TEES VALLEY

SUB-REGIONAL HOUSING STRATEGY

2006

I

David Cumberland
Housing Regeneration Ltd

Prepared with the Tees Valley Housing Partnership by

David Cumberland Housing Regeneration Ltd
67 Grappenhall Road
Stockton Heath
Warrington
Cheshire
WA4 2AR
T 01925 600204
M 07714 099608
E-mail: david@davidcumberland.co.uk
Website: www.davidcumberland.co.uk

TABLE OF CONTENTS

Acknowledgements: The preparation of this document would not have been possible without the willing assistance and guidance of the Fay Mackenzie from the Tees Valley JSU, and members of the Steering Group from each LA and RSL sector; Stephen Bray, Jane Edmends, Stephen Edmonds, Penny Garner-Carpenter, Erica Grunet, Melanie Howard, Alan Hunter, Roger Kay, Mike Mealing, John Smalley and Janine Turner.

"Thank you to all, for this work which was usually over and above the day job".

Publishing Date: September 2006

Tees Valley Sub Regional Housing Strategy

1.0 EXECUTIVE SUMMARY

INTRODUCTION

1.1 This document is the first sub-regional housing strategy to be produced by the five local housing authorities for the Tees Valley. It has been written as a consequence of the close collaborative working that is developing between them, and of the growing importance being attached to sub-regional working by both the Office of the Deputy Prime Minister (ODPM) and the Regional Housing Board.

1.2 The strategy has been prepared against a national focus on housing renewal set out in the ODPM's Communities Plan[1] and subsequent 5-Year Plan[2]. The Northern Way[3] also sets out ambitious plans to revitalise the economy of the region. Housing quality and variety is a key issue, with the current stock considered to fall well below that required to support the region's economic potential.

1.3 Housing Market failure in Tees Valley was first highlighted by the CURS report[4]. The report concluded that large-scale clearance and renewal programmes were required in a significant number of neighbourhoods to address market failure.

1.4 The draft Regional Spatial Strategy (RSS) also sets out the need for better quality housing and the need to restructure failing housing markets. Amendments to Planning Policy Guidance 3 (PPG 3) will help support the delivery of the sub-regional housing strategy through the planning process (with detailed consideration and recommendations in Appendix A to this strategy).

1.5 This sub-regional housing document is structured around four key objectives which closely mirror those set by the Regional Housing Board (RHB), namely the rejuvenation of the housing stock, ensuring the type and mix of new housing provides choice, securing the improvement and maintenance of existing housing, and addressing specific community and social needs.

---

[1] "Sustainable Communities: Building for the Future" ODPM 2004?
[2] "Sustainable Communities: Homes for All", ODPM, January 2005
[3] "Making it Happen: the Northern Way" ODPM, February 2004

[4] "Changing Housing Markets and Urban Regeneration in North East England", Centre for Urban and Regional Studies, Birmingham University, Jan 2002

UNDERSTANDING THE HOUSING MARKETS

1.6 To improve the knowledge and understanding of the sub-regional housing markets Tees Valley Living commissioned a Housing Market Assessment (HMA) in 2004[5] to assist with the development of this strategy. All five authorities have lost net population over the last decade. Halting the outflow is an objective for all.

1.7 There is significant mobility between Tees Valley and the County Durham and North Yorkshire wards closest to its southern and western boundaries, which creates some additional strain on the Teesside population.

1.8 The CURS study and the HMA report both highlighted an outdated housing supply dominated by small late C19th/early C20th terraced housing. Additionally, the housing supply falls below the national average for more modern, semi-detached and detached dwellings.

1.9 The supply of social rented housing, at just over 23% of the total, is higher than the national average.

1.10 It is also recognised that the housing needs of the BME communities and of the gypsy and travelling population are not well understood across the sub-region and require more research.

REJUVENATING THE HOUSING STOCK

1.11 There are around 48,000 dwellings in vulnerable areas characterised by poor neighbourhoods, high proportions of older terraced housing, above average levels of social rented housing and low property values. Major investment to refurbish some 30,000 of these homes is needed, the majority in the private sector.

