

AGENDA ITEM 10

REPORT TO THE TEES VALLEY COMBINED AUTHORITY BOARD

22 MARCH 2017

REPORT OF THE HEAD OF HOMES AND COMMUNITIES

PROPOSED TEES VALLEY HOUSING AGREEMENT

SUMMARY

This report provides the Board with an update on progress with the Tees Valley Housing Agreement.

RECOMMENDATION

It is recommended that the Combined Authority Board notes progress on the Tees Valley Housing Agreement, including a verbal update on the latest position.

DETAIL

1. In October 2015 the Tees Valley Devolution Deal was signed with Government. As part of the deal Government committed to working with the Tees Valley Combined Authority to explore the devolution of housing funding.
2. Since that time the Tees Valley Combined Authority has developed its Strategic Economic Plan, in which housing supply and regeneration has been identified as a critical issue to be addressed if we are to realise our ambitions for economy, place, people and communities. As a consequence, the Tees Valley Combined Authority and its partners are committed to accelerating the building of new homes to ensure we continue to attract and retain people to grow our economy and provide a quality of housing choice that ensures our places and communities flourish.
3. Working collaboratively with key partners both locally and nationally, proposals for a Tees Valley Housing Agreement have been developed. In summary, the proposals are seeking to put in place a collaborative framework in which Government makes available over £100 million of funding for an accelerated home building programme that will enable more than 2,500 good quality affordable homes to be built by 2021.
4. However, the proposals provide for much more than the provision of much needed good quality and affordable homes. They also provide the platform for working with the Homes and Communities Agency and key local partners to regenerate our communities, create jobs, support our SME sector, diversify our market capacity, promote innovation in the way we build homes, and attract new sources of investment. Fundamentally, the proposals provide the opportunity to address

underlying failures in the existing housing market and create a sustainable and well-functioning housing market for the future.

5. The proposed agreement is a further demonstration of the shared commitment the Tees valley Combined Authority and our partners have to drive forward the Tees Valley as a place that thrives and prospers. It will further strengthen the capacity for our local leaders and key partners to work together in collaboration, to push the boundaries in innovation and ambition, and continue to nurture and grow a diversified, sustainable and prosperous economic future for the Tees Valley.
6. Currently (as of 16 March 2017) the proposals are being considered by the Homes and Communities Agency with a response expected imminently. A verbal update will be provided at the Board meeting.

FINANCIAL IMPLICATIONS

7. As part of the agreement we will be considering the business case for Combined Authority investment into housing, including through prudential borrowing. Any proposals regarding possible future Combined Authority housing investment will be subject to a separate decision by the Board.

RECOMMENDATIONS

8. It is recommended that the Combined Authority Board notes progress on the Tees Valley Housing Agreement, including a verbal update on the latest position.

LEGAL IMPLICATIONS

9. If agreed, the Combined Authority will establish lead HCA Investment Partner status with the Homes and Communities Agency. Any funding provided through the agreement will be subject to the Homes and Communities contract and programme management requirements.

RISK ASSESSMENT

10. Delivery of the accelerated programme to agreed timescales is the key risk. The proposed dedicated multi-partner delivery team, with direct accountability to the Mayor, will be responsible for managing this risk.

CONSULTATION

11. The agreement has been developed collaboratively by the Combined Authority with the constituent local authorities, the Homes and Communities Agency, the Department for Communities and Local Government and the Tees Valley-based Registered Providers.

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