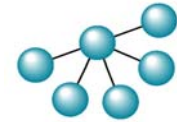


TEES VALLEY LIVING BOARD

**MEETING TO BE HELD AT 10.00 am ON FRIDAY 10th
OCTOBER 2008 IN THE BOARD ROOM AT CAVENDISH
HOUSE, TEESDALE, THORNABY.**

AGENDA.

1. Apologies for Absence
2. Notes of TVL Board Awayday 23rd July 2008
3. Transition to Tees Valley Unlimited Housing Board (verbal report)
4. Housing Market Renewal Quarter 1 and Quarter 2 Outturn
5. Confirmation of HMRF allocation 2009-10
6. Flexibility of Funding
7. Tees Valley Growth Point – Draft Programme of Development
(Covering item and report to follow on Wednesday 8th October)
8. Any Other Business



Tees Valley Living

Awayday 23 July 2008

Attendees:

Alison Thain – CEO Fabric RSL
Amanda Skelton – CEO Redcar and Cleveland
Angela Lockwood – CEO Endeavour RSL
Andrew Cain – Principal Housing Regeneration Officer
Middlesbrough Council
Cath Purdy – CEO HSSH RSL
Chris Smith – MD Erasmus RSL (part of Fabric)
Cllr David Budd – Cabinet Middlesbrough
Cllr Lynn Pallister - Cabinet Redcar and Cleveland
Donald Urquhart – English Partnerships
Iain Sim – CEO Coast and Country RSL
Jane Edmends – Housing Officer Stockton
Jennine Robson – TVL (programme monitoring officer)
Jim Darlington – ORE/GONE
Jim Johnstone – Director TVL
John Heywood – GONE
John Lowther – Director TVJSU
Julie Allport – Head of Housing Stockton
Mike Mealing – TVL
Natalie Wilkinson – Housing Officer Middlesbrough
Neil Cawson – Housing Corporation
Neil Etherington – Chair TVL
Pauline Mitchell – Head of Housing Darlington
Peter Scott – Director Hartlepool
Richard Buckley – TVR

Lee Shostak - Si
Rachael Thompson – Si

Introduction – Neil Etherington

Aims of the day are to:

- consider how TVL should fit into TVU and understand the aspirations of external partners;
- agree the basic principles about what TVU does and doesn't do;
- ensure that housing is appropriately represented within TVU and that necessary issues can be addressed; and
- explore the housing opportunities and challenges that face the Tees Valley.

Introduction: Lee Shostak

Tees Valley is seen as the leading sub-region in the country. The Tees Valley MAA is ambitious and the Government sees it as a national exemplar. The quality, range, and choice offered by the Tees Valley's housing stock is key to the future prosperity of the subregion. Our work today will provide the foundation for further decisions about how best to secure investment in the subregion's social and private housing stock.

The Government Agenda: John Heywood (see slides)

City regions are high on the Government's agenda and Government sees local authorities working together in MAAs as key instruments to devolve more power to city regions/subregional partnerships.

The HCA will commence operations on 12 December 2008. It intends to focus on programmes rather than projects. The HCA will be looking forward to having a "single conversation" with the HCA via Tees Valley Living, as part of Tees Valley Unlimited.

Tees Valley is one of five Growth Point areas confirmed in the North East. TVL will be invited them to bid for £200k to start developing the Growth Point delivery programme.

For the future, the Government is considering how best to build from recent experience with MAAs, LAAs and Growth Points. This may include widening the remit of the MAAs to feature some of the key challenges arising from climate change, particularly in relation to domestic energy use. Government consultation on this is likely in the autumn.

In discussion, participants were concerned that the credit crunch is likely to restrain our efforts to achieve our new homes housing targets. We could be seen as failing. It is important to focus on the period of recovery after the next targets 18-24 months. The Government's '16 July announcements' offers some support.

The HCA will spend some £5.5bn per year to achieve housing and regeneration objectives. TVU must state the housing needs of the sub-region and identify the resources required to address these. More freedoms and flexibilities on the use of HCA monies may be forthcoming. It should be remembered that the single conversation with the HCA is a two way process; the HCA will have clear objectives and will have expectations from the Tees Valley.

Action: It was agreed TVU must have a clear, refreshed statement of its housing objectives for the sub-region as a basis for a "single conversation" with the HCA in the Autumn.

The Tees Valley MAA: John Lowther (see slides and handout)

The presentation summarised the MAA. In discussion, participants asked what “reducing spatial polarisation meant.” Currently in the Tees Valley it is evident that the most deprived households are concentrated in the inner core of the subregion. This divide needs to be redressed through mixed communities and other initiatives.

