future.

The study was commissioned as a single exercise in May 2010. The attached appendix is a summary of the key findings of the exercise, for discussion amongst Board members.

BACKGROUND

2. The need to undertake such a study into the potential adjacency and displacement effects of the HMR programme emerged as a requirement initially from the Audit Commission (AC) Performance Review Action Plan in January. The Directors of regeneration group (DoRs) considered that to undertake such a study on its own might be regarded as a missed opportunity. They recommended that the study brief should set out to measure the total impact of all housing investment in Tees Valley during the period 2004-10.

3. In April 2010 it was decided to extend the study to also identify the aspirations of identified target groups who are necessary to enhance the city region's future economic prospects. This component is being jointly funded by Homes & Communities Agency (HCA). The research and outcomes are informing the preparation of the Local Investment Plan. Consultants were also instructed to round up the key conclusions of the report and to highlight the key issues for the future in response to the findings of the studies.

4. There are therefore four components to the exercise. The need to inform the LIP process has meant that the consultants have had to work to a very tight timetable for a large volume of work. The consultants were appointed on 21st May 2010. The outcome of the impact assessment elements of the study will also be very useful in presenting a case for the future before the Government Spending Review on 20th October.

CONSULTANTS REPORT - Key Points

5. The report will address the following key points

- Housing's contribution to the Tees Valley economy ie the level of funding invested from public sector funding streams; private investment in housing; the impact upon the supply chain and "housing" as a generator of employment.

- Wider impacts – Place shaping / housing offer / levels of satisfaction etc.
- Local impacts of key projects – eleven HMR projects across Tees Valley have been selected for detailed scrutiny of their impact
- Adjacency and displacement of the main HMR expenditure
- Aspirations for new housing from key groups – graduates, family builders, knowledge economy workers AND the “affluent young retired” were added to the list at DoRs request.
- Conclusions
- New Funding strategies – the consultants are raising several critical issues for consideration
- Value Capture / A new approach to local taxation (Tax Increment Funding) – is discussed as a way of delivering aspirational housing

6. Board members are requested to comment on the key findings of the draft report. There are several key questions to consider - is it an accurate summation of our achievements to date? Does it accurately describe the nature of the future challenge? Can it be used to clearly describe our offer and requirement from the Spending Review for 2011-14.

7. The impact element of the report will demonstrate our capacity for successful housing regeneration the amount of work still to do. It will become a campaigning document. The report will demonstrate that Tees Valley can respond to the Coalition Government’s priorities. For example housing regeneration in Tees Valley –

- the Accelerated Development programme combines - Renewal & Growth.
- supports economic growth in the city region;
- brings additionality and “value for money”
- supports those most in need
- achieves sustainable development – Spatially, Environmentally
- implements the “Localism” agenda

Recommendation

It is recommended that Board members comment on the content of key findings paper.

Originator:	Jim Johnstone
Contact Tel:	01642 524433
E-mail:	Jim.johnstone@teesvalleyunlimited.gov.uk

This page is intentionally blank for double-sided printing



Agenda Item 7

Report of:	Tees Valley Living
Report to:	Tees Valley Living Board
Date:	16 th September 2010
Subject:	Audit Commission Performance Review Action Plan 2010-11
Item for:	Decision

SUMMARY

This report sets out the current position on the Audit Commission (AC) Performance Review Action plan as approved by the Board on 15th July 2010. Since the board meeting the Coalition Government have announced that the Audit Commission will be abolished in 2012.

The 2010 Performance Review will still proceed but on a much scaled down level. Some of the Performance Review recommendations will not therefore be assessed in this year's review.

"Task and Finish" groups have been established to address the Action Plan components. All groups have made significant progress and are expected to produce valuable pieces of work for future reference.

The Action Plan topics are

- Value for Money / Joint Procurement
- Community Engagement
- Design and Heritage
- Research

It is proposed that the work continues and the groups aim to seek approval for their output at the TVL Board meeting on 13th January 2011.

INTRODUCTION

1. Tees Valley Living received the final report of the Performance Review from the Audit Commission (AC) for 2009 on 8th March 2010. The AC assessed TVL as “performing well” overall.

PURPOSE OF THE REPORT

2. The AC report has five recommendations to improve future performance. An Action Plan in response to the recommendations was approved by the TVL Board on 15th July. The purpose of this report is to bring Board members up to date with progress which has been made since the Board last met. At that time it was anticipated that the Action Plan would evolve throughout the course of the year. At the end of July however, the Coalition Government announced that the Audit Commission will be abolished in 2012.

PERFORMANCE REVIEW 2010

3. The Audit Commission have subsequently announced to the Housing Market Renewal Pathfinders that the Performance Review for 2010, will go ahead, but it will be scaled down in comparison to previous years. The key changes are that it will be strategically focussed; performance will not be graded ie. “performing strongly, well etc.” and the 2010 timetabled visits will be brought forward to allow the AC to report to Government before the Spending Review on 20th October.

4. The Tees Valley Living Performance Review was originally scheduled for 6th, 7th and 8th December 2010. The Action Plan aimed to be able to demonstrate significant progress by that date. The “formal visit” in connection with this year’s review has now taken place – over two days on 2nd and 3rd September. It focussed on a much narrower range of issues than originally envisaged. Rob Hack from the AC sought information on the progress and future proposals in three study areas – Gresham, central Hartlepool and Greater Eston. He also sought an overview of succession strategies and prioritisation. As such he was interested in the governance proposals for the future of the HMR programme including the way in which TVL is being absorbed into TVU and the way in which outstanding HMR issues are being addressed in the Local Investment Plan and the proposed Local Enterprise Partnership.

5. They have requested a number of documents following the visit. It is not anticipated that there will any further visits before a report is issued. It has become clear that the Tees Valley Action Plan prepared in response to the AC’s recommendations of March 2010 report will not be formally required and progress against its headings is not being assessed as a part of the 2010 Performance Review.

6. On the other hand, the Government has not yet indicated how they intend to fill the gap left by the Audit Commission. It must be assumed that there will be some external monitoring of major public expenditure programmes. Assessments will be made of an areas capacity to manage programmes

efficiently and achieve “value for money” etc. It should also be noted that the legislation which compels Local Authorities to take heed of AC recommendations, has not been rescinded. To ignore the Performance Review recommendations therefore carries a degree of risk.

7. The Action Plan to date established a number of “Task & Finish” groups of Council officers dedicated towards implementing the action plan against each of the four AC Objectives. Very good progress has been made within each group. All of the groups are well on the way towards the production of an end product. The work of the groups will have a value regardless of whether or not their output is required by the Audit Commission. It is therefore proposed to carry through to completion, the four work streams generated by the Performance Review Action Plan. The Tees Valley Directors of Regeneration at their meeting on 8th September supported this view. Progress within each group is described in the following paragraphs

Value for Money / Joint Procurement

8. This topic is considered to be the most important within the Action Plan. Being able to demonstrate a capacity “to do more with less” will become a more important attribute in the future, rather than less. There were however a number of concerns about the capacity of Council staff to meet the demands of the Action Plan within the prescribed timescale. An external consultant has been engaged to prepare an Efficiency Plan which will be presented for consultation amongst stakeholders at the end of September

9. A Tees Valley Heads of Housing VFM Strategy Workshop on the 29th July, the group identified and agreed the key priorities for study listed below:

- Demonstrate how well we deliver value for money
- Focus on localism and community engagement
- Strive to continuously improve
- Re-invest back into communities
- Drive added value through commissioning (giving weight to contractors who provide something back to the local communities
- Reduce directly controlled costs by 5 per cent per year

10. Minister for Communities and Local Government Eric Pickles recently stated in a speech that “any strategy which doesn’t involve more for less is destined for failure.” This has influenced our approach to this topic. A key objective of the development of the VFM strategy is to make it as current and in line with emerging central government policy. The next stage is the ‘VFM Strategy Workshop 2 – Getting Buy In and Ideas for Efficiency Improvements’ Each L.A is making suggestions for all of the practical things which can be done to secure VFM which will formulate a SMART action plan to take this forward once the strategy is complete at the end of September.

11. The latest guidance from CLG is that future HMR monitoring information will be restricted to new homes built including affordable units, refurbishments and employment and training.

12. The Appendices to the strategy will include more detailed spending information for each L.A across a whole range of 20 plus cost headings but the main strategy document is very much high level headline information. The comparative costs paid by each Authority to purchase the same service will provide a very useful insight into areas where significant savings can be made and is expected to stimulate further exercises in joint working and procurement.

13. The strategy is intended to be a “working document” regularly updated. The first consultant’s report will be short and focussed so that we produce to encourage people to read and make use of it.

Community Engagement

14. A group of Council officers is meeting to prepare a list of guidelines to ensure that each Council takes a compatible approach to community engagement. The group have so far kept to the timeline described in the Action Plan approved by the Board on 15th July ie. they have

- Researched best practice in community engagement amongst the Pathfinders.
- Produced a list of best practice examples on Community engagement amongst Tees Valley Local Authorities.
- Identified the most successful methods of consultation with the community as a whole and with minority groups.
- A draft report setting out the key principles of community engagement has been sent to the group for consultation.
- A final draft will be compiled for wider consideration amongst key stakeholders in November.
- A final report will be presented to the TVL Board for approval in January 2011.
- Six monthly monitoring describing the use of the document can be presented to the TVL Board (or its equivalent).

Design and Heritage

15. A group of Council officers is meeting to investigate best practice under these headings and to propose an overarching document for Tees Valley to ensure compatible approaches. The Tees Valley Heads of Planning have been consulted to ensure that there is no duplication or potential conflicts of

interest with the Planning responsibilities. Northern Architecture have offered some assistance within the project.