1.12 The major part of the sub-region's rejuvenation strategy will be led by Tees Valley Living. TVL's Areas of Major Intervention (AMIs) are Parkfield and Thornaby in Stockton, North, Central and East Middlesbrough, South Bank and Grangetown in Redcar and Cleveland Borough and in Hartlepool. Also included is the Coatham/Dormanstown/Lakes Estate area of Redcar.

1.13 Successful delivery of the TVL Strategy is fundamental to achieving a long-term healthy housing market, and sustainable communities throughout the sub-region. Therefore, this housing strategy will aim to complement and underpin the regeneration plans of Tees Valley Living by targeting at least 75% of SHIP resources into those areas where market failure is most acute and where TVL's primary objectives will be directly assisted.

---

[5] "Tees Valley 2004 Housing Market Assessment", David Cumberland Housing Regeneration Ltd and Nathaniel Litchfield and Partners, January 2005.

1.14 SHIP funding from the RHB will be targeted at refurbishment of the existing stock in the HMR area, the provision, where necessary, of affordable housing and meeting special housing needs elsewhere wherever this will help stabilise or uplift neighbourhoods and provide a better housing offer.

1.15 Tees Valley Regeneration, an Urban Regeneration Company, has four major private sector housing projects as part of its overall programme. The Tees Valley housing strategy will support these flagship developments, which should have a major positive impact on our image and increase housing choice in the sub-region. It will aim for TVR developments to be integrated into the overall pattern of housing provision by ensuring that the number of new apartments to be developed is appropriate to local demand and housing aspirations.

PROVIDING CHOICE AND QUALITY

1.16 The Regional Housing Aspirations Study confirmed the significant under-supply of detached executive housing and good 3 and 4-bedroom semi-detached houses with gardens. Good quality private sector housing for independent older people is also in short supply, particularly bungalows, and lifetime homes to buy or rent.

1.17 Local Housing Assessments will enable affordable housing requirements to be accurately assessed. Most LAs have completed or are currently commissioning their Assessments. Also, a more consistent approach is to be taken to the use of Section 106 planning agreements to secure new affordable housing.

1.18 The major part of new housing provision will respond to the predominant aspiration for home-ownership. All larger new developments should be mixed tenure, with 80% owner-occupation the norm, and always at least 70%.

1.19 Replacement housing and other large-scale housing schemes will be expected to provide a good mix of dwelling types, including provision for the needs of more vulnerable households. They must be of high quality design and specification, as it is vital that our investments should raise standards and contribute to uplifting the image of the urban core as a place people will aspire to live.

IMPROVEMENT AND MAINTENANCE OF EXISTING HOUSING

1.20 All five local authorities have now determined their investment strategies to achieve decent homes in social housing by 2010/11. Hartlepool, Middlesbrough and Redcar and Cleveland have established new LSVT RSLs. Stockton has set up an ALMO and Darlington has chosen to retain its stock.