Roles, Responsibilities and Structures: Jim Johnstone (see paper)

Issue 1: Retaining the TVL brand: Recommendation 1 to retain the TVL name to refer to TVU ‘housing’ board was agreed.

Issue 2: Defining strategic housing: Recommendation 2 to accept the ‘strategic housing function’ list as outlined in para 10 was agreed with the following required amendments:

- Definitions of need should include reference to “community needs;”
- More flexibility should be introduced; this is not a definitive list of but a suggested list of roles;
- Roles should only be undertaken “where appropriate” to avoid duplication.
- Aspects of some revenue funded activities (e.g. supporting people) may become sub-regional priorities;
- TVL should not only concentrate on social housing but should consider all sectors. TVL needs to shift its focus from housing need to housing opportunity.
- The link between housing and the economy should be reflected/
- TVL needs to shape and influence policy rather than simply aligning it.

What does ‘coordination’ of NAHP actually mean? TVL should be aggregating the components of sub-regional needs into a single narrative. Currently the LAs compete against each other for funding; however, the HCA will be encouraging LAs to work together. ‘Coordination’ needs to be understood as being aware of the big picture at the sub-regional level and not as control which could constrain local decisions.

Issue 3: TVL roles, responsibilities and organisational structure: Recommendation 3 to endorse the functions of the TVL board as stated in para 12 was agreed. It is also necessary explicitly to further define some of the roles. TVL will aggregate community feedback but it is the role of the LAs to directly consult their residents. It is necessary to further clarify the commissioning and coordinating roles.

Issue 4: Board Structure: Recommendation 4 to approve the TVL board structure as established in para 13-14 was agreed. Several issues were raised in discussion. There are concerns that there will be a conflict of interest if the HBF is a voting member. Advice could be sought from GONE to resolve this. Potentially the representatives could be advisors to board members rather than sit on the board directly. The governance of TVL will need to reflect that of TVU.

Issue 5: Board membership tenure length: Recommendation 5 regarding TVL board membership to be reviewed at funding agreements' expiry dates was agreed with the following amendment. The length of appointment of the chairperson needs to be reviewed and the Chair's performance should be reviewed on a regular basis.

Issue 6: RSL representation on the board: Recommendation 6 that RSL partners should select their own representatives was agreed.

Issue 7: Relationship between TVL and TVU Leadership Board: Several matters were raised in discussion. It will be necessary to establish procedures to resolve differences between the two Boards. Generally, it is expected that TVU should ratify what TVL and other boards do. The key delegations from TVU to TVL need to be agreed.

Action: Further work is required to clarify these relationships.

In addition, TVU needs to ensure that the key principles guiding the economic regeneration of the subregion are understood and embedded in the work of TVL and the other boards.

Issues 8 and 9: TVL structures below the TVL Board: Recommendations 8 and 9 regarding the two bodies, a Steering Group and a Forum were agreed. Some queries were raised. There was concern there will be duplication between the two groups. Ideally, the Steering Group should include RSL and private sector representatives but it was recognised that local authorities needed to meet on their own. The Forum should have structured meetings i.e. 3 times per year with agreed dates to ensure everyone attends. Paras 22-24 should be refined to state that the forum is not just a sounding board and should have a role to review and challenge the actions of the steering group and monitor its performance. A two-way free flowing dialogue is required between the two groups to propose and test new ideas.

Issue 10: Relationship between TVL, Directors of Regeneration Group and the Heads of Housing Group: Recommendation 10 as set out in Para 27 was agreed.

Issue 11: TVL's programme monitoring arrangements: Recommendation 11 to retain existing arrangements was agreed. It will also be necessary to ensure HCA requirements are taken on board i.e. HCA wants to work through TVL rather than individual LAs.

Issue 12: Strategic housing research programme: Recommendation 12 to reallocate role and terms of reference of the existing TVL Research Group to the new TVL Housing Forum was agreed. It is recognised that both the Forum and the Steering Group will specify a wide range of evidence requirements.

Issue 13: Groups below the TVU housing governance structure: Recommendation 13 that Housing Strategy Manager Group coordinates progress towards achieving Sub-regional Housing Strategy objectives was agreed.

Issues identified in the Audit Commission Baseline Assessment of TVL: Jim Johnstone (see slides)

The Audit Commission's draft assessment includes the following advice and recommendations for TVL:

Overall:

- V&V index could be a more effective monitoring tool
- There needs to be a better definition of future research needs

Place shaping:

- We need to ensure that the new housing meets the needs of existing residents and the needs of those working in growth industries. i.e. family/apartments etc?

Affordable homes and sustainable communities:

- We need to consider the increases in demand for social housing arising from the credit crunch.
- We need a Tees Valley wide approach to Section 106 agreements.
- We need to identify how best to secure improvements in the quality of the private rented sector stock.