16. The group is currently preparing a draft a list of aims and objectives to guide the course of the project. They are

- To produce an overarching set of principles to reflect and inform further detailed design work at Borough Level.
- To propose a unified vision of housing design in the Tees Valley.
- To produce guidelines which can be applied to “retrofitting” and new build.
- To promote the establishment of common standards in sustainability, functionality of the public realm and green infrastructure.
- To set a framework for the use of adopted standards such as Building for Life; Value for Money etc.
- To enhance the attractiveness of the Tees Valley housing stock to existing and potential residents.
- To promote choice in the housing market

17. Northern Architecture have offered some advice and assistance to the project free of charge. They had also offered the services of some unemployed architecture graduates who were keen to gain some work experience, also free of charge. Some small costs would be incurred however, for travelling expenses and materials. These can be met by TVL.

18. The group agreed that the graduates could be deployed to prepare character assessments of Tees Valley where this work had not already been undertaken. The end product will become base material from which to prepare design guidelines.

19. The group are also in the process of drafting some ideas for discussion on the key principles to be included in the draft design and heritage document. They are:

- Heritage, Place and Culture
- Getting Around
- Functionality/Adaptability
- Value for Money
- Safety

20. Following the removal of AC deadlines it was decided to aim complete the first draft of the Design and Heritage Guide by week ending 17th December 2010. The services of the Tees Valley Unlimited graphic artist will be used to produce the first draft. The final draft of the document can be presented to the TVL Board for approval on 13th January 2011.

Research

21. A group of Council officers are meeting to consider future housing research requirements within the context of the changing national, regional and local housing agendas. The comprehensive evidence base compiled by TVL and the understanding to the local challenges which it has facilitated has

been one TVL's principal assets to date. It has been the key to unlocking £98m of public sector funding.

22. The Audit Commission recommend that the evidence base is kept up to date and used as an effective monitoring tool.

23. The first key component of the future research base is on the 16th September TVL Board agenda ie. the Arc4 / NLP study of the impact of Housing Investment in Tees Valley 2004-10. This will consider the impact of investment to date and more importantly highlight key issues for the future . This may become the basis on which to consider future research commissions.

24. The research group will consult with TVL stakeholders on potential research topics to promote a discussion on priorities. Emerging topics include cross subsidy of development sites; Community Infrastructure Levy and Tax Increment Funding.

25. The Spending Review on 20th October may well signpost the area where future attention should be concentrated. The group will present a report with a proposed research programme to the TVL Board at their meeting on 13th January.

Recommendation

It is recommended that Board members support the continuation of the implementation of the Tees Valley Audit Commission Performance Review Action Plan.

Originator:	Jim Johnstone
Contact Tel:	01642 524433
E-mail:	Jim.johnstone@teesvalleyunlimited.gov.uk



Agenda Item 9

Report of: Tees Valley Living
Report to: Tees Valley Living Board
Date: 16th September 2010
Subject: Tees Valley Growth Point Programme of Development Update
Item for: Information

SUMMARY

Growth Point Funding

1. The purpose of this report is to provide the TVL Board with a summary of the grant expenditure and outputs achieved to date in implementing the Tees Valley Growth Point (GP) Programme of Development (PoD). It is also to make the Board aware of the current situation with regards to 2010/11 GP Capital Funding and unallocated GP Revenue Funding.

1. PURPOSE OF REPORT

1.1. The purpose of this report is to provide the TVL Board with a summary of the grant expenditure and outputs achieved in implementing the Tees Valley GP PoD. It is also to make the Board aware of the current situation with regards to 2010/11 GP Capital Funding and unallocated GP Revenue Funding.

2. CONFIRMATION OF YEAR 2 CAPITAL PROGRAMME FUNDING

2.1 On the 2nd of July, a letter was received from the Minister for Housing and Local Government, Grant Shapps MP. The letter stated that through the Localism Bill announced in the Queens speech, powers would be placed in the hands of individuals, communities and local Councils to give communities a real share of growth. The Minister believes there is a good rationale for the Growth programme, and safeguarded the growth funding for 2010/11.

2.2 Before releasing the 2010/11 GP Capital Funding allocation, the Minister, requested that a statement be provided outlining each GP areas approach to securing real local and community engagement, demonstrating how existing residents have and will gain from the funding in the future. As a result, it was decided all capital spending across the Tees Valley PoD was deferred until the Growth funding allocation for 2010/11 was released.

2.3 'Localism in the Tees Valley' was prepared by TVL in collaboration with the partnering authorities and was submitted to the Housing Minister and Communities and Local Government (CLG) on the 29th July 2010. It outlined the Tees Valley's approach towards the Government's Localism agenda and work undertaken to date to ensure real community involvement in shaping the Growth programme.

2.4 On the 9th of August 2010, confirmation was received from CLG that the submission supplied by the Tees Valley was one of 45 out of the 75 Growth Point areas that had satisfied the Housing Minister's request. It confirmed as a result of the quality of the submission the Tees Valley would receive the 2010/11 Growth Point Capital Funding allocation of £1,992,209 in the first round of payments. The payment was made to the Lead Authority on the 27th August.

3. GROWTH POINT REVENUE PROJECT IMPLEMENTATION

3.1 The following is an account of the progress being made toward the implementation of revenue funded projects 2009/11.

Table 1: Approved Revenue Project Allocations and Expenditure

Revenue Project	GP Allocated	GP Expenditure
SFRA (Compulsory)	£75,000	£68,398 (spend complete)
WCS (Compulsory)	£105,000	£0
SWMP (Compulsory)	£50,000	£0
Programme Officer	£85,000	£19,787
Green Infrastructure Officer	£10,000	£10,000 (spend complete)
District Heating Study	£105,000	£77,578
Lead Authority Costs	£12,000	£12,000 (spend complete)
Total	£442,000	£186,732

YEAR 1 – 2009/10

Year 1 GP Revenue Project Implementation

3.2 From GP revenue funding, £75,000 was made available to undertake Strategic Flood Risk Assessment (SFRA) work for the Tees Valley. The following is an account of the progress being made.

Strategic Flood Risk Assessment

3.3 Expenditure to date totals £68,398 which is made up of £12,900 on a scoping study for SFRA work across Tees Valley and £50,968 for Level 1 assessments in the five Boroughs (£5,300 of this was for MBC's Strategic Drainage Study) and further additional modelling costs for Middlesbrough and Stockton of £4,530. The reason for the under spend of £6,602, is Middlesbrough was not required to undertake a full Level 1 assessment which is explained in 3.9. The remaining under spend can be attributed to the joint procurement of the scoping study and Level 1 assessment. This under spend can be carried over to supplement the budget for the remaining revenue funded projects in relation to GP sites.

3.4 The allocation of £75,000 for the SFRA was not sufficient to cover the Level 2 assessment works identified by JBA. Each authority was required to investigate other sources of funding to carry out the Level 2 assessments. GP status and funding, has enabled the Tees Valley to begin the process of carrying out SFRA work, putting the sub region and its partnering authorities at an advantage to non growth areas that are required to fund the work solely from their own resources.

Darlington

3.5 The Level 2 assessment for Darlington concentrated around the Town Centre Fringe (TCF) redevelopment adjacent to the River Skerne. JBA have been working closely with EA and DBC to overcome complications from the findings of the assessment. The sequential test report must be updated before EA will release their National advice on the Town Centre fringe. Once this is provided it should allow the completion of the Level 2 assessment including a TCF mitigation strategy. The cost of the Level 2 assessment is £17,400 with EA contributing a further £2,800.

Hartlepool

3.6 The Level 2 assessment for Hartlepool has focussed on tidal flood risk and scoping the Critical Drainage Areas (CDA). The draft Level 2 assessment report was submitted in July 2010. JBA are awaiting comments from HBC before the final report is completed. The cost of the Level 2 assessment is £17,600.

Middlesbrough

3.7 As MBC already has a Core Strategy adopted (February 2008) there were no new proposed development areas that had not already been adopted. It was therefore agreed with MBC and the EA that a full SFRA update was not required until new development areas were brought forward in the future. However, it was agreed that there would be value in completing a strategic drainage study for Middlesbrough to investigate other sources of flooding which the current SFRA lacked. The information within the report has helped to inform the CDA for the Surface Water Management Plans. The cost of the study was £5,300.

Redcar and Cleveland

3.8 The final Level 2 assessment has been completed. It concentrated on the Tees Estuary and the CDA of Redcar, Guisborough and Eston. JBA has presented the findings from the study to RCBC and proposed future work including a SWMP on the CDA's identified. The cost of the Level 2 assessment is £11,100.

Stockton

3.9 The Level 2 assessment has been completed including EA consultation. A supplementary upstream storage assessment has also been completed. The cost of the work is £33,500.

Scoping Study for District Heat Utility

3.10 The principle of using waste heat from industrial processes to supply district heating systems for new housing developments has been supported by the TVL Board.

3.11 £105,000 has been allocated from GP revenue funding towards investigating the potential use of distributed heating throughout the Tees Valley. Parsons Brinkerhoff (PB) was appointed as the consultants to undertake the study and a draft report was submitted on the 30th July. Following dialogue with the JSU, TVL and its partners to gather information into the feasibility of using distributed heat on future developments throughout the Tees Valley, 13 areas were identified and scored against certain criteria (including heat load requirements and physical constraints). From this four pilot areas were chosen as potential district heating developments.

