

TEES VALLEY LIVING BOARD

Meeting held at Cavendish House, Thornaby at 5.00pm on Thursday, 21st January 2010

ATTENDEES

Cllr David Budd (DB)	Middlesbrough Council	Chair
Cllr Lynn Pallister (LP)	Redcar & Cleveland Council	
Cllr Steve Nelson (SN)	Stockton Council	
Stuart Drummond (SD)	Hartlepool Council	
Richard Buckley (RB)	Tees Valley Regeneration	
Cath Purdy (CP)	Housing Hartlepool	
Mark Leigh (ML)	Home Builders Federation	

OBSERVERS

C Munro (CM)	Homes & Communities Agency
Jim Darlington (JD)	One NorthEast
Diana Pearce (DP)	Government Office North East
Pauline Mitchell (PM)	Darlington Council
Dave Stubbs (DS)	Hartlepool Council
Ian Wardle (IW)	Redcar & Cleveland Council
Janine Turner (JT)	Middlesbrough Council
John Lowther (JL)	Tees Valley Joint Strategy Unit
Jim Johnstone (JJ)	Tees Valley Living
Michael Canavan (MC)	Tees Valley Living
Mike Mealing (MM)	Tees Valley Living
Jennine Robson (JR)	Tees Valley Living
Sarah Johnson (SJ)	Stockton Council

APOLOGIES

Julie Nixon (JN)	Stockton BC
Angela Lockwood (AL)	Endeavour Housing Association
Alison Thain	Tees Valley Housing/Fabrick

1 APPOINTMENT OF CHAIR

It was resolved that Councillor David Budd be appointed Chair for this meeting only.

2 CHAIR'S WELCOME AND DISCUSSION OF CURRENT MARKET CONDITIONS

The Chairman, DB, welcomed attendees to the meeting.

ML, Home Builders Federation, provided the Board with a summary of the current market conditions in the housing market. The key points were as follows:

- Early indications showed that 2009 had been a better year than 2008 with 2009 sales rates recovering slightly. The summer of 2009 had gone better than expected but a quiet run in to Christmas had raised some concerns. Early indications showed that visitor levels were returning in 2010.
- House builders were looking at sites selectively and there had been a move away from apartment only sites. Most member companies would consider apartments within a scheme of housing but the lenders were imposing higher demands for deposits on apartments, which is restricting sales.
- With regards to a general election it was recognised that this always created uncertainty and stagnation and member companies were preparing for this.
- It had been highlighted in a HBF report that homeowners were using less and less of their income for mortgage payments. Lending in Nov was 66% up on 2008 and 53,000 new loans had been approved.
- The consumer code will become mandatory on 1st April 2010.

CP, Housing Hartlepool, provided the Board with her summary of the current market conditions in the housing market. The key points were as follows:

- Demand was still strong, especially for shared ownership but access to finance was still an issue.
- The products and initiatives from the HCA had been successful particularly Time to Buy and Homebuy Direct. The RSLs had been looking at mortgage rescue also.
- Demand in the rented sector was also still strong. A lot

of schemes were coming through such as market rented and intermediate rented etc.

- In terms of kickstart, £50m for the region had been approved. 3 schemes were going ahead in the Tees Valley. For Homebuy direct £27.5m for 1050 units had been approved with 211 completions so far.

JR of TVL gave an overview of the TV housing market generally. It was noted that in quarter 2 of 2009/10 the average house price for the Tees Valley was £135,900 which was below the regional and national average. It had peaked at 138,000 in 2007/08. Semi detached and detached had the highest sales with a decline in the sales of terraced housing.

RESOLVED that the information be noted.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 NOTES OF THE MEETING HELD ON 8th OCTOBER 2009

The minutes of the meeting held on 8th October 2009 were agreed as a true record.

4 MATTERS ARISING

It was suggested that the Board should meet before the end of the financial year in order to look at the programme. It was agreed that the next meeting of the Board would be on the 25th March 2010. The meeting scheduled for 22nd April 2010 would be cancelled.