Community cohesion:

- We need to better address the housing requirements of BME groups and migrants.

Delivery and impact:

- We need to improve environmental sustainability of existing stock.

Efficiency and effectiveness:

- Need to understand how to use Deloitte model.
- Utilise local labour agreements as these fit in well with skills and employment objectives.

Action: The Steering Group should examine how to respond to Audit Commission recommendations following when their final report is received.

Future Challenges Facing Tees Valley Unlimited

1. How will current market conditions affect the programme? What should TVL be doing about this?

How the credit crunch will impact on the Tees Valley needs careful consideration. Most purchasers are finding it difficult to secure mortgage finance. Developers are "mothballing" sites, and laying off staff. At this point, no one knows when mortgages will become available enabling the market to pick up and whether wider economic uncertainties will restrict demand. TVL needs both to explore

what actions can be taken in the short term to maintain housing starts and completions and whether TVL's medium term strategy requires modification.

In formulating a short term action plan and considering whether to modify TVL's medium term strategy, the following should be taken into account:

- TVL must maintain a clear focus on the key original principles guiding HMR – focus on placemaking, creating mixed communities, building high quality homes in high quality environments;
- TVL, as part of TVU, has entered into an MAA with Government with clear net housing targets – TVL must formulate proposals for discussion with Government on how these targets can be achieved;
- Each local authority is considering the position in their area and what actions to take (including the provision of mortgages, further shared equity schemes etc); TVL should draw these actions together into a single Tees Valley wide set of proposals for discussion with CLG and the HCA;
- It appears likely that when market conditions improve, there will be a “new normal” with different market conditions than have prevailed over the past decade;
- RSLs are experiencing significant pressure on their waiting lists (double the norm) from first time buyers not being able to get mortgages;
- NE is less reliant on s106 agreements to fund social housing (50% national vs 10% NE);
- Initial plans are underway for the HC to support the acquisition of 100 homes from private developers;
- RSLs will need to reconsider their development programmes given that many are predicated on using profits from sales disposals to fund social housing; in future, RSLs may play a stronger role in leading development projects;
- TVL should continue to promote public sector site acquisitions (demolish where appropriate and provide infrastructure – so that when developers do re-enter the market, TV is well placed to offer new development opportunities; and
- Generally, TVL will need to lead efforts to “de-risk” development opportunities – and share the “upside;” new forms of partnerships with private developers and RSLs may be required.

It was agreed to set up a TVL taskforce to prepare both a short term action plan, and consider TVL's medium term strategy in light of the credit crunch. This taskforce should include key RSLs, the Housing

Corporation and EP. Jim Johnsonsone to invite local authorities and RSLs to nominate staff for the taskforce and prepare Terms of Reference.

2. How do we respond to HCA's single conversation?

A 'single conversation' means taking a medium term whole view of the housing market and using funding flexibly to achieve agreed strategic objectives.

The Sub-regional Housing Strategy wasn't written for this purpose and therefore a new 'fit for purpose' document will need to replace this, subsuming relevant sections of the existing SRHS where relevant. TVL's document should start with a response to the short term credit crunch and then define the medium term aspirational objectives. The vision must be embedded throughout the document.

The RFA response will need to be integrated by February'09. Tees Valley should think how it will influence the region's investment over the next 10 years.

3. How does TVL develop the Housing Growth Point Initiative Delivery Plan?

Jim Johnsonsone should receive an invitation from GONE by 25 July to outline how they would use of £200k to prepare a detailed delivery plan. The TVL sub group which supported the Growth Point submission will do this. RSLs should also be involved if they are to become the principal developers in the sub-region.

4. How does TVL incorporate environmental sustainability into its thinking?

Fuel poverty has doubled in the NE in the last couple of years. Retrofitting improved insulation and other energy saving measures is one way to reduce the cost of running a home. Increasing the rate of stock replacement – replacing older homes with new energy efficient homes – also could play a larger role.

Some work is underway by the Boroughs. Redcar & Cleveland is formulating an ambitious programme. This work, however, has already identified the need for national legislative changes – or a commitment to pilot these changes in the Tees Valley – in order to make Combined Heat and Power (CHP) more attractive. Also, there is a need to concentrate new housing developments to secure the critical mass necessary to make CHP schemes viable.

Action: TVL does not currently have the capacity to lead TVL efforts on promoting a more sustainable approach to housing provision across the Tees Valley. . Jim Johnsonsone will make proposals to the Steering Group.

5. How should the TVL team be supplemented to address new responsibilities?

More generally, TVL may need to increase staff resources – from recruitment and/or secondments from the five local authorities and RSLs – in order to address the short and medium term challenges as set out above.

Action: Jim Johnson to make proposals to the Steering Group following discussions with local authority and RSL members of TVL.

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