

TEES VALLEY LIVING BOARD

Meeting held at Cavendish House, Thornaby at 5.00pm on Thursday, 16th July 2009

ATTENDEES

Neil Etherington (NE)	Tees Valley Living	Chair
Richard Buckley (RB)	Tees Valley Regeneration	
Angela Lockwood (AL)	Endeavour Housing Association	
Alison Thain (AT)	Tees Valley Housing/Fabrick	
Mark Leigh (ML)	Home Builders Federation	
Cllr Steve Nelson (SN)	Stockton BC	

OBSERVERS

Diana Pearce (DP)	Government Office North East
Julie Nixon (JN)	Stockton BC
Andrew Cain (AC)	Middlesbrough BC
Ian Wardle (IW)	Redcar & Cleveland BC
Pauline Mitchell (PM)	Darlington BC
Jim Darlington (JD)	One NorthEast
Jim Johnstone (JJ)	Tees Valley Living
Mike Mealing (MM)	Tees Valley Living
Jennine Robson (JR)	Tees Valley Living
Sarah Johnson (SJ)	Stockton BC

APOLOGIES

Stuart Drummond (SL)	Hartlepool BC
John Lowther (JL)	Tees Valley Joint Strategy Unit

1 CHAIR'S WELCOME AND DISCUSSION OF CURRENT MARKET CONDITIONS

The Chairman, NE, 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

- The past couple of months had been fairly stable with no further significant price deterioration. The first sign of the quieter summer period were evident but it was hard to define if this was a further decline of the market. A comparison of visitor levels and sales had been made and the results were similar to past years.
- Member companies had been experiencing problems with valuations and some had been challenged and over turned. The new builds were taking the brunt of the valuations issue. It was noted that lenders criteria was significant and varied between lenders. Transactions had been so low that it was difficult to produce a meaningful comparable.
- There hadn't been any notable changes in new mortgage terms. There was massive disparity between the lenders and many were not passing the interest rates on. Negative equity was still a problem with people selling houses at a loss.
- Companies could only continue building on certain sites for so long before new sites and projects would need to be looked at in order for them to stay in business. It was likely that Member companies would soon be having discussions with Local Authorities on individual sites. It was becoming evident that Local Authorities had been involving the District Valuer in schemes in order to establish viability.
- All Member companies had made a submission to the kickstart scheme and were awaiting the results. Member companies had reported welcome flexibility from the HCA for Homebuy Direct.

AT, Fabrick, provided the Board with a summary of the current market conditions in the housing market. The key points were as follows:

- The extra £1.5 billion for housing announced by the Government was positive. It was important to support the HCA team to make the case for this region.
- In terms of the Homebuy scheme there had been concerns over how the outcomes would be achieved. A lot of the schemes had not yet been built.
- In terms of the kick start scheme, all sites were half finished. It was noted that a discussion on the strategy was needed.
- It was considered that a more 'joined up' approach was

needed between the associations.

AL, Endeavour Housing Association, provided the Board with a summary of the current market conditions in the housing market. The key points were as follows:

- The amount of money allocated regionally through the HCA was an issue. It was considered that a strong lobby from the Housing Associations was needed in order to increase the allocation.
- The shared ownership scheme at the development in rural Teesdale had sold straight away and there was currently a waiting list.
- It was considered that research into the best tenure mix on a site was needed.

It was noted that more bidding would be taking place for the kick start scheme. A mini bidding round would be taking place in September.

RESOLVED that the information be noted.

2 DECLARATIONS OF INTEREST

Mark Leigh declared a personal non prejudicial interest as his employer was involved in the North Central Hartlepool Site.

3 NOTES OF THE MEETING HELD ON 7TH MAY 2009

The minutes of the meeting held on 7th May 2009 were agreed as a true record.

4 MATTERS ARISING

Credit Crunch Task Force – It was noted that a meeting of the task force had taken place. It was considered that the HCA had shown support for the Tees Valley and the flexible approach being taken. A working group had been convened to take the work further. AT, noted that there needed to be a more collective view on the housing offer as it was too fragmented. JJ advised that the HCA were keen to do some scenario planning which should help put forward a clear strategy. A meeting to discuss the strategy and investment plan was planned for the following week.

TVL Structure - The Board noted that a discussion on where TVL would sit within the new TVU structure had not yet taken place. JJ informed the Board that discussions on the new structure would be taking place in September and that he would communicate this to the next Board meeting for discussion.

Private Sector Landlords – The issue of the private rented sector

had been discussed at the last meeting. It was considered that the private rented sector could be a research topic for the future.

5 END OF Q1 REPORT FOR 2009/10 HMR PROGRAMME

The Board was provided with a summary of the end of Quarter 1 outturn for Tees Valley Living (TVL) assisted Housing Market Renewal (HMR) schemes. The update was based on information collated from Councils week commencing 6th July and would form the basis of the claim to the Homes and Communities Agency (HCA).