3.12 The areas are Central Darlington, Central Middlesbrough, Eston and Central Stockton; for each of the potential developments, it will provide indicative capital costs and outline financial models for delivering the scheme providing estimates of likely peak heat demand. PB is also undertaking a separate study looking into the feasibility of district heating in Hartlepool. The studies will identify the financial viability of each scheme, present the most viable energy balance - Gas engine Combined Heat and Power (CHP), Renewable, Pure Plant Oil (PPO) and CHP and Biomass Boilers and will also advise on the potential opportunities for future expansion of schemes, linking them with other new developments.

3.13 £90,000 was assigned to the project for 2009/10, however there was no expenditure against this amount. This funding has been carried over to 2010/11. In 2010/11, £77,578 has been spent to date. The final payment of £27,422 will be paid upon the satisfactory completion of the study to the GP Working Group which is expected in mid October.

Programme Manager

3.14 An officer has been appointed to manage the GP programme for the Tees Valley. The officer has been seconded over from Middlesbrough Council until March 2011. A total of £85,000 has been assigned to the post, £20,000 in 2009/10 and £65,000 in 2010/11. This allocation was for the full two year period. There has been £19,787 spent to date. The Programme Manager has been in post since November 2009, as a result it is likely there will be an under spend of approximately £40,000 which can be reallocated to assist current or future GP revenue funded projects.

Lead Authority Costs

3.15 It was agreed that SBC would act as Lead Authority for the GP project and ensure that the requirements set out in the HCA's offer letter and relevant GP guidance notes are met. £12,000 of GP revenue funding has been agreed as a suitable level of remuneration for the work undertaken. This has been split into £6,000 per year. The £12,000 payment for 2009/10 and 2010/11 has been processed and paid to SBC.

YEAR 2 – 2010/11

Year 2 GP Revenue Project Allocation

3.16 Sums of £75,000 and £50,000 have been set aside in the GP budget for 2010/11 for Water Cycle Studies and Surface Water Management Plans respectively to meet the environmental conditions attached with GP funding. The following is an account of the revenue projects that GP funding has been allocated.

Surface Water Management Plans (SWMP)

3.17 The SWMP for each authority will commence this financial year. The CDA's identified within the SFRA will inform the work to be undertaken in the SWMP.

3.18 Defra announced in August 2009 that £16m will be distributed to local authorities across the country to take action in tackling problems from surface water flooding. MBC and HBC were awarded a grant of £100,000 and £60,000 for SWMP work. MBC has appointed Montgomery Watson Harza UK (MWH) to undertake the SWMP and work has now started. HBC have developed a brief for the SWMP work and are in the process of appointing consultants to carry out the work.

3.19 The costs of the SWMP for each authority will be dependent upon the CDA identified in the SFRA and level of work required. Detailed estimates will be compiled in due course and other potential sources of funding beyond GP need to be explored. No funding has been spent to date. The remaining authorities are exploring the most cost efficient means of carrying out the SWMP including in-house.

Water Cycle Studies (WCS)

3.20 A WCS is a method for determining if, and what, sustainable water infrastructure is needed to support development. Helping to inform when and where development should take place. It should identify and help resolve tensions between growth proposals and environmental requirements, by bringing together all relevant information and knowledge under one framework. A WCS comprises of four stages:

- Scoping Study;
- Outline Study;
- Detailed Study; and
- Implementation Strategy.

3.21 A WCS brief is currently being developed which will go out to tender following discussions with each partnering authority and the statutory consultees this financial year. The GP Working Group approved the reallocation of £30,000 revenue funding

in order to commission a full WCS. The total funding allocated to the study now stands at £105,000.

Green Infrastructure Programme Manager

3.22 The Green Infrastructure Programme Manager has been appointed to build on the Tees Valley Green Infrastructure Strategy and co-ordinate the development and delivery of a Tees Valley Green Infrastructure Implementation Plan. The £10,000 contribution to the post from GP funding has been fully spent.

Unallocated Revenue Funding

3.23 The Tees Valley has been awarded a total of £646,756 revenue funding up until 2010/11. This funding has been allocated towards undertaking the relevant environmental studies to satisfy the conditions attached to growth funding and the overall running of the programme. The Tees Valley was awarded £200,000 in 2008/9 to develop the PoD to bid for funding, of this £109,105 was spent. For the period 2009-11 the Tees Valley was awarded £446,756, £191,467 was allocated in 2009/10 and £255,289 in 2010/11.

3.24 From the period pre 2009/10 there was an under spend of £90,895 and with unallocated funding from 2009 - 11 there is approximately £130,660 available to spend. It is likely that some projects will achieve a cost saving and produce an under spend. As previously discussed through the joint procurement of the SFRA Scoping Study and Level 1 assessments for the Tees Valley and the fact that Middlesbrough did not require a full Level 1 assessment, there has been an under spend of approximately £6,600. It is also likely that there will also be an under spend from the Programme Manager role of over £40,000. It is estimated the total unallocated and under spend revenue funding will be over £170,000. As discussed earlier in the report, the GP Working Group has approved the reallocation of £30,000 to further support a WCS for the Tees Valley.

3.25 As the GP funding is unringfenced, it alleviates any pressure to achieve full spend during this financial year. At the GP Working Group it was acknowledged that until the outcome of the Comprehensive Spending Review (CSR) in October, and the future direction and requirements for the Growth Programme are clearer, it may not be prudent to allocate the funding to any specific projects at this stage. The outcome of which may influence the projects that receive funding. An update of the outcome will be provided at the next Board meeting.

4. GROWTH POINT CAPITAL PROJECTS

4.1 The following is an account of the progress being made towards the implementation of capital projects in the approved PoD.

Table 2: TEES VALLEY GROWTH POINT CAPITAL PROJECTS 2009/2011

Scheme	Allocation	Spend	Outputs
Belle View, Hartlepool	£286,750	£6,400	Approximately 104 units facilitated
Central Park, Darlington	£634,000	£89,282	Approximately 100 units facilitated
Easington Rd, Hartlepool	£125,000	£0	Approximately 68 units facilitated
East Central, Hartlepool	£130,257	£130,257	Approximately 20 units facilitated
Former Schools, Darlington	£207,000	£0	Approximately 106 units facilitated
Golden Flatts, Hartlepool	£50,000	£50,000	20 units facilitated
Eco Village, Redcar and Cleveland	£504,819	£56,574	15 new units 11 refurbishments.
Low Grange, Redcar and Cleveland	£168,273	£0	Not determined at this point
Great Street, Redcar and Cleveland	£168,273	£32,569	15 commercial properties will benefit
Green Blue Heart	£130,000	£62,000	Not determined at this point
Mandale, Stockton	£368,000	£368,000	50 new units
North Shore, Stockton	£550,000	£209,200	50 new units
Headway, Hartlepool	£248,603	£248,603	10 new units
Grove Hill, Middlesbrough	£791,806	£314,798	Not determined at this point
Waiting for confirmation, Stockton	£211,000	£0	TBC
Total	£4,573,781	£1,567,683	

Belle Vue, Hartlepool

4.2 The Belle Vue scheme has been developed in partnership with Housing Hartlepool, which is funding the clearance of the social stock and the Council is funding acquisition and clearance of private stock. The first phase of demolition is complete and the developer is due to start on site. There are currently insufficient resources available to acquire the whole site and GP funding is being used to purchase privately owned properties and reduce this deficit. This scheme will facilitate the construction of 104 housing units of which NAHP funding has been secured to support.

Central Park, Darlington

4.2 DBC has allocated £634,000 GP funding to Central Park. DBC granted £106,210 for the developers to appoint consultants to undertake a re-evaluation of the Masterplan for the site, fresh viability study for the relocation of the depot and to look at the infrastructure required for the site. This work is currently underway and £89,282 has been spent to date. The Masterplan will change the phasing of the programme and will also look at the mix of units to go back. The developers are progressing with the design of phase 1 which will deliver approximately 100 units in the centre of the site and a planning application is expected to be submitted by the end of the year. The development agreement for the site was signed in April 2009 with development due to commence in Spring 2011.

4.3 DBC is currently considering options for the remaining unallocated funding. It is being considered to use GP funding as a contribution towards the Compulsory Purchase Order (CPO) costs for the site. This will open up the Yarm Road end of the site for future development.

Easington Road, Hartlepool

4.4 Easington Road is a HMR site that is being redeveloped by Housing Hartlepool. GP funding is being used as a contribution to the demolition of properties. All of the properties have been cleared and development is expected to be completed by 2011. This will facilitate the construction of 68 units.

East Central, Hartlepool

4.5 This site was subject of a Social Housing Grant (SHG) bid to provide 34 units. The GP funding of £130,257 allocated to the site has been used in the acquisition of a vacant Grade 2 listed commercial building to secure full site assembly. Listed building consent is currently being sought for the demolition of the commercial building. A development brief has been produced for the building and a period for the building to be marketed has been agreed with English Heritage. The outcome of which has the potential to reduce the number of housing units on the site from 37 to 34. Provisions have been made for the three units that are lost on this site to be added to the Golden Flatts site.

Former School Sites, Darlington

4.6 The site is made up of three former schools. Fabrick have been appointed the preferred developer for the scheme. Planning permission was granted in February 2010 to deliver approximately 106 units, 42 available for social rent, 32 affordable units and 32 intermediate units. Fabrick will take possession of the site in October 2010 to start site preparation works with a view to start developing in December 2010. It is expected that the first units will be in place by September/October 2011. The site has been awarded £3,860,000 by the HCA to support the development. The work covered with GP funding include: improvements to the roads, access and infrastructure to open up the site. The work will also include the upgrading of a cycle way which has been completed. It is expected that all funding will be spent in 2010/11.