RESOLVED the information be noted.

5 AUDIT COMMISSION PERFORMANCE REVIEW OF TEES VALLEY LIVING

The Board was informed that Tees Valley Living had received a draft Performance Review from the Audit Commission (AC) for 2009 on 19th November. Tees Valley Living's (TVL) partner organisations had expressed their opinion on the content and had requested further discussion with the Audit Commission before the report was finalised.

It was noted that TVL had written to the AC taking issue with a number of gradings within the report. The AC had asked for evidence to support TVL's assertions. A further report with 76 appendices as supporting evidence, had been sent to the AC

on 24th December 2009.

A meeting was held on 4th January 2010 between the AC and TVL to discuss the areas of disagreement and TVL had since been upgraded to 'performing well'.

The Board was given details of the current position and some recommended courses of action in advance of a finalised Action Plan in response to the AC Performance Review recommendations.

RESOLVED that:-

1. The progress made in response to the Draft Audit Commission Performance Review of Tees Valley Living be noted.
2. The commissioning of a consultant's study to update Housing market Research as described in detail in paras R1.1-1.5 of Appendix 2 to the report be approved.
3. Approval be given to other complementary research being undertaken in-house.
4. An interim review process of the programme be undertaken as described in paras R2.1 in appendix 2 of the report.

6 TEES VALLEY HMR PROGRAMME UPDATE & KEY ACTIONS

Board Members were presented with a report relating to the Tees Valley HMR Programme. The purpose of the report was to:

- Provide the Board with an update on progress of the HMR Programme as at the end of Quarter 3 of the current financial year;
- Seek Board approval on arrangements in place for virement of HMR (HCA) grant funding between TVL-assisted HMR schemes and changes in outputs;
- Make recommendations to the Board on actions appropriate to ensure delivery of targets for the current financial year;
- Consider what key actions were necessary for preparing the programme for the next financial year (2010-11), including monitoring of additional output and

outcome indicators which were required by HCA.

- Make recommendations to the Board on actions necessary to implement an Interim Review and Appraisal of the HMR Programme which will help prepare the programme for 2010-11 and help to identify investment priorities for the next funding round.

It was noted that the HCA had confirmed that each Pathfinder would be allocated 100% of the indicative 2010-11 budget for the HMR Pathfinder grant that was announced by CLG in Spring 2008. The budget for TVL for 2010-11 was £10m (£0.33m revenue and £9.67m capital).

RESOLVED that:-

1. The adjustments in HMR (HCA) Pathfinder grant allocations for 2009-10 as set out in paragraph 4.5 and Table 1 of the report be approved;
2. The approach described in paragraphs 4.6 to 4.8 of this report in relation to putting in place suitable safeguards to ensure programme level grant expenditure and output targets for 2009-10 are achieved, be approved;
3. The progress made in Quarter 3 as highlighted in section 4 of the report and the balance of grant expenditure and outputs to be achieved in the final Quarter be noted;
4. The approach set out in paragraph 5.4 of the report in relation to movement of SHIP funds between different Objectives be approved;
5. The proposed approach described in paragraphs 5.7 to 5.12 in the report in relation to preparation of profiles for 2010-11 for both TVL-assisted and non-TVL assisted HMR schemes and the deadlines set for these, be endorsed;
6. The proposed approach set out in the report in section 6 in relation to the Interim HMR Programme Review and Appraisal be supported.

7 TEES VALLEY SUB REGIONAL HOUSING STRATEGY PROGRESS UPDATE

The Board was provided with an update of progress on the

preparation of the Sub Regional Housing Strategy.

It was explained that Heads of Housing and the Housing Strategy Managers groups, had agreed that, while the draft Strategy in its current form offered a comprehensive package of action required in the future, all aspects of which would need considerable attention in due course, the present exercise would benefit from an element of prioritisation. More attention was, therefore, to be given to the preparation of an Action Plan to complement the overall Strategy, identifying where the focus of early actions should be, and setting out how funding priorities would be addressed.