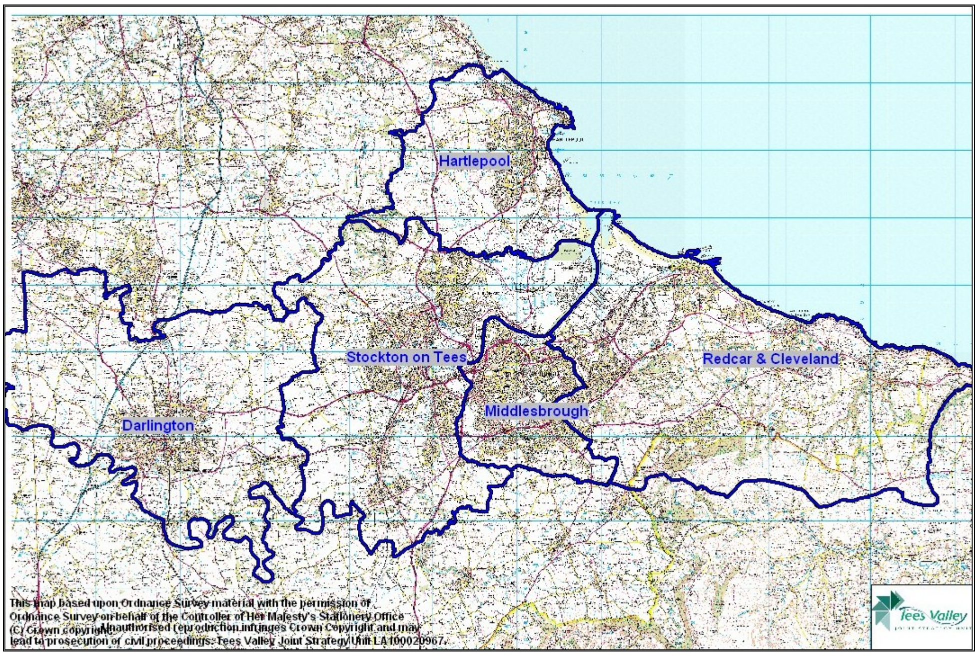
1.21 The extent of non-decency in the private sector should be fully quantified by early 2006. However, current SHIP and private sector resources are unlikely to be adequate to meet the Government's 2010/11 target.

1.22 The Local Authorities have submitted a partnership bid to the Regional Housing Board for SHIP 2 funding to tackle the improvement and maintenance of private sector housing, reduce the number of empty homes and improve energy efficiency. It also aims to introduce licensing and accreditation of private landlords across Tees Valley.

1.23 A partnership approach involving all LAs in the sub-region will aim to make the most effective use of scarce resources by developing examples of good practice in maximising private investment for home improvements, introduce new decent homes investment packages and help procure new financial products and services.

1.24 Effective neighbourhood management can underpin physical improvements and will be considered where significant regeneration activity is planned in the most vulnerable neighbourhoods.

Figure 1 The Tees Valley Sub-Region



MEETING SPECIFIC COMMUNITY AND SOCIAL NEEDS

1.25 The strategic approach to housing with care and support for older people is developing well across Tees Valley. The current model of extra care is a good one, and will be enhanced to provide units for sale and to provide a hub for services in the wider community.

1.26 A Tees Valley approach towards the provision of extra care is to be pursued, with floating support for vulnerable people to be developed across the sub-region, including greater use of assistive technologies.

1.27 Prevention of homelessness is high on all agendas with positive actions already being pursued. A sub-regional approach to temporary accommodation and/or hostels provision will be developed, and work undertaken to re-commission hostels suitable for future needs.

1.28 Initiatives to involve the private sector in providing accommodation are being pursued, including arrangements for the reprovision of short-term hostel accommodation and private sector leasing schemes.

1.29 Other priority groups have been identified, including single homeless people, people with drug and alcohol problems, victims of domestic violence, people with learning disabilities, offenders and those at risk of offending.

1.30 Tees Valley LAs have submitted bids in 2005 for top-up SHIP funding for additional Disabled Facilities Grant, to meet increasing demand from elderly and disabled residents wishing to stay in their own homes.

1.31 Although the Tees Valley BME population is low compared to the England average, research into the BME community's aspirations is underway to ensure their needs are better understood and addressed.

1.32 All Tees Valley LAs have participated in the Government's policy on Asylum seekers through the National Asylum Seekers Service (NASS). The current multi-tenure approach will continue, although its administration has raised issues for individual authorities in managing it.

CROSS-CUTTING ISSUES

1.33 A number of gaps have been identified in the knowledge and understanding of the housing market, especially at a more detailed, local authority and neighbourhood level. To develop this first sub-regional strategy it will be important to follow through with specific research to plug these gaps to better inform the priorities for intervention.

1.34 This strategy has identified new initiatives and the need to study best practice elsewhere to assist with its delivery, based on good practice by other providers, which will be explored across the sub-region.

