

TEES VALLEY LIVING BOARD

Meeting held at Cavendish House, Thornaby at 5.00pm on Thursday, 8th October 2009

ATTENDEES

Neil Etherington (NE)	Tees Valley Living	Chair
Cllr David Budd (DB)	Middlesbrough Council	
Angela Lockwood (AL)	Endeavour Housing Association	
Cath Purdy (CP)	Housing Hartlepool	
Mark Leigh (ML)	Home Builders Federation	

OBSERVERS

Neil Cawson (NC)	Homes & Communities Agency
Julie Nixon (JN)	Stockton BC
Derek Gouldburn (DG)	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
Mike Mealing (MM)	Tees Valley Living
Jennine Robson (JR)	Tees Valley Living
Sarah Johnson (SJ)	Stockton Council

APOLOGIES

Cllr Lynn Pallister	Redcar & Cleveland Council
Pat Ritchie	Homes & Communities Agency
Neil Pickering	Homes & Communities Agency
Alison Thain	Tees Valley Housing/Fabrick
Richard Buckley	Tees Valley Regeneration
Cllr Steve Nelson	Stockton Council
Diana Pearce	Government Office North East
Jim Darlington	One NorthEast
Kevin Parkes	Middlesbrough Council

1 CHAIR'S WELCOME AND DISCUSSION OF CURRENT MARKET CONDITIONS

The Chairman, NE, welcomed attendees to the meeting. The Chairman reported that Julie Jacques and Donald Urquhart had now left HCA. The Board wished to note their thanks for the contribution to the work of TVL made by both officers over the past six years.

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:

- Certain groups of house builders had reported that the summer period had gone better than expected. Visitor levels had dropped but the number of people moving had been maintained and was still comparable to the figures from 2/3 years ago.
- The Homebuy Direct Scheme had been helping along with house builders own initiatives such as partial deposits.
- Those who were relatively 'cash rich' were deciding not to buy/sell and there were still relatively few people investing.
- They had been seeing 80% loan to value on a 10 year old house and 90% loan to value on an identical brand new house. Valuing was being done to second hand prices and the same price as new builds, Deposits required were also still an issue.
- On the regulatory side new criteria had been issued which had had a knock on effect on development liability and many were liaising with Local Authorities.
- It was acknowledged that although many jobs had been lost very few contractors had gone out of business. Many sites were back in production on a limited basis.

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

- The HCA financial allocation the region had received had been a boost.
- There appeared to be a lot more confidence in mixed tenure areas and Homebuy Direct was becoming more successful.
- There was concern that there was a lack of understanding about certain products such as intermediate rent.

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:

- It was difficult to generalise as markets were different across the region and sub region.
- The development in rural Teesdale had proved very popular and had sold in days.
- New apartments for rent had been handed over in Hartlepool and Darlington and had been very successful. Families had also been moving into the rented accommodation.
- It was considered that more money needed to be on the table for repossessions and the Housing Associations were taking this to the sub regional housing group.
- Rent reductions were expected to be implemented in April which would have an impact on the amount of money available to invest in the Housing Associations.
- The mini bidding round had been successful and was two and a half times over-subscribed.

NC, Homes and Communities Agency, provided the Board with a summary of the current market conditions in the housing market. The key points were as follows:

- After a quiet 3 months things were starting to pick up. Completions had been extended to the end of June. The eligibility for the Homebuy Direct Scheme had been relaxed on the sites.
- HCA were looking to broaden delivery of mortgage rescue and the Chief Executive had written to the RSL's asking for more to come on board.
- The two schemes involved in Kickstart had been successful and a number of schemes were going into round 2. Just over 100 across the region were in the mini bidding round.
- The HCA were hoping for some positive news on the Gypsy and Travellers Site Grant.
- Property valuations and the availability of mortgages were still issues.

RESOLVED that the information be noted.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 NOTES OF THE MEETING HELD ON 16TH JULY 2009

The minutes of the meeting held on 16th July 2009 were agreed as a true record.

4 MATTERS ARISING

Private Rented Sector Research – It was noted that this would be taken to the Housing Forum as an area of further research.

RESOLVED the information be noted.

5 MERGER OF TVR/JSU/TVL INTO TEES VALLEY UNLIMITED – PROGRESS REPORT

The Board was given details of the proposed merger of Tees Valley Regeneration (TVR), Tees Valley Living (TVL) and the Joint Strategy Unit (JSU) into Tees Valley Unlimited.

Tees Valley Regeneration was due to be wound up as a company by the end of March 2010. A report had been submitted to the 5 Local Authorities' Cabinets setting out the principles of the TVU delivery element. It was noted that delivery of the housing programme was still being resolved.

Consultants had been commissioned to produce a brief to identify the functions to merge TVR, TVL and JSU into one organisation. The brief was due to be approved by the Chief Executives of the Local Authorities in the next week. The structure and governance of the TVU Sub Boards would also be looked at and included.

It was expected that consultants would be procured March/April time to produce a report for consideration around October 2010. It was noted that dealing with the issue of less resources was important.

Members of the Board requested the opportunity to contribute to the process.

RESOLVED that the information be noted.

6 MANAGING TEES VALLEY HOUSING MARKET RENEWAL PROGRAMME 2009-11

Members of the Board were provided with an update of progress on the HMR programme. Details of a number of emerging pressures and issues with implications for the future of the Programme were given.

