

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

24 APRIL 2008

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

**Regeneration & Transport – Lead Cabinet Member - Councillor Cook
Housing & Community Safety – Lead Cabinet Member – Councillor Nelson**

TEES VALLEY GROWTH POINT STATUS BID

1. Summary

This report advises Members of the Tees Valley's bid to the Department for Communities and Local Government for Growth Point status and summarises the potential next steps if the bid is successful.

2. Recommendations

1. Members endorse the bid and agree that a further report with a detailed delivery plan be approved by Cabinet in the future if Growth Point status is awarded.

3. Reasons for the Recommendations/Decision(s)

Growth Point status will contribute to the overall economic regeneration of the Tees Valley, improve the housing offer available and attract significant external funding through the Community Infrastructure Fund.

4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same

purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;

- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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SUMMARY

This report advises Members of the Tees Valley's bid to the Department for Communities and Local Government for Growth Point status and summarises the potential next steps if the bid is successful.

RECOMMENDATIONS

1. Members endorse the bid and agree that a further report with a detailed delivery plan be approved by Cabinet in the future if Growth Point status is awarded.

DETAIL

1. On the 2nd November 2007, the Tees Valley Local Authorities submitted a bid to the Department for Communities and Local Government (CLG) to be designated Growth Point status. 28 bids have been made nationally and all of them are currently still being considered. A decision on the bid was originally anticipated in mid February and has now been delayed several times. It is now anticipated during May.
2. The requirement for Growth Point status is for the Tees Valley to build at least 20% more new homes than the approved Regional Spatial Strategy target for the period to 2016. To put this into context, the Tees Valley sub region as a whole must increase its annual house building completions from 2,200 per year to 2,600.
3. The Tees Valley Growth Point bid is complimentary to the approved Tees Valley Living Housing Market Renewal Strategy. It can most accurately be described as an accelerated development programme, which identifies key infrastructure investment necessary to speed up the development of the city region. It maintains the focus on the core of the city region as the priority area for development.
4. If the bid is successful, the Tees Valley will receive funding from the Community Infrastructure Fund to enable accelerated and increased housing delivery. Although more detail on this is still awaited from the CLG, it is known that the first tranche of funding, £200million nationally, is for transport projects. This will be followed by the main funding pot to fund site assembly costs including contamination, infrastructure and environmental improvements. The main pot of funding available is £1.7billion nationally and is to be shared between the existing 29 Round 1 Growth Point areas and the successful Round 2 areas once announced. Although it is still not known how much the Tees Valley could be allocated, it has been estimated that the initial transport fund could be in the region of £12m to £20m.

5. Growth Point status will also provide the opportunity for more affordable homes for sale and rent as it is the Council's policy for developers to provide 15% affordable homes on all sites over 15 units.
6. The Growth Point bid is still very much work in progress. As part of the submission the Tees Valley Local Authorities were required to provide details of a range of indicative sites with the potential to accelerate and increase housing completions. The Stockton Borough sites were:
 - North Shore
 - Green Blue Heart
 - Northern Gateway
 - Bowesfield Riverside
 - Allens West
 - Stockton Riverside
7. The indicative sites included were those which were known to be being brought forward for development up to the period 2016. The identification of the sites was to demonstrate that the sub region could deliver an accelerated and additional housing development programme in order to seize the opportunity of the invitation to bid. The bid contained a clear caveat that all sites would be subject to due diligence and their inclusion as part of this initial expression of interest stage would not prejudice the planning process or mean they would be part of the final approved programme.
8. If successful, the next stage will be to start reviewing in more detail the feasibility of the sites listed and make any necessary amendments to the programme in light of any change in circumstances and potential new sites identified in the developing Strategic Housing Land Assessment (SHLA). As part of this process, the individual Ward Members for all of the proposed sites would be consulted.
9. The allocation of the Community Infrastructure Fund would be managed through the Tees Valley Unlimited structure. Further details on this will be reported to Cabinet in the future if successful.

FINANCIAL IMPLICATIONS

10. There are no financial implications to the Council. The success of the bid will bring additional external funding into the Council.

LEGAL IMPLICATIONS

11. There are no legal implications at this stage.

RISK ASSESSMENT

12. There is a risk that successful delivery of the required housing growth is affected by the current down turn in the housing market and credit crunch. Similarly, care will need to be taken to ensure that meeting the housing growth targets does not threaten the viability of key sites due to competition from the accelerated sites. These issues will be closely monitored as the programme develops. Risks categorised as medium.

COMMUNITY STRATEGY IMPLICATIONS

13. Growth Point status impacts on the Economic Regeneration and Transport and Liveability key policy platform areas of the Sustainable Community Strategy. It will provide a much improved housing offer which encourages more people to live in the heart of the city region.

It will reduce our carbon footprint through the construction of low energy homes and improving the viability of public transport.

CONSULTATION INCLUDING WARD/COUNCILLORS

14. All of the Tees Valley Local Authority Leaders/Mayor were asked to submit a letter of support to the CLG as part of the submission process. The Cabinet Members for Regeneration and Transport and Housing and Community Safety were briefed when the bid was submitted. A copy of the full bid has been provided in the Members Library as part of the Forward Plan consultation process.
15. The North East Assembly provided a report to the CLG confirming its support for the Tees Valley and other North East bids as part of the submission process. In doing so, the Assembly consulted with Government Office for the North East, One North East, English Partnerships and Housing Corporation.

Name of Contact Officer: Sharon Thomas

Post Title: Housing Regeneration Manager

Telephone No. 01642 526073

Email Address: Sharon.thomas@stockton.gov.uk

Background Papers None

Ward(s) and Ward Councillors: All

Property Some of the sites within the bid are in Council ownership but already identified for development.