DELIVERING THE STRATEGY

1.35 The scale of TVL's interventions will be hugely important in the delivery of major elements of this sub-regional housing strategy. The LAs, RSLs and private sector developers and builders, are all key partners in achieving success.

1.36 Darlington and Stockton (through an ALMO) will be responsible for achieving decent homes in their council stock whilst in the other three boroughs, the new stock transfer RSLs, together with other, longer established RSLs, will be responsible for delivering decent homes and new affordable housing.

1.37 RSL development partnerships such as Spirit will have a key role in delivering new, affordable housing and in providing housing for special needs, the BME community and travellers.

1.38 The private sector has by far the largest financial contribution and physical input to contribute to delivering this strategy. Effective partnering arrangements with major housebuilders will be paramount in securing major redevelopment and new housing projects. Similarly, detailed work to promote investment by homeowners and landlord will be vital in securing improvement to the poorer stock.

1.39 An action plan to deliver the sub-regional priorities is included as an Appendix to the Strategy.

CONCLUSION

1.40 This first Tees Valley sub-regional strategy sets out a clear strategic direction and priorities for all the main housing organisations in the sub-region.

1.41 A major investment programme is already underway to improve all retained social housing stock. The sub-region has been far-sighted and resolute in establishing Tees Valley Living and securing initial government funding for a housing market renewal programme.

1.42 During the next two years, the strategy should be reflected in strong sub-regional programmes that take forward the priorities. The main elements will be:

- Supporting and aligning other investment with the TVL market renewal programme, to achieve transformational change in the least sustainable areas;
- Complementary improvement of sustainable housing within or adjacent to TVL priorities;
- Complementary provision of affordable housing for relocation;
- Investment in regeneration of priority locations outside the TVL area;
- Working with the planners to get the right mix of new housing;
- Continued work to address the housing needs of all vulnerable groups;
- Joint procurement and commissioning.

1.43 Overall responsibility for the strategy and for implementation of the Action Plan is to be established at a cross-Tees Valley level. There needs to be sufficient authority to secure the support of each LA and the wider stakeholder group and to ensure effective alignment of housing with related strategies.

2.0 INTRODUCTION

WHY THIS STRATEGY?

2.1 The Tees Valley sub-region comprises the local authorities of Hartlepool, Stockton, Middlesbrough, Redcar and Cleveland, and Darlington. This is consistent with the working arrangements adopted across Tees Valley for economic development and Supporting People. It already has well-developed sub-regional strategic bodies such as the Joint Strategy Unit, Tees Valley Living and Tees Valley Regeneration. This document aims to reflect the strategic housing priorities of all those bodies as well as the local authorities and registered social landlords (RSLs) working in the sub-region.

2.2 The Tees Valley is well advanced in developing strategies to deliver economic regeneration and to improve the well-being of the sub-region and its people. The Tees Valley Partnership is the strategic body ensuring a joined-up approach to economic development and regeneration by co-ordinating the activities of the main agencies involved. This sub-regional housing strategy is one of the supporting strategic documents that is an essential part of this co-ordinated approach.

2.3 The Regional Housing Board (RHB) issued its first Regional Housing Strategy in 2003 and recently submitted its updated strategy to the ODPM. The strategy places considerable emphasis on the need to develop a sub-regional, strategic approach in order to reflect local housing markets and to encourage cross-boundary working amongst local authorities.

2.4 The Board's strategy is to move away from a traditional formulaic allocation of SHIP resources in favour of allocations based on agreed strategic priorities. It has agreed that identified sub-regional housing priorities will be used to inform future Single Housing Investment Pot (SHIP) investment decisions.

2.5 The primary objective of this Sub-Regional Housing Strategy is, therefore, to draw together housing issues that have a common thread across the sub-region to facilitate partnership working between LAs and housing providers, and to better inform other strategic plans such as the Regional Housing Strategy and the Regional Spatial Strategy.