The Board discussed virement for Stockton Council. JN, Stockton Council, advised that two commercial acquisitions were expected to go through. JN noted that it was important not to leave it to the last minute and risk not spending. Stockton's Cabinet needed to be advised that the funding was there. It was noted that Stockton were expected to declare their position on 5th November then the process to vire funding between Councils would commence after this.

It was noted that concerns over the 10% flexibility would be taken to the MAA Board.

The Board discussed the importance of being able to tell the story of the impact better and conducting some quick research in order to

get key messages across.

RESOLVED that:-

1. The progress made in Quarter 2 be noted and a summary update be received once final results have been received from individual Councils and collated for forwarding to Homes and Communities Agency by way of the quarterly claim against the Housing Market Renewal Fund.
2. The principle of virement be agreed between projects if this is deemed necessary, and where it is shown that partner Councils to which funds are to be vired have the capacity to accommodate additional expenditure within this current year, and that Councils from which funding is taken in 2009-10 are capable of fully spending the additional funding they will receive in 2010-11.
3. Partner Councils prepare delivery profiles for 2010-11 based on the availability of both 90% and 100% of the 2010-11 Housing Market Renewal Fund allocation.
4. Councils be asked to identify job creation and training and education opportunities that may be generated by the use of Housing Market Renewal Fund grant in order to respond to anticipated requests from the Homes and Communities Agency in advance of confirming the withheld proportion of 2010-11 grant.
5. Councils consider opportunities for innovation and collaboration in the use of Housing Market renewal Fund grant.
6. In relation to the reduction in the Single Housing Investment Pot in 2010-11, the Board advises the North East Housing Board that it supports the proposal that the 2010-11 allocation for each sub-region should be reduced by 20% but considers that decisions on the allocation of funding within sub-regions should be made locally by partners within each sub-region.
7. Councils be asked to prepare delivery profiles in the light of the anticipated 20% reduction in the Single Housing Investment Pot.
8. The Board acknowledges the need of Hartlepool Council and Stockton Council to protect future funding so as to be able to seek powers of compulsory purchase where this is necessary to complete the acquisition of property in a timely manner, and agrees to support Councils with such funding as is possible.
9. The outcome of the interim review be noted and support for

the approaches proposed as the basis for further work in forward planning and programming, to underpin future bids for funding in the next spending round, be supported.

7 TEES VALLEY SUB REGIONAL HOUSING STRATEGY PROGRESS UPDATE

The Board was provided with an update on the progress being made on the preparation of the replacement Sub-regional Housing Strategy. Details of the work programme proposed between the present time and the Board's meeting on the 21st January 2010 were given. The final draft was to be presented to the Board at its meeting on 21st January 2010.

The key issues identified as relevant to the replacement strategy were highlighted to the Board, in order to provide an indication of the essential elements that were shaping thinking over the direction of strategy/policy.

The Board commented that it was important to look at the role housing plays in regeneration. It was also commented that some work needed to be done on the private rented sector and working with landlords to raise expectations.

RESOLVED that progress on the replacement Sub-Regional Housing Strategy be noted.

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).

The Board was informed that the key issue emerging was the Government proposal to cut 25% of the capital programme for the next financial year across the budget for all 75 GPs nationally. On October 2nd a consultation paper was issued seeking views on how the cut should be implemented. The Board was provided with a copy of the consultation paper.

It was noted that the consultation period ended on 13th November. The Board was informed that Option 2, pro rata reduction in Growth Fund Allocations, was recommended as the way to implement the cut as it was potentially the least harmful to local interests.

The Board's attention was also drawn to the emerging issues with regard to volume of work required and the potential costs of the mandatory Flood Risk Assessment work associated with the GP PoD. It was noted that a more comprehensive account of the issue and recommended courses of action would be presented to the 21st January Board meeting.

RESOLVED that:-

1. The situation be noted
2. Officers respond to the CLG Growth Point consultation process stating that option 2 is the Tees Valley's favoured option.

9 HMR REVENUE BUDGET 2009/11

The Board was provided with a summary of revenue expenditure to date in 2009-10 and an indication of how the balance of funding may be defrayed, particularly in relation to research.

The Board discussed the potential funding options outlined in the report. It was commented that a list of research projects was needed prioritised in order of impact.

RESOLVED that:-

1. Revenue expenditure to date be noted and the principle of working with ANEC on a research commission into the private rented sector be approved. The Board is to be notified of the potential costs of the commission to Tees Valley Living before agreement to participate is confirmed.
2. Joint research commissions with other HMR Pathfinders be considered and the Board is to be notified of the nature of any intended studies and the potential cost to Tees Valley Living before any agreement to participate is confirmed.

10 ANY OTHER BUSINESS

None.

11 CHAIRMAN'S RESIGNATION, INTERIM APPOINTMENT OF NEW CHAIR

The Chairman informed the Board that he would be resigning from the Tees Valley Living Board following the meeting. Board members and the TVL team thanked Neil Etherington for his valuable contribution to the work of TVL over the past four years.

The Board confirmed the appointment of Angela Lockwood (Endeavour Housing Association) as the interim Chair of the Tees Valley Living Board. It was noted that the appointment was on an interim basis until a review of the TVU governance structures had been completed.

RESOLVED that Angela Lockwood be confirmed as interim Chair of the Tees Valley Living Board.