Golden Flatts, Hartlepool

4.7 The £50,000 GP funding allocated for 2009/10 has been utilised to implement a site access to support the proposed SHG development of 28 units. Providing the access will also help to open up the site for further development (which potentially could support approximately a further 60 units providing a mixed tenure development) making the site more attractive to developers.

Eco Village, Redcar and Cleveland

4.8 The Eco Village represents the first housing development site to be released in South Bank. It is an innovative and exemplar housing scheme, consisting of 15 new build and 11 refurbishments. The new homes will be built to Code 4 and Code 6 for Sustainable Homes.

4.9 The Council has followed the OJEU competitive dialogue process to select a developer for the scheme. This process is at the Invitation to Submit Detailed Design stage with Gentoo Homes.

4.10 The stopping up process for the roads has started and the pre-planning application consultation event is planned for the end of September. It is hoped that construction will start on site in March 2011.

4.11 GP funding is being used to facilitate the development, raise the quality standards of the surrounding environment, improve the site and facilitate infrastructure costs.

Low Grange, Redcar and Cleveland

4.12 The site is currently owned by RCBC and Lady Hewley Trust. GP funding will be used to carry out offsite highway improvements to junctions which will help bring forward the development at the earliest opportunity.

4.13 To date no GP funding has been spent on the Low Grange scheme. The Council is in discussion with the land owners, however, a legal agreement has to be reached prior to any access or highway works starting on site.

Streetscape Improvements, Redcar and Cleveland

4.14 The visual appearance and condition of two shopping parades that face on to Normanby Road, opposite the Eco Village site, is poor and contributes to a feeling of neglect and decline in South Bank.

4.15 GP funding is to be used to give the two shopping parades and nearby public realm a face lift to encourage private sector investment and instil investor and resident confidence in the area. It is hoped that a total of eight vacant and seven trading commercial premises will be improved. Work will start on the first two commercial units within the next month. The £32,577 GP funding spent on the scheme to date has been used to commission an architect to develop plans, technical specifications and cost schedules for the public realm and shop front improvements.

Green Blue Heart, Stockton/Middlesbrough

4.16 This is a joint project between Stockton and Middlesbrough looking at the transformational change of a 53ha derelict site between the two town centres potentially delivering 2800 residential units.

4.17 GP funding of £100,000 has been allocated to site to carry out a feasibility study which has identified the potential of extending the Portrack Lane relief road to assist in facilitating the development. To date £62,000 has been spent, SBC are currently considering allocating a further £30,000 to the site, this and the remaining allocation will contribute towards completing site investigations for the Portrack Lane relief road.

Mandale, Stockton

4.18 The availability of GP funding allowed SBC to continue the decanting process on the site which avoided the prospect of stalling the development. The £368,000 GP funding was used as a guarantee to the Council to keep site assembly moving

following delayed payments from developers. Developers made the loan payment on the 1st July and the GP funding has been recycled into North Shore. The use of GP funding ensured that developers were able to remain on site preventing it from becoming mothballed, it is expected that 50 units will be delivered as a result.

North Shore, Stockton

4.19 £550,000 has been allocated to North Shore, £500,000 in the form of a loan and £50,000 in the form of a grant. GP funding has been used to support the planning approval to develop the first 50 units of the Homezone which will be a mixture of 2,3 and 4 bedroom homes. £209,200 has been spent to date of which £50,000 in the form of a grant to fund site feasibility works. The remaining loan funding spent has been on works to assist the planning application. The remaining £340,000 will be spent on commencing construction on the site.

Headway, Hartlepool

4.20 The acquisition and demolition in Phase 1 comprising of 267 dwellings is complete and Wimpey is on site constructing new homes. Almost one third of the site is built out. Shared Equity loan products were developed on the Headway site using Growth Point funding to help stimulate demand. The scheme intended to help bridge the 'gap' that many house purchasers are facing because of the restrictive nature of the products that are currently available in the mortgage market. The full £248,603 allocated to the site has been spent, supporting 10 property purchases. Upon any of the properties being sold, this funding will be returned to HBC to reallocate to further Growth Point sites. The scheme ensured that the developer was able to remain on site, accelerating the completion of phase 1 and allow them to look at the make up and layout of phase 2 of the development.

Grove Hill, Middlesbrough,

4.21 Middlesbrough Council and Erimus Housing are working in partnership to redevelop Grove Hill. The Grove Hill Area Regeneration Framework proposes that approximately 520 units will be demolished to be replaced by 700 new units. Proposals include provision of a Linear Park that will reconnect Grove Hill to the neighbouring community of Linthorpe and improvements to the retail and community offer and public services on Eastbourne Road.

4.22 Of the £791,806 allocated to Grove Hill, £314,798 has been spent to date. Growth Point funding has allowed the continuation of site assembly, with the purchase of five private properties. Funding has also been used to provide two grant packages to assist in the relocation of a further two private residents and allow them to remain in owner occupation. The remaining funds have been allocated to the acquisition of a further three units and two grant relocation assistance packages. Funding will also be allocated to the staffing costs for an officer to oversee the management of the project.

Remaining Capital Funding

4.23 Stockton is currently considering which project will be allocated their remaining £211,000 GP Capital Funding. They have confirmed that the funding will be allocated in the form of a loan. It is expected that this will be confirmed for the next Board meeting.

5. RECOMMENDATIONS

It is recommended that

5.1 The progress of both capital and revenue funded projects is noted. The unallocated revenue funding is noted and will be allocated following the outcome of the CSR.

Originator:	Michael Canavan
Contact Tel:	01642 524432
E-mail:	Michael.canavan@teesvalleyunlimited.gov.uk

This page is intentionally blank for double-sided printing

Report of:	Tees Valley Living
Report to:	Tees Valley Living Board
Date:	16 th September 2010
Subject:	HMR Programme 2010-11: Pre-6 month stage update
Item for:	Information

1. SUMMARY

- 1.1 The HMR programme is almost at the 6 month stage of the 2010-11 financial year and Councils have provided Tees Valley Living with an update on their position.
- 1.2 The Government recently confirmed a 17.482% cut on the 2010-11 capital allocation to Pathfinders and announced the de-ring-fencing of the HMR Pathfinder grant.
- 1.3 HCA had recently indicated that the revised Pathfinder allocations would be paid up front to the accountable body by the end of August. However, on 17th August HCA provided a further update. This confirmed that CLG had indicated that it may now be necessary to take a staged approach to paying HMR grant.
- 1.4 The first payment for TVL is expected to be the end of September and will cover Quarter 1 with a date for payment of the revised balance to be confirmed.
- 1.5 Each Council is continuing to target the revised HMR grant allocations in approved TVL-assisted HMR schemes and recent re-profiles indicate that each Council intends to defray the full grant allocation by 31.03.11.
- 1.6 The 17.482% reduction means a loss of £1,688,936 to the programme level capital allocation. This has impacted on the programme in the following ways:
 - Projected outturn for HMR (HCA) Pathfinder grant funded acquisitions has reduced by 20% (- 28).
 - Projected outturn for HMR (HCA) Pathfinder grant funded demolitions has reduced by 19% (- 10).

- Projected outturn for HMR (HCA) Pathfinder grant funded relocation packages has reduced by 28% (- 10).

2. TEES VALLEY HMR PROGRAMME 2010-11

- 2.1 A summary of the programme level targets for 2010-11 as agreed with HCA at the start of the financial year are set out in Table 1 below. This focuses exclusively on target outputs for HMR (HCA) Pathfinder grant expenditure and SHIP Objective 1 funding.

Table 1: HMR Programme targets for 2010-11 (TVL assisted schemes) as at April 2010

PROFILE FOR TEES VALLEY LIVING ASSISTED HMR SCHEMES 2010-11	Total					
	HMR (HCA)		SHIP Obj 1		Total	
	units	£	units	£	units	£
Acquisitions	140	8,686,310	40	2,647,810	180	11,334,120
Demolitions	54	179,690	199	909,612	253	1,089,302
Relocation Packages	36	795,000	4	65,000	40	860,000
Total	n/a	9,661,000	n/a	3,622,422	n/a	13,283,422

HMR grant allocations 2010-11	Capital	9,661,000	Capital	3,622,422	Capital	13,283,422
	Revenue	330,000	Revenue	n/a	Revenue	330,000
	Total	9,991,000	Total	3,662,422	Total	13,613,422

- 2.2 Projections showed that £13.2m of capital HMR grant was scheduled to deliver 180 acquisitions, 253 demolitions and 40 relocation packages.

3. IMPACT OF GOVERNMENT ANNOUNCEMENTS ON HMR PROGRAMME

- 3.1 The Government recently confirmed a 17.482% cut on the 2010-11 capital allocation to Pathfinders and announced the de-ring-fencing of the HMR Pathfinder grant. HCA had recently indicated that the revised Pathfinder allocations would be paid up front to the accountable body by the end of August. However, on 17th August HCA provided a further update. This confirmed that CLG had indicated that it may now be necessary to take a staged approach to paying HMR grant. This means that a stage 1 grant payment covering the costs that the Pathfinder has incurred between April and July is likely to be paid, hopefully, by end of September, followed by a second stage payment covering the remainder of the financial year. For, TVL the first payment will cover Quarter 1. HCA has advised Pathfinders to continue to submit end of Quarter returns to confirm eligible grant expenditure amounts.