THE WIDER REGENERATION PICTURE

2.6 This strategy has been prepared against a national focus on housing renewal set out in the ODPM's Communities Plan[6] and subsequent 5-Year Plan[7]. This called for major change in the approach to developing and maintaining communities across the country, much of which was to be housing led.

2.7 Other relevant strategies that have influenced it include the Barker Review of Housing Supply[8], the National Strategy for Neighbourhood Renewal[9], the Supporting People Programme and Community Safety Initiatives.

2.8 Within the North East region there are a number of complementary strategies which are directly relevant to the sub-regional housing strategy, which include the Northern Way Growth Strategy[10], the emerging Regional Spatial Strategy (RSS), and the Regional Economic Strategy (RES).

2.9 The Northern Way sets out ambitious plans to revitalise the economy of the region, much of which is based on the premise that the North should become a more desirable place to live and invest in. Housing quality and variety is a key issue, with the current stock considered to fall well below that required to support the region's economic potential.

2.10 The Northern Way proposals, in terms of sustainable communities and housing, aim to:

- Establish clear locational priorities for regeneration;
- Increase the rate of clearance and replacement of obsolete housing;
- Broaden the mix of housing types on offer;
- Develop stronger public-private partnerships to create more capacity to deliver major change.

2.11 The growth strategy also links closely with the Regional Economic Strategy in four key areas:

- The provision of more attractive housing will assist economic growth;
- Housing demand will be strengthened by higher rates of economic growth;

---

[6] "Sustainable Communities: Building for the Future" ODPM 2004?
[7] "Sustainable Communities: Homes for All", ODPM, January 2005
[8] "Review of Housing Supply. Delivering Stability: Securing our Future Housing Needs", Kate Barker, HM Treasury Report, March 2004
[9] "A New Commitment to Neighbourhood Renewal: A national Strategy Action Plan", Social Exclusion Unit, January 2001
[10] "Creating Sustainable Communities: Making it Happen the Northern Way", ODPM February 2004

- The region's image will be boosted by large-scale regeneration programmes tackling areas with poor reputations;

- Investment in new construction and improvements to existing housing will generate jobs and boost incomes.

2.12 The Northern Way also introduced the concept of "City-regions", and the sub-region has responded by publishing the Tees Valley City Region Development Plan. This sees the development of sustainable communities as one of the key objectives to improving the economic performance of Tees Valley by:

- The creation of attractive places and environment;

- The regeneration of the inner areas of the main towns into vibrant, socially diverse communities, and

- The creation of a revitalised housing market.

2.13 This housing strategy aims to assist the economic regeneration of Tees Valley through the delivery of a step-change in the type and quality of housing on offer, making the sub-region a more attractive place to live. However, its proposed interventions will not achieve economic regeneration on their own account and will require the successful delivery of the wider range of economic, transport and other social policies if they are to achieve their own objectives.

2.14 The existing Regional Planning Guidance (RPG 1) became the Regional Spatial Strategy (RSS) in September 2004 and is now being reviewed by the North East Assembly as the Regional Planning Body. The RSS is intended to provide a long-term vision for the spatial development of the region, within which the RES, Regional Housing Strategy and the Integrated Regional Framework will be delivered. It will be important for the sub-regional housing strategy in terms of the distribution and phasing of new planning allocations for housing.

2.15 The new planning framework introduced the concept of Local Development Frameworks (LDFs), which will become the principal tool for local planning authorities to implement local planning policies and effect more control over new developments.

Examples of dereliction and houses waiting for clearance

2.16 Housing Market failure in Tees Valley was first highlighted by the CURS report[11], which identified failing housing markets in the urban conurbations. Much of this was pre-1919 terraced housing, in disrepair and increasingly difficult to sell or to let. However, there was also a significant proportion of council-owned stock in these failing market areas which, with the need to meet decent homes standards by 2010, identified large-scale clearance and renewal programmes in a significant number of neighbourhoods.