The Directors of Regeneration group had also recommended that the overall report needed to be considerably reduced in size and should be less than 30 pages in length. The content should be more focussed around addressing the major challenges and it should also be accompanied by a detailed Action Plan which could be updated annually.

It was noted that the edited draft of the Strategy would be presented to the Board at its meeting on 25th March 2010.

RESOLVED that a further draft of the Tees Valley Sub-Regional Housing Strategy, including preliminary Action Plan and Executive Summary, be received at the meeting on 25th March 2010.

8 TEES VALLEY GROWTH POINT PROGRAMME OF DEVELOPMENT 2009/11 PROGRESS UPDATE

The Board considered a report that provided information on the current position with regard to the implementation of the Tees Valley Growth Point (GP) Programme of Development (PoD).

It was noted that the key issue emerging was the 25% cut of the capital programme for the next financial year across the budget for all 75 GPs nationally. The cut in Growth Point funding resulted in the Tees Valley allocation falling, from £6.2 million up until 10/11 to £4,855,790. The cut would be taken from year 2 capital funding.

Board Members' attention was also drawn to the emerging issues with regard to the volume of work required and the potential costs of the mandatory Flood Risk Assessment work associated with the GP PoD.

It was informed that the revised year 2 programme would be

considered at the Boards meeting on 25th March 2010.

RESOLVED that progress be noted.

9 HMR REVENUE BUDGET 2009/11

The Board considered a report that identified funding that may be available to undertake an element of necessary research and to support the completion of the Sub Regional Housing Strategy.

It was explained that in its 2009 Performance Review of Tees Valley Living the Audit Commission identified a number of strategic knowledge gaps, the foremost of which were an understanding of the impact of the housing market renewal programme in terms of adjacency and displacement, and an appreciation of the housing aspirations/requirements of the households the market renewal initiative was attempting to attract into housing redevelopment areas, to ensure that appropriate housing replaces that being demolished.

The Tees Valley Strategic Housing Market Assessment, 2009 indicated that further work was required to better understand the role and character of the Private Rented Sector in Tees Valley.

It was noted that the HCA was currently trying to re-negotiate with Government on capital projects to vire money between one funding stream to another.

RESOLVED that:-

1. The Regional Private Rented Sector Study be supported with a contribution of £5,000 to increase the number of face-to-face interviews conducted as part of the commission;
2. Consultants be commissioned to assess the impact of the TVL HMR programme, particularly in terms of displacement and adjacency, and to investigate the housing needs of the various groups that the partnership aims to attract into the HMR intervention areas, with £4,500 allocated in 2009-2010 and a maximum of £30,500 in 2010-11.

10 MERGER OF TVR/JSU/TVL INTO TVU

The Director of Tees Valley Joint Strategy Unit provided the Board with an update on progress in relation to the merger into

Tees Valley Unlimited.

Consultants had been appointed to produce proposals on how the merger into TVU would work. They would also be looking at the governance of TVU in terms of the roles of the private sector members and also the roles of the various sub boards. The proposals were expected to be available for consultation by the end of April.

It was reported that John Rundle, Deputy Director for the Economy (GONE) had been seconded to the JSU to work with the Tees Valley Chief Executives to ensure involvement throughout the process. It was suggested that the Chair and the private sector Board Members of the TVL Board should meet with John Rundle independently to discuss the merger.

In terms of the ongoing development of the Business Case the Board was informed that the recent workshops that had been held had been useful. It was proposed that a high level document be produced to set out the vision of the Tees Valley and this would be supported by a series of delivery plans. A draft of the Business Case would be presented to the Board once available.

RESOLVED that the information be noted.

11 ANY OTHER BUSINESS

Change of meeting date

It was agreed the Board's next meeting should be at **5pm on Thursday 25th March 2010** at Cavendish House, in order that the revised HMR Programme and Growth Point PoD for 2010/11 can be approved before the commencement of the Financial Year.

It was noted that the scheduled meeting on 22nd April was therefore cancelled.