3.2 The HMR allocations for 2010-11 are set out in Table 2 below. This confirms allocations both prior to the funding cut and after the funding cut. At the 15th July TVL Board meeting, members agreed how the funding cut would be applied. It was agreed that the virement that took place in 2009-10 would be reversed before the funding cut is applied. The Council allocations in column A of Table 2 have therefore been adjusted as follows:

- £900,000 deducted from Middlesbrough Council's 2010-11 allocation
- £500,000 deducted from Redcar and Cleveland Council's 2010-11 allocation
- £100,000 deducted from Hartlepool Council's 2010-11 allocation
- £1.5m added to Stockton Council's allocation

3.3 The 17.482% cut has then been applied to the adjusted allocations (as in column B) and the final (reduced) Council allocations are shown in column C of Table 2. There is also an allocation of £330,000 revenue grant for TVL operating costs and research and £9k has been top sliced for Audit Commission costs. **The 17.482% reduction means a loss of £1,688,936 to the programme level capital allocation.**

3.4 It is worth noting that during 2010-11, with the exception of Regional Loans element of SHIP funding which is ring-fenced, Councils can decide how their SHIP allocations are split between the different Objectives. The self-allocations for SHIP Objective 1 are shown in column D.

Table 2: HMR grant allocations 2010-11 (pre and post 17.482% cut to capital funding)

Local Authority	A) HMR grant (HCA) allocation pre 17.482 % cut to capital at programme level	% split for HMR grant	B) Virement then reversed pre cut	17.482% cut then applied	C) New HMR (HCA) allocation post reversal of virement and post 17.482% cut	D) Council self allocated SHIP Objective one grant (RHB) allocation	Total HMR (HCA) grant plus SHIP Obj 1
Hartlepool	£2,415,250	25%	£2,315,250	404,752	£1,910,498	£800,000	2,710,498
Middlesbrough	£2,801,690	29%	£1,901,690	332,454	£1,569,236	£1,731,612	3,300,848
Redcar & Cleveland	£2,222,030	23%	£1,722,030	301,045	£1,420,985	£779,176	2,200,161
Stockton	£2,222,030	23%	£3,722,030	650,685	£3,071,345	£710,210	3,781,555
Total	£9,661,000	100%	£9,661,000	1,688,936	£7,972,064	£4,020,998	11,993,062

3.5 To gain a clear understanding of the potential impact of the funding cuts and de-ring-fencing, Tees Valley Living has recently asked each Council to confirm what position they have adopted in response to the key announcements. The key message emerging from the Councils is as follows:

- The current position of Councils is that there is a firm commitment to retaining HMR grant funding in the approved HMR schemes.
- Councils have fully committed their revised HMR grant allocations (following the 17.482% cut) to approved HMR schemes and are continuing to spend.

3.6 Councils have also been asked to provide TVL with revised profiles (August 2010) which factor in the reduced allocations and which set out anticipated grant expenditure and outputs for the remaining Quarters of the current financial year. Based on these re-profiles and the reported outturn for Quarter 1, HMR (HCA) Pathfinder grant and SHIP Objective 1 grant are on course to achieve the following end of year outturn.

Table 3: HMR Programme expected end of year outturn 2010-11 (TVL assisted schemes) post 17.482% cut

PROFILE FOR TEES VALLEY LIVING ASSISTED HMR SCHEMES	Total					
	HMR (HCA)		SHIP Obj 1		Total	
	units	£	units	£	units	£
Acquisitions	112	7,357,208	41	2,782,919	153	10,140,128
Demolitions	44	143,255	175	1,123,079	214	1,266,334
Relocation Packages	26	471,600	6	115,000	32	586,600
Capital grant expenditure sub total	n/a	7,972,064	n/a	4,020,998	n/a	11,993,062
Revenue	n/a	330,000	n/a	n/a	n/a	330,000
Total grant expenditure capital & revenue	n/a	8,302,064	n/a	4,020,998	n/a	12,323,062

HMR grant (HCA) and SHIP Objective 1 self-allocation 2010-11	Capital	7,972,064	Capital	4,020,998	Capital	11,993,062
	Revenue	330,000	Revenue	n/a	Revenue	330,000
	Total	8,302,064	Total	4,020,998	Total	12,323,062

3.7 The loss of £1,688,936 from the Pathfinder capital allocation has impacted on the programme in the following ways:

- Projected outturn for HMR (HCA) Pathfinder grant funded acquisitions has reduced by 20% (- 28).
- Projected outturn for HMR (HCA) Pathfinder grant funded demolitions has reduced by 19% (- 10).
- Projected outturn for HMR (HCA) Pathfinder grant funded relocation packages has reduced by 28% (- 10).

3.8 As a result of re-profiling the anticipated outturn for SHIP Objective 1 grant has also been adjusted. Notably, the total amount of SHIP Objective 1 grant has increased. Middlesbrough Council received approval from the Council Executive to switch £400k from Objective 3 to Objective 1 to offset the reduced HMR capital allocation and this accounts for the increase. Projected outturn for SHIP Objective 1 funded acquisitions and relocation packages remains largely in line with that anticipated at start of financial year. Projected outturn for SHIP Objective 1 funded demolitions has reduced by 12% (-24). Stockton Council now anticipates that there will be a reduced scale of demolition (32 less than anticipated at start of financial year) which reduces SHIP outputs. Some adjustment to the number of acquisitions to be tackled this year means that it is more difficult to demolish blocks of terraces.

4. SCHEME PROGRESS

- 4.1 The following provides a summary of recent updates provided by each Council (August 2010) in relation to progress of schemes and demonstrates how Councils have responded to the Government announcements relating to funding cuts and un-ring-fencing of HMR Pathfinder grant.

Hartlepool: Carr / Hopps Street Area, Perth Street Area, Belle Vue

- 4.2 Key update:

- Hartlepool is progressing the implementation of the Perth Street scheme as planned. The CPO notice has been served and the Council is continuing to buy by agreement where possible to deliver full site assembly. Acquisitions are completing in line with projections. Some additional costs are being incurred as a result of the costs associated with CPO but these can be covered by SHIP funding.
- The reduction in funding means that finances are extremely tight on this scheme and acquisitions on the other two priority sites (Belle Vue and Carr/Hopps Street) have reduced significantly. However, within the Carr/Hopps street area, the Council has purchased from all those owner occupiers that have wanted to sell at this stage.
- As part of the Councils agreement with the Homes and Communities Agency regarding the English Partnership legacy funding, the Council must deliver full scheme acquisition by 2012 and therefore the Council will continue to target the remaining HMR and SHIP resources to deliver this.
- Following the funding cuts, the Council expects to purchase 10 fewer properties this financial year and provide four fewer relocation packages.
- First phase of demolition is complete at Belle View and the developer will start on the first part of the site by the end of August following approval of NAHP funding. At the end of August, construction will also commence on Easington Road which has also secured NAHP funding.
- Developers are still on site at Trinity Court which is now almost 70% built out (there will be 47 units on completion). The Council is expecting completion of 15 units this financial year.
- On the Headway scheme, the house builder is building new units and progressing through the second phase of the redevelopment. Almost one third of the site is built out (177 units on completion). The Council is expecting completion of 30 units this financial year.

Table 4: Quarter 1 outturn for TVL assisted schemes in Hartlepool

Hartlepool	Quarter 1 ACTUAL OUTTURN					
	HMR (HCA)		SHIP Obj 1		Total	
	units	£	units	£	units	£
Acquisitions	8	481,944	1	223,767	9	705,711
Demolitions	0	0	0	0	0	0
Relocation Packages	1	15,000	0	0	1	15,000
Total	n/a	496,944	n/a	223,767	n/a	720,711

4.3 Hartlepool Council delivered in line with projections for Quarter 1 and is on course to deliver in line with revised projections (August 2010).

Table 5: Anticipated end of year outturn and balance of grant expenditure and outputs planned between Q2 to Q4 in TVL assisted schemes in Hartlepool

Hartlepool	Anticipated end of year outturn (as at 9th August)						Balance of grant expenditure & outputs planned in Q2 to Q4					
	HMR (HCA)		SHIP Obj 1		Total		HMR (HCA)		SHIP Obj 1		Total	
	units	£	units	£	units	£	units	£	units	£	units	£
Acquisitions	30	1,745,498	9	755,000	39	2,500,498	22	1,263,554	8	531,233	30	1,794,787
Demolitions	0	0	0	0	0	0	0	0	0	0	0	0
Relocation Packages	11	165,000	3	45,000	14	210,000	10	150,000	3	45,000	13	195,000
Total	n/a	1,910,498	n/a	800,000	n/a	2,710,498	n/a	1,413,554	n/a	576,233	n/a	1,989,787

4.4 The Council is continuing to target all SHIP Objective 1 and HMR Pathfinder resources in the Perth Street scheme.

Middlesbrough: Gresham, St Hildas, Trinity Court North Ormesby

4.5 Key update:

- The Quarter 1 outturn was in line with Council projections. Following the funding cuts, the Council expects to purchase 10 fewer properties this financial year.
- The Council has tried to limit the impact of funding cuts by seeking approval from the Council Executive to switch £400k from Objective 3 to Objective 1 to offset the reduced HMR capital allocation. The Council had planned to purchase five commercial properties this year but this is now expected to reduce following the funding cut.
- The Council plans to demolish 128 properties in Gresham this financial year and 50% of these properties have had the utilities disconnected.
- The HMR programme within the Council is still seen as a key priority and the Council is continuing to target HMR resources on Gresham and St Hilda's. Financial and project management is in place so that the Council is only committed to spending in line with revised grant allocations.