2.17 The industrialisation of Tees Valley was very rapid, leading to masses of high density, poor quality, terraced housing being built close to the industrial workplace. The extensive 20th Century Council estates have followed a similar pattern. Both of these large housing development areas with a very limited housing offer, have become the least popular destinations for both indigenous households and inward migrants.

2.18 Whilst overall employment in Tees Valley fell by 8% from 1971 to 2001, the number of manufacturing jobs fell by 70% over the same period. These job losses triggered a net outward migration of the most mobile, affluent and able people from the sub region, which is still continuing. This has left the traditional housing areas with a higher proportion of the unemployed, the elderly, and those with lower skills and wages. This situation has been compounded by urban flight from the inner areas of the sub-region.

2.19 This sustained outward migration has left parts of the inner areas with concentrations of poverty and fragile housing markets, representing a major challenge for the sub region. A programme of selective demolitions has been pursued by the Tees Valley housing authorities over recent years, with 400-500 demolitions taking place each year. However, it is recognised that a step change in the rate of clearance is now urgently required.

2.20 More recently, there has been some emerging evidence of falling vacancy rates in the social housing sector (although still above the RSS target), with reports of growing numbers of homelessness applications. Reducing turnover has also added pressure on the number of houses available for letting. Nevertheless, there is general agreement that the replacement of obsolete and unattractive housing remains the primary housing objective across the North East. In Tees Valley, the RSS anticipates that over 1,000 properties per annum will be demolished to 2011, with some 2,840 new, mainly private sector, homes to be built each year.

2.21 The problems in Tees Valley need to be addressed through concerted and large-scale action and through a coordinated strategy across the whole sub-region. This will involve a reduction in the level of social rented housing provision and action to deal with obsolete pre 1919 private stock, resulting in increased provision of new owner-occupied housing.

---

[11] "Changing Housing Markets and Urban Regeneration in North East England", Centre for Urban and Regional Studies, Birmingham University, Jan 2002

2.22 Tees Valley Living was established in 2003 to develop a long-term strategy to tackle low demand and housing market failure across the sub-region. Its Board includes representatives of the five Tees Valley councils, local registered social landlords and the private sector. Although not one of the Housing Market Renewal Pathfinders, its objectives are broadly similar and is supported by the Housing Corporation, English Partnerships, Government Office for the North East and One North East.

THE REGIONAL HOUSING STRATEGY

2.23 The RHB, in publishing its revised 2005 strategy, has established four key strategic objectives, which it expects sub-regional housing strategies to broadly adopt:

- To rejuvenate the housing stock to meet 21st Century aspirations, replacing market failure with high quality housing in successful, cohesive and sustainable communities;
- To ensure the type and mix of new housing provides choice, supports economic growth and meets housing needs and demand. This will reflect the diversity of urban and rural communities and the need for both affordable and prestige housing;
- To secure the improvement and maintenance of existing housing so that it meets required standards by investing in sustainable neighbourhoods;
- To promote the good management and targeted provision of housing investment to address specific community and social needs, including an ageing population, the needs of minority communities and supported housing requirements.

2.24 The RHS estimates that at least 17,500 dwellings will need to be cleared in the course of the next 16-17 years in order to address low demand and poor stock condition.

2.25 Within Tees Valley these objectives are pertinent although there will be variations of emphasis and scale to reflect local markets and conditions. Accordingly this sub-regional housing document is structured around these four key objectives.

PLANNING POLICY

2.26 The draft Regional Spatial Strategy (RSS) sets out the need for better quality housing to meet future housing demand, to replace obsolete housing and to restructure failing housing markets to unlock the region's economic growth potential.

2.27 The RSS is clear that the approach to creating sustainable communities is through housing market restructuring. It proposes that this should be achieved through an increase in build rates and corresponding increase in demolition rates. It anticipates that around a quarter of the additional dwellings over the planning period will be built in the Tees Valley.

2.28 The RSS adopts a plan, monitor and manage approach for the release of housing land to meet the targets it sets out, to ensure that housing market restructuring and previously developed sites in sustainable locations are delivered.