It was noted that the public and private investment figures would be available at the end of the month and would be circulated to the Board.

RESOLVED that the information be noted.

6 TEES VALLEY SUB REGIONAL HOUSING STRATEGY

Consideration was given to a report that highlighted the progress being made by Tees Valley Councils, Tees Valley Unlimited and Tees Valley Living towards the preparation of a replacement Sub Regional Housing Strategy. The Board was given details of slippage in the programme of preparation. It was explained that it was unlikely that a replacement draft would be available for the Board to consider at its meeting in October, but that an extended timetable to allow for reporting to the Board at its meeting in January 2010 was realistic.

RESOLVED that the delay in the process of preparing the replacement Tees Valley Sub-Regional Housing Strategy be acknowledged and the completed version be presented to the Board at its meeting in January 2010.

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

It was explained that Tees Valley had been awarded the sum of £6.2m for expenditure in 2009/11 to promote "growth" in housing development within the five Boroughs, over the period to March 2017. There were a number of compulsory projects specified in the award of the grant. The remainder of the grant was to be allocated to promote housing development and increase output. No further external approvals were required by CLG, HCA or GONE.

The Tees Valley Growth Point Programme of Development had been approved by the Tees Valley Living Board on 25th March. The Board was given an account of progress to date against the approved Year 1 projects.

The Boards approval was sought for a scheme of delegation to allow changes to the programme to be authorised by the Growth Point Officer Working Group. This was seen as necessary because of the dynamic nature of the projects involved and due to the potential for

delay should all such changes require the approval of the Board, which was scheduled to meet quarterly.

It was suggested that changes would be authorised by the Growth Point Officer Working Group, subject to financial thresholds, above which the responsibility would devolve to the Directors of Regeneration. Disputes would be decided by the Directors.

RESOLVED that:-

1. The Programme of Development progress be noted.
2. The Scheme of Delegation to alter the programme as detailed above be approved.

8 HMR REVENUE BUDGET 2009/11

The Board considered a report on the HMR Revenue Budget for 2009/11. The report gave details of the level of revenue funding available to Tees Valley Living during 2009-10 and outlined the key heads of expenditure to which revenue funding had been applied. It was highlighted however that, because of the review of regeneration and strategic housing functions being carried out at present, a further detailed report to the Board would be necessary once a clearer picture of staffing, research and P.R. needs had been established.

RESOLVED that the information be noted.

9 PROJECTING AND MONITORING & HOUSING DELIVERY

The Board was presented with a report that provided an update on progress towards the creation of a comprehensive and dynamic Tees Valley Housing sites database, informed by up-to-date market intelligence.

It was explained that as a preliminary to embedding market intelligence into the workings of the database, TVL and the JSU had prepared a document summarising a range of key indicators of the state of the housing market. The Board was presented with a copy of the document. It was intended that subsequent versions would be prepared on a six monthly basis in order to track the direction of markets and flag up where policy responses may be required.

Consultation on the content and value of the market intelligence report would be undertaken in the next few weeks and the Councils' Development Plan Managers, TVL and TVU would be reviewing the trajectory of housing provision across the sub region in order to reflect market conditions in future delivery and plan to maximise the number of houses brought forward in the immediate and longer term.

It was expected that by the next meeting of the Board in October the basic process would be in place, the database would be operational and revised targets for housing provision would be available, following appropriate consultation with stakeholders.

It was requested that the report be placed on the TVU website. It was noted that more work needed to be done with the house builders. ML, Home Builders Federation, agreed to circulate the report to the HBF Group.

The Board congratulated TVL Officers on the report.

RESOLVED that the information be noted.

10 AUDIT COMMISSION UPDATE

The Board was provided with an update on recent and pending Audit Commission visits.

The Audit Commission was carrying out a review of Innovation and Market Response to explore how Housing Market Renewal (HMR) pathfinders were responding to latest market conditions.

The Audit Commission visited the Tees Valley on 10th July 2009 to gain a fuller understanding of how the Tees Valley was responding to market conditions. It was considered that the visit went well.

It was noted that the Audit Commission would be undertaking a Performance Review in August 2009 to review progress towards recommendations emerging from the baseline review in 2008. The Board was given details of the areas that were currently being taken forward.

The Board discussed the pathfinder and it was agreed that each Council should provide an update on what they were currently doing.

The Board also discussed the current position of TVL. It was noted that TVL were currently working on a contract that expired on 30th September. JJ explained that TVL were currently being reviewed as part of TVU and it was expected that the position would be clarified as part of the recommendations coming from this. The review was being led by the Chief Executive of Stockton Council as lead Authority for TVU. Members of the Board agreed that the contract of TVL should be renewed until 31st March 2010 and that the Chief Executive of Stockton Council should be advised accordingly.

RESOLVED that:-

1. The information be noted.
2. The contract of TVL be renewed until 31st March 2010 and the Chief Executive of Stockton Council be advised accordingly.

11 ANY OTHER BUSINESS

None.