- In terms of new build, the builder is on site at Trinity Crescent at North Ormesby and is continuing to build in line with demand. The site is just over 50% built out (c.150 units on completion).
- At West Lane the builder is starting to build out phase 2, with 79 proposed to be finished by the end of the financial year. £2m of Kickstart round 2 has been awarded to the scheme which is helping to retain momentum of construction. The site is just over 50% built out (c.150 units on completion). The Council is expecting completion of 79 units this financial year.
- At Whinney Banks the builder is still on site with 40 to 50 to be built by the end of the financial year and each year until completion. Almost one quarter of the site is built out (c.450 units on completion).

Table 6: Quarter 1 outturn for TVL assisted schemes in Middlesbrough

Middlesbrough	Quarter 1 ACTUAL OUTTURN					
	HMR (HCA)		SHIP Obj 1		Total	
	units	£	units	£	units	£
Acquisitions	9	526,094	3	314,254	12	840,348
Demolitions	0	0	0	0	0	0
Relocation Packages	0	0	1	20,000	1	20,000
Total	n/a	526,094	n/a	334,254	n/a	860,348

4.6 Middlesbrough Council delivered in line with projections for Quarter 1 and is on course to deliver in line with revised projections (August 2010).

Table 7: Anticipated end of year outturn and balance of grant expenditure and outputs planned between Q2 to Q4 in TVL assisted schemes in Middlesbrough

Middlesbrough	Anticipated end of year outturn (as at 9th August)						Balance of grant expenditure & outputs planned in Q2 to Q4					
	HMR (HCA)		SHIP Obj 1		Total		HMR (HCA)		SHIP Obj 1		Total	
	units	£	units	£	units	£	units	£	units	£	units	£
Acquisitions	21	1,554,236	10	901,612	31	2,455,848	12	1,028,142	7	587,358	19	1,615,500
Demolitions	0	0	128	790,000	128	790,000	0	0	128	790,000	128	790,000
Relocation Packages	1	15,000	2	40,000	3	55,000	1	15,000	1	20,000	2	35,000
Total	0	1,569,236	0	1,731,612	0	3,300,848	n/a	1,043,142	n/a	1,397,358	n/a	2,440,500

4.7 The Council is continuing to target all SHIP Objective 1 and HMR Pathfinder resources in Gresham and St Hilda's.

Redcar and Cleveland Council: South Bank

4.8 Key update:

- The Council exceeded grant expenditure and output targets for Quarter 1 through purchase of an additional 12 properties.
- Despite the funding cut, the Council is anticipating maintaining a similar level of output for acquisitions which suggests that unit costs are anticipated to be lower than projected at start of financial year. Demolition and relocation package outputs will be marginally lower.
- The Council has committed the full amount of HMR grant allocations for 2010-11 to the delivery of the South Bank scheme.
- The demolition contractor is on site and will demolish 24 properties in Quarter 2. The current contract runs to the 31.03.11 and will complete demolitions in phase 2 (circa another 40 demolitions).

Table 8: Quarter 1 outturn for South Bank

Redcar & Cleveland	Quarter 1 ACTUAL OUTTURN					
	HMR (HCA)		SHIP Obj 1		Total	
	units	£	units	£	units	£
Acquisitions	11	591,725	17	748,807	28	1,340,532
Demolitions	0	11,255	0	369	0	11,624
Relocation Packages	2	57,600	1	30,000	3	87,600
Total	n/a	660,580	n/a	779,176	n/a	1,439,756

4.9 The Council exceeded targets for Quarter 1 and is on course to deliver in line with revised projections (August 2010).

Table 9: Anticipated end of year outturn and balance of grant expenditure and outputs planned between Q2 to Q4 in South Bank

Redcar & Cleveland	Anticipated end of year outturn as at w/c 10th August						Balance of grant expenditure & outputs planned in Q2 to Q4					
	HMR (HCA)		SHIP Obj 1		Total		HMR (HCA)		SHIP Obj 1		Total	
	units	£	units	£	units	£	units	£	units	£	units	£
Acquisitions	21	1,211,130	17	748,807	38	1,959,937	10	619,405	0	0	10	619,405
Demolitions	44	143,255	0	369	44	143,624	44	132,000	0	0	44	132,000
Relocation Packages	5	66,600	1	30,000	6	96,600	3	9,000	0	0	3	9,000
Total	n/a	1,420,985	n/a	779,176	n/a	2,200,161	n/a	760,405	n/a	0	n/a	760,405

4.10 The Council is continuing to target all SHIP Objective 1 and HMR Pathfinder resources in Gresham and St Hilda's.

Stockton Council, Parkfield Schemes

4.11 Key update:

- Prior to the announcement of HMR Pathfinder funding cuts, the Council had taken the decision to negotiate with residents in the first part of the extended area of the scheme. Following the announcement, a decision was taken to suspend negotiations with all those residents who had not yet agreed a price. The Council was actively negotiating with c. 45 residents at the time of suspending the scheme.
- The Council was keen to resume negotiations with residents and has done so in recent weeks. However, the Council is cautious as it is still awaiting confirmation as to whether HCA will finally commit to the £8m EP legacy funding which is required to complete Parkfield Phase 2 and Swainby Road.
- Due to the uncertainty of funding during Quarter 1, the outturn for this Quarter was below that which was originally projected. However, pace has picked up now and the Council reports additional interest from owners. It seems that the residents are acutely aware of the new Government's drive to reduce public sector spending and that this is seemingly encouraging more owners to agree a price with the Council while funding is still available.
- Almost 40% of the planned acquisitions have either completed or are with solicitors. The Council is in negotiation with the balance of properties with only 3 still left to be valued. However, overall, as a result of the funding cut, the Council expects to purchase 7 fewer properties and has decreased the expected demolition outturn by 32.
- Of the remaining 47 properties scheduled for demolition in this financial year, 14% have utilities disconnected thus far.
- The Council has provided a re-profile to TVL which indicates that the full grant allocations will be defrayed by 31.03.11.
- In terms of new build development on Parkfield Phase 1, the Council is awaiting the out come of NAHP funding decisions which will confirm whether or not Dunelm has secured funding for 6 bungalows. Planners have agreed to a fairly marginal increase in the number of social rented properties on site. If funding is approved, negotiations can recommence with regards to re-planning the central section of the development. The scheme is almost 50% built out (there will be c. 114 units at completion stage). The Council is expecting completion of 25 units this financial year.
- At Mandale Phase 2, the developer is on site which is 50% built out (there will be c. 252 units on completion). Planners have approved an amended planning layout as a result of delays on site due to CPO. The Council is expecting completion of 37 units this financial year.

- At Hardwick, the developer is on site which is 40% built out (there will be c. 736 units on completion of site). Construction continues but at a slower pace. The Council is expecting completion of 60 units this financial year.

Table 10: Quarter 1 outturn for Parkfield Phase 2

Stockton	Quarter 1 ACTUAL OUTTURN					
	HMR (HCA)		SHIP Obj 1		Total	
	units	£	units	£	units	£
Acquisitions	0	61,019	0	0	0	61,019
Demolitions	0	0	5	157,919	0	157,919
Relocation Packages	0	0	0	0	0	0
Total	n/a	61,019	n/a	157,919	n/a	218,938

4.12 Due to the uncertainty of funding during Quarter 1, the outturn for this Quarter was below that which was originally projected.

Table 11: Anticipated end of year outturn and balance of grant expenditure and outputs planned between Q2 to Q4 in Parkfield Phase 2

Stockton	Anticipated end of year outturn as at 20th August						Balance of grant expenditure & outputs planned in Q2 to Q4					
	HMR (HCA)		SHIP Obj 1		Total		HMR (HCA)		SHIP Obj 1		Total	
	units	£	units	£	units	£	units	£	units	£	units	£
Acquisitions	40	2,846,345	5	377,500	45	3,223,845	40	2,785,326	5	377,500	45	3,162,826
Demolitions	0	0	47	332,710	42	332,710	0	0	42	174,791	42	174,791
Relocation Packages	9	225,000	0	0	9	225,000	9	225,000	0	0	9	225,000
Total	n/a	3,071,345	n/a	710,210	0	3,781,555	n/a	3,010,326	n/a	552,291	n/a	3,562,617

4.13 The Council has provided a re-profile to TVL which indicates that the full grant allocations will be defrayed by 31.03.11, however, the Council has indicated that if there is any delay in progress, the un-ring-fencing status means that it would look to carry some spend over into the following financial year.

4.14 At this pre-6 month stage in the programme there is a significant amount of grant allocation still to be defrayed.

5. SUMMARY OF INVESTMENT AND OUTPUTS IN QUARTER 1

5.1 This section provides a summary of total investment and outputs reported by schemes in Quarter 1 of the current financial year. This includes match funding and outputs. See Appendix 1 for more detailed information in tables.

- 114 acquisitions (49 on TVL assisted HMR schemes and 65 on non TVL assisted HMR schemes)
- 28 funded by HMR Pathfinder grant

- 21 funded by SHIP Objective 1 grant
- 65 funded by other public sources
- 5 demolitions all funded by SHIP Objective 1
- 6 relocation packages
- 5 funded by HMR and SHIP Objective 1 and 1 with other funds
- 60 new build (22 on TVL assisted HMR schemes and 38 on non TVL assisted HMR schemes)
- 51 private sector properties improved
- £10.2m public investment (of which £3.42m on TVL assisted HMR schemes and £6.77m on non TVL assisted schemes)
- On TVL assisted schemes £3.42m comprises £1.74m HMR Pathfinder grant, £1.49m SHIP Objective 1 and £0.18m other funding.
- £3.48m private sector investment of which £2.05m on TVL assisted schemes and £1.42m on non TVL assisted schemes

6. CONCLUSION

- 6.1 Councils have opted to continue to focus HMR resources on TVL approved HMR schemes this financial year. Re-profiles show that Councils do anticipate defraying all grant expenditure by 31.03.11. However, the greatest pressure on spend is in Stockton which at the end of Quarter 1 still had £3.5m grant to defray by 31.03.11. The Council understands that the un-ring-fencing announcement does provide some flexibility to carry over spend into the following financial year.

7. RECOMMENDATION

- 7.1 That the situation is noted.

Originator:	Jennine Nunns, Tees Valley Unlimited
Contact Tel:	01642 524435
E-mail:	Jennine.nunns@teesvalley-unlimited.gov.uk

QUARTER 1 OUTTURN: TOTAL INVESTMENT AND OUTPUTS FOR COUNCIL-LED HMR SCHEMES

APPENDIX 1

Acquisitions

ACQUISITIONS INFORMATION				
All completed acquisitions				
A1. Total number of properties acquired for pathfinder purposes (dwellings plus commercial) irrespective of how funded.	B1. How many of the total (in Column A1) were social sector housing	C1. How many of the total (in Column A1) were private sector housing	D1. How many of the total (in column A1) were commercial	
Total for Quarter (all schemes)	114	77	36	1

Of which HMR (CLG) grant funded					Of which SHIP Objective one funded				
A2. Of the total number of properties acquired for pathfinder purposes (as in column A1), how many were funded by HMR grant.	B2. Of the total properties acquired which were funded by HMR grant (as in column A2), how many were in social sector	C2. Of the total properties acquired which were funded by HMR grant (as in column A2), how many were in private sector	D2. Of the total properties acquired which were funded by HMR grant (as in column A2), how many were commercial properties	E2. What amount of the HMR (CLG) grant has been invested in each scheme to deliver the acquisitions in column A2	A3. Of the total number of properties acquired for pathfinder purposes (as in column A1), how many were funded by SHIP Objective one grant.	B3. Of the total properties acquired which were funded by SHIP Objective one grant (as in column A3), how many were in social sector	C3. Of the total properties acquired which were funded by SHIP Objective one grant (as in column A3), how many were in private sector	D3. Of the total properties acquired which were funded by SHIP Objective one grant (as in column A3), how many were commercial properties	E3. What amount of the SHIP Obj 1 grant has been invested in each scheme to deliver the acquisitions in column A3
28	5	23	0	1,660,782	21	10	10	1	1,286,828

other funds combined				
A5. properties acquired	B5. of which social sector properties	C5. of which private sector properties	D5. of which commercial properties	E5. Amount of other funds been invested to deliver these acquisitions in column A5.
65	62	3	0	613,641

Demolitions

DEMOLITIONS INFORMATION				
All completed demolitions (include only where financial completion occurred)				
List of Council-led schemes / estates where some form of clearance and subsequent redevelopment taking place	F1. Total properties demolished (dwellings plus commercial) irrespective of how funded.	G1. How many of the total (in Column F1) were social sector housing	H1. How many of the total (in column F1) were private sector housing	I1. How many of the total (in column F1) were commercial
Total for Quarter (all schemes)	5	1	4	0

Of which HMR (CLG) grant funded					Of which SHIP Objective one funded				
F2. Of the total number of properties demolished (as in column F1), how many were funded by HMR grant.	G2. Of the total properties demolished which were funded by HMR grant (as in column F2), how many were in social sector	H2. Of the total properties demolished which were funded by HMR grant (as in column F2), how many were in private sector	I2. Of the total properties demolished which were funded by HMR grant (as in column F2), how many were commercial properties	J2. What amount of the HMR (CLG) grant has been invested in each scheme to deliver the acquisitions in column F2	F3. Of the total number of properties demolished (as in column F1), how many were funded by SHIP Objective one grant.	G3. Of the total properties demolished which were funded by SHIP Objective one grant (as in column F3), how many were in social sector	H3. Of the total properties demolished which were funded by SHIP Objective one grant (as in column F3), how many were in private sector	I3. Of the total properties demolished which were funded by SHIP objective one grant (as in column F3), how many were commercial properties	J3. What amount of the SHIP Obj 1 grant has been invested in each scheme to deliver the acquisitions in column F3
				11255					158288
0	0	0	0		5	1	4	0	

other funds combined				
A5. properties demolished	B5. of which social sector properties	C5. of which private sector properties	D5. of which commercial properties	E5. Amount of other funds been invested to deliver these demolitions in column A5.
0	0	0	0	0

Relocation Packages

RELOCATION PACKAGES INFORMATION*				
List of Council-led schemes / estates where some form of clearance and subsequent redevelopment taking place	K1. Total non statutory relocation packages paid during Quarter (irrespective of how funded)	K2. Of total relocation packages in column K1, how many were 100% grant	K3. Of total relocation packages in column K1, how many were 100% loan	K4. Of total relocation packages in column K1, how many were part grant & loan**
Total for Quarter (all schemes)	6	5	0	1

Of which HMR (CLG) grant funded					Of which SHIP Obj 1 funded				
K5. Of total completed relocation packages in column K1, how many did HMR grant fund?	K6. Of total relocation packages which were funded by HMR grant, how many were 100% grant?	K7. Of total relocation packages which were funded by HMR grant, how many were 100% loan?	K8. Of total relocation packages which were funded by HMR grant, how many were part grant & loan?	K9. What amount of HMR grant has been invested in each scheme to deliver the relocation packages in K5.	K10. Of total completed relocation packages in column K1, how many did SHIP Obj 1 grant fund	K6. Of total relocation packages which were funded by SHIP Objective 1, how many were 100% grant?	K7. Of total relocation packages which were funded by SHIP Objective 1, how many were 100% loan?	K8. Of total relocation packages which were funded by SHIP Objective 1, how many were part grant & loan?	K5. What amount of SHIP Obj 1 grant has been invested in each scheme to deliver the relocation packages in K10.
3	2	0	1	72600	2	2	0	0	50000

other funds combined				
A5. relocation packages	B5. of which 100% grant	C5. of which 100% loan	D5. of which part grant/ loan	E5. Amount of other funds been invested to deliver these relocation packages
1	1	0	0	10400

New Build and Improvements

New build tenure									
Total new build completions both TVL assisted and non TVL assisted schemes	of which private	Of which affordable	of which total new build completions on non TVL assisted schemes	of which private	Of which affordable	Of which total new build completions on TVL assisted schemes	of which private	Of which affordable	
60	35	25	38	16	22	22	19	3	

PRIVATE SECTOR STOCK IMPROVEMENTS				NEW DATA REQUEST FROM 1.04.12
List of Council-led schemes / estates where some form of clearance and redevelopment taking place	No of private tenure properties improved*	No of properties taken to Decent Homes Standard**	No of properties receiving facelift / visual impact work	No of properties benefitting from DFG adaptations
	M1. Total number of private tenure properties refurbished, repaired or otherwise improved within or adjacent to clearance area where expenditure occurred during Quarter	M1A. Of total number of properties improved during Quarter (as detailed in M1), did this take any to decent homes standards and if so how many?	M1B. Of total number of properties improved during Quarter (as detailed in M1), how many received only external enveloping facelift / visual impact work?	M1C. Of total number of properties improved during Quarter (as detailed in M1), how many benefitted from DFG adaptations?
Total for Quarter (all schemes)	51	5	46	0
of which on TVL assisted schemes	51	5	46	0
of which on non TVL assisted schemes	0	0	0	0

Public and Private Investment

Total public sector funding defrayed in Quarter all schemes (TVL and non-TVL-assisted)	Total public sector funding in only TVL assisted schemes	Total public sector funding in non-TVL assisted schemes	Of which is other public sector funding on TVL assisted schemes	Of which is other public sector funding on non TVL assisted schemes
10,203,000	3,424,936	6,778,065	185,183	6,778,065

Private investment				
Private funding levered during Quarter through new build completions (based on developer's average build cost per completion)	Private funding levered via land receipts (where Council has received payment of land receipt during Quarter)	Total private funding levered in Quarter all schemes (TVL and non-TVL assisted)	Total private funding levered only TVL assisted schemes (match)	Total private funding only non TVL assisted schemes (indirect)
3,327,760	155,000	3,482,760	2,055,000	1,427,760

RSL-led HMR schemes¹

	Acquisitions Total no. of acquisitions completed in Quarter				Demolitions Total no. of acquisitions completed in Quarter			
List of RSL-led schemes / estates where some form of clearance & redevelopment is taking place	A. Total number of properties acquired for clearance purposes (dwellings plus commercial) irrespective of how funded.	B. How many of the total (in Column A1) were social sector housing * Decanted from existing occupied housing stock)	C. How many of the total (in Column A1) were private sector housing	D. How many of the total (in column A1) were commercial	E. Total properties demolished (dwellings plus commercial) irrespective of how funded.	F. How many of the total (in Column F1) were social sector housing	G. How many of the total (in column F1) were private sector housing	H. How many of the total (in column F1) were commercial
Total	2	0	1	1	18	18	0	0

Investment in acquisition, clearance & relocation assistance RSL investment	Investment in property improvements		Investment in environmental improvements
	All improvements	RSL investment	
I. What amount of RSL funding has been invested to deliver these acquisitions, demolitions and any relocation assistance.	J. Total number of homes that the RSL has refurbished, repaired or otherwise improved within those schemes where clearance is also part of solution	K. What amount of RSL funding has been invested to deliver these improvements	L. Amount of funding the RSL spent in last quarter to deliver environmental improvement works around sites being redeveloped. Exclude improvement to properties which is covered in Columns J & K.
226,978	0	5,443	0

¹ Grove Hill figures incorporated into Middlesbrough return and reported under Council-led scheme information

	New build completions (all type and tenure)	Construction of private market housing and private investment		Construction of affordable housing and contributions from NAHP, RSL own funds and private developers			
List RSL-led schemes / estates where some form of clearance and redevelopment taking place	L1. Have any new build units completed in Quarter - if so how many by scheme?	L2. Of total new build completions recorded for this Quarter, how many private market housing units?	L3. What amount of private investment has been captured via developer contribution to construction of private market housing completions reported in column L3. (Count the full contribution that has gone into each unit at this completion stage of the unit)*	L4. Of total new build completions recorded for this Quarter, how many were new affordable units? For Council-led HMR schemes (in green text below), how many affordable units have you completed on during Quarter in these schemes.	L5. What amount of HCA funding (currently HC / NAHP grant) has been invested to assist with construction of new affordable housing units as listed in column L5? (Count the full grant that has gone into each unit at this completion stage of the unit).	L6. What amount of RSL's own funds have been invested to assist with construction of new affordable housing units as listed in column L5? (Count the full contribution that has gone into each unit at this completion stage of the unit).	L7. What amount of private investment has been captured via developer contribution to construction of affordable units as listed in column L5. (Count the full contribution that has gone into each unit at this completion stage of the unit).**
Total	10	0	0	10	318,685	353,325	0

RSL partners are currently unable to report private investment from developer contributions.