2.29 Amendments to Planning Policy Guidance 3 (PPG 3) in January 2005, the subsequent consultation on additional changes to PPG 3, and the issue of draft PPS 3 in December 2005 (see Appendix 1 Planning Policy Context), will help support the delivery of the sub-regional housing strategy through the planning process.

2.30 The amendments to PPG 3 highlight:

- The need to provide a choice of new homes in the right places and at the right times to maintain the momentum of economic growth;
- The plan, monitor and manage approach to allow more flexibility and to achieve the supply of new homes in the right place at the right time;
- The need to focus on the re-use of previously developed land, particularly on re-using land in the most sustainable locations;
- The requirement for local authorities to consider favourably housing on redundant employment sites.

2.31 The revised PPG 3 will require Local Authorities to carry out Local Housing Market Assessments in order to help inform the type, tenure and density of developments, as well as the amount of affordable housing needed.

2.32 The local planning policy context for the Tees Valley sub-region will be set out in the Local Development Frameworks (LDFs) of each of the Local Planning Authorities (LPA). LDFs along with the RSS will form the statutory Development Plan as the basis for planning decisions.

2.33 The LDF will provide a planning framework that brings together housing, planning, economic and transport policy at a local level. It will be important that local policies reflect sub-regional, regional and national policy, to be reflected in the core strategies, the housing local development document, and either through area action plans or supplementary planning guidance, to enable strategic objectives to be achieved in specific areas.

3.0 UNDERSTANDING THE HOUSING MARKETS

IDENTIFYING THE HOUSING MARKETS

3.1 To improve their knowledge and understanding of the sub-regional housing markets the Tees Valley local authorities, through Tees Valley Living partnership, commissioned a Housing Market Assessment (HMA) in 2004.[12] The aims were to identify their local housing markets and migration trends, to understand the low demand problems and identify the housing aspirations of residents. The outcomes of this study, with extensive consultation with housing providers and other regeneration agencies, have been pivotal in developing this sub-regional housing strategy.

3.2 The HMA report notes that:

"Essentially, across Tees Valley, there are largely self-contained core urban centres with established residents, coupled with mobility of higher-income households who are the main drivers in shaping the nature of housing markets within Tees Valley."

3.3 The report proposed a set of market typologies that have been accepted as providing a fair representation of markets within Tees Valley. This is reproduced on the next page.

3.4 All five authorities have lost net population over the last decade, although the position in Darlington appears now to have stabilised. Halting the outflow is an objective for all and the adopted economic growth scenario for the sub-region of 2.8% pa increase in Gross Value Added assumes that this will be over-achieved.

3.5 There is significant mobility between Tees Valley and the County Durham and North Yorkshire wards closest to its southern and western boundaries, which creates some additional strain on the Tees Valley population.

[12] "Tees Valley 2004 Housing Market Assessment", David Cumberland Housing Regeneration Ltd and Nathaniel Litchfield and Partners, January 2005.

Market Type	Indicative Characteristics
Town centre cores	High density housing (predominantly terraced), older long-established population, found in all major Tees Valley towns. A market largely self-contained in each town.
Emerging Urban Living	Apartment living in limited, mainly recently-developed locations such as Hartlepool Marina and Stockton Riverside. This market is probably regional in coverage.
Western and Southern Affluent belt	Includes rural hinterlands of urban areas. This is a market with high mobility, which spans an area well beyond Tees Valley.
Stable suburbs	Low-rise semi- and detached properties including terraces, family housing. There is mobility across Tees Valley in this market.
Vulnerable high-density	In town centre areas, poor stock condition, high level of private renting. Most vulnerable 20% neighbourhoods on V&V Index. A local market.

Housing choice in the Tees Valley Living area

SUPPLY AND DEMAND

3.6 It is clear from recent Housing Market Renewal Pathfinder studies that the drivers of housing market change are varied and often beyond the control of housing providers. Key drivers across Tees Valley include the economy, schooling, health and community facilities, migration patterns, and transport networks, as well as the nature of the housing stock.

3.7 For example, economic growth tends to stimulate demand for owner occupation, more attractive dwelling types and interesting locations, whereas economic decline increases the demand for social rented housing and lower value homes to buy. The CEBR[13] has projected three (Gold, Silver and Bronze) economic growth scenarios for the north east over the next 15 years. In adopting this approach, the RSS argues that, for housing provision planning, the Tees Valley sub-region should assume a more prudent annual average growth in GVA that increases from 1.8% in 2001 to 2.4% over the plan period (compared to 2.8% for the economy as a whole).

3.8 The CURS study and the HMA report both highlighted an outdated housing supply dominated by small late C19th/early C20th terraced housing (over 31% of the stock in the sub-region). This is concentrated in the more vulnerable, urban neighbourhoods where low values are attractive only to investors and private landlords. This has further reduced the stability of these neighbourhoods.

3.9 Additionally, the housing supply falls below the national average for more modern, semi-detached and detached dwellings, which has been one of the drivers in the drift towards, for example, Hambleton and Ingleby Barwick.

3.10 There is also evidence that the supply of executive housing falls appreciably short of demand in most areas. The success of Ingleby Barwick, for example, is mainly due to the availability of house types in a modern setting not available elsewhere in most of the sub-region, at prices which have been seen as representing good value for money.

3.11 The other area of evident mismatch in supply and demand is quality housing for single people and couples across the age range. The sub-region has below-average levels of quality apartments for professional couples and singles, whilst bungalows and quality, purpose-built housing for independent older people are also in short supply.

3.12 The rate of new house building in Tees Valley has remained fairly constant over the last 10 years at around 2,150 units per annum. Stockton has seen the largest new building programme, followed by Hartlepool. However when demolitions are accounted for the net increase in stock is closer to an average

[13] "Scenarios for a Prosperous North East", Centre for Economics and Business Research Ltd, April 2004

of 1,200 pa, with Redcar and Cleveland seeing very little increase and Middlesbrough experiencing a declining rate of net additions and an actual decrease in 2002/03.

3.13 There is already a high level of planning commitments that will allow only limited control over building rates over the next few years. Stockton, Darlington and Hartlepool will continue to see the bulk of new housing schemes, with Redcar and Cleveland and Middlesbrough having lower commitments.

3.14 The supply of social rented housing, at just over 23% of the total, is on a par with the regional average, but appreciably higher than the national average of around 19%. This is out of balance with the aspirational demand for owner occupation, and a strategic objective is to reduce the proportion of social rented housing towards the national average.

3.15 There has been a tightening of supply in this sector over the last two years or so. This is largely attributable to higher prices in the private sector, increasing demolitions and growing demand for properties to rehouse residents from clearance areas. This pressure is inevitable as the demolition and refurbishment programmes gain momentum and should not be interpreted as an underlying long-term increase in demand for affordable housing.

3.16 However, there may be a cyclical element to social housing supply and demand which is largely driven by affordability and supply in the private sector. This cycle may influence the scale and phasing of interventions such as clearance, particularly as costs of acquisition rise and fall.

MIGRATION PATTERNS

3.17 There is a westward drift of population in and around the Teesside conurbation. The HMA study found that most people moving into the Tees Valley sub-region tended to settle in the more western parts of the area such as Ingleby Barwick, Darlington and the urban edge of Stockton. Similarly, those Tees Valley residents moving within the sub-region, tended to migrate westwards away from the urban concentrations.

3.18 There has been a net outflow of people into North Yorkshire in particular, where there has been a relatively vigorous growth of new housing, particularly in Hambleton.

3.19 The Office of National Statistics (ONS) projections released in November 2004, project a population decline of 2.4% across Tees Valley from 2003 to 2023, with a reduction of 15% in Middlesbrough and 8.8% in Redcar and Cleveland. Projections of recent trends indicate that increases are most likely in Stockton and Darlington, encouraged by new housing developments. The economic and regeneration strategies aim to change the overall decline by reversing outflows elsewhere in the sub-region.