Total investment reported by RSL partners (on RSL-led schemes)	£904,431
of which NAHP	£318,685
of which RSL	£585,746



Agenda Item 11

Report of:	Director, Tees Valley Living
Report to:	Tees Valley Living Board
Date:	16 th September 2010
Subject:	Revenue Budget Update 2010-11
Item for:	Decision

SUMMARY

1. The report summarises the current level of expenditure against the revenue budget for 2010-11 and identifies commitments for the remainder of the financial year. The Board is asked to consider a number of alternative approaches to allocating the reserves identified from earlier years.

1. PURPOSE OF REPORT

1.1 The report is intended to provide Board Members with an update of current expenditure against the TVL Revenue budget and to seek guidance as to how the Board would prefer outstanding revenue balances to be allocated for the remaining period of the financial year and if needs be into 2011-12.

2. BACKGROUND

2.1 Members will recall that, during 2008-11, CLG/HCA have awarded TVL an annual revenue budget of £330,000, to be employed in covering the operational costs of the TVL team and to assist in funding key elements of research. Although in previous years, TVL has had to claim the grant quarterly in arrears, it is understood that the revenue sum for 2010-11 will be paid in a single payment, which, as with the capital grant, will be un-ring-fenced, allowing a degree of latitude as to how the grant may be used.

2.2 In an earlier report, it was indicated that an audit of the revenue account had identified an un-spent reserve, resulting from delays experienced in receiving certain grant payments in previous years. It has now been established that this reserve amounts to approximately £100,000. Members may wish to consider alternative means of dealing with this residual revenue grant. While there are a number of 'research' projects to which grant could be directed between now and the end of the year, the imminent Spending Round announcements may give rise to other priorities requiring a revenue resource. It may be that a proportion of the reserve could be used constructively in 2011-12 to service emerging priorities. Some suggestions are offered below.

3. REVENUE EXPENDITURE APRIL-AUGUST 2010.

3.1 The table below identifies expenditure to date, and remaining revenue commitments for the balance of the year. It will be seen that little remains uncommitted.

TVL Revenue Budget 2010-11

	Expenditure	Commitments	Total
	Apr-Aug	Sept-Mar	
Salaries	76,919	107,685	184,604
Administration	42,320	44,800	87,120
Consultancy	26,500	31,500	58,000
Communication			
Total	145,739	183,985	329,724

3.2 Aside from salaries and the cost of administration, supplies and services, a sum of between £50,000-£60,000 has routinely been allocated for the

purposes of research. It will be noted that this year in the order of £58,000 has already been committed to research. Three commissions have been initiated:

- at a cost £9,150, the Audit Commission provided advice and guidance on the best means of taking forward recommendations in the 2009-10 TVL Performance Review. This work has influenced the manner in which TVL and partners have been developing strategic approaches to research, design, community engagement and value for money;
- a study into the impact of housing investment on the local economy, any noticeable adjacency and displacement effects on surrounding neighbourhoods and the wider urban area, and the housing needs of households the sub-region needs to attract to stimulate and sustain economic growth. Although jointly funded by the HCA, TVL's share of the £50,000 budget for the project is £35,000. To date, nearly £17,000 has been paid to the consultants;
- following recommendations of the Audit Commission, a review of TVL's costs incurred in acquiring and demolishing property and housing market renewal operational costs across partner authorities has been undertaken with a view to identifying efficiencies as the basis for a Value for Money Strategy and Efficiency Plan. Consultants, YC Change have been commissioned to lead on the preparation of the Value for Money Strategy at a cost of £13,500.

3.3 It will be noted that the budget does not allow for publicity or communication of landmark events or milestones of achievement.

4. REVENUE RESERVES

4.1 With the coalition Government's announcement on future spending allocations due in October, it may be expedient to await the outcome of the spending review before committing to further research until it is known whether there is a need to respond to new initiatives or whether further information/data are needed to underpin future action.

4.2 Over and above the spending review, there are a number of areas where further research would benefit Tees Valley Living, particularly in relation to the role of housing strategy in the transition to Tees Valley Unlimited.

Developing a Centralised Housing Data Hub

4.3 Members will recall the work carried out in recent years by TVL and its partners in improving the accuracy and consistency of housing data across the sub-region, to ensure greater confidence in the information available when making decisions on future housing policy. Whilst a fairly sophisticated system of information capture and collation is now in place, the next step of creating an 'automated' central repository for data has yet to be achieved. Although it has always been considered that expertise exists within partner organisations to develop the mechanics of putting such a hub in place, the project has never assumed the necessary priority over other essential functions to enable

further development. An alternative would be to commission external advice on how to set up a system which reconciles the various approaches to data collection adopted by partner Councils and enables the necessary data feed into a central hub without compromising the integrity of existing individual systems. A budget of £30,000 may be needed to develop the system, but additional hardware may be necessary in due course.

Funding Housing Regeneration

- 4.4 With increasing pressure on public finances and the current state of the housing market, the programme of delivering of market housing and affordable housing as a 'planning gain' from development has suffered significant set-backs. Following the scrapping of Regional Spatial Strategies and given Tees Valley's changing demographic profile, there is a case to review local housing targets to determine whether housing sites already in the pipeline are likely to be sufficient in terms of size, location and cost to provide the level of housing required. Individual Councils have carried out viability assessments of selected sites to determine how housing land can contribute to the provision of a range of 'public goods', including affordable housing. An exercise at sub-regional level would help clarify how 'residual value' in housing land, if any exists, can be used constructively to support on-going and new regeneration initiatives. Given the availability of recent work, it may be possible to have the exercise carried out for a budget of £50,000.

Building Research Establishment Housing Models

- 4.5 Some time ago, TVL commissioned the Building Research Establishment (BRE) to assess house conditions in individual local authorities using a model it had developed to avoid a full scale house condition survey being carried out. The BRE has developed the basic model further and has now used it in conjunction with other data to assess whether and to what extent funding on property improvement, particularly in the removal of category 1 hazards, can reduce the costs of accidents to the National Health Service. The model has been successfully piloted in Liverpool and, locally, Northumberland County Council is looking into the possibility of employing the approach as an alternative means of investing NHS funding. Stockton has been involved in discussions with NHS representatives to assess whether funding to remove tripping hazards and accidents in the home, would ease pressure on Accident and Emergency departments and lessen the need for long-term in-hospital care.
- 4.6 At a time when innovative approaches are being sought in the use of public funds, it may be appropriate to explore the opportunity presented by the model, accepting that the data available in Tees Valley will vary according to how recent is the information on house condition. Two stages would be involved in applying the model: the first requiring an update relative to the previous use of the model, followed by the assessment of savings to the NHS of investing in home improvement. A budget of around £50,000 may be needed to carry out the exercise.

An Evaluation of Tees Valley Living

- 4.7 At the end of a specific spending initiative, it is not uncommon to carry out an evaluation of the effectiveness of the organisation responsible for that spending and to determine whether achievements reflect an appropriate use of public funding. Although there is no particular requirement for such an undertaking as far as TVL is concerned, the Board may wish to have an independent assessment of its achievements and what it has contributed to the housing regeneration body of knowledge and practice. Such a commission could cost in the region of £25,000.

5. CONCLUSION

- 5.1 Whilst the current revenue budget is essentially fully committed, there TVL has scope to undertake further 'research' commissions which will help prepare the ground for further strategy development by Tees Valley Unlimited. Although there are a number of projects that could be commissioned in the near future, the Board may prefer to await the announcement of the next Spending Round in October to identify whether new priorities require more immediate attention.

6. RECOMMENDATIONS

- 6.1 That the Tees Valley Living Board considers whether or not to await the outcome of the next Spending Round before deciding on priorities for further investment on research.
- 6.2 If the Board considers it to be expedient to commission research work as a matter of priority, authority is delegated to the Tees Valley Unlimited Programme Group to initiate such work, priority to be given to working with the BRE to explore the potential for concentrating NHS funds into property improvement to avoid category 1 accidents, and to a Tees Valley-wide approach to capturing residual housing land value to support urban regeneration.

Originator:	Michael Mealing
Contact Tel:	01642 524434
E-mail:	mike.mealing@teesvalleyunlimited.gov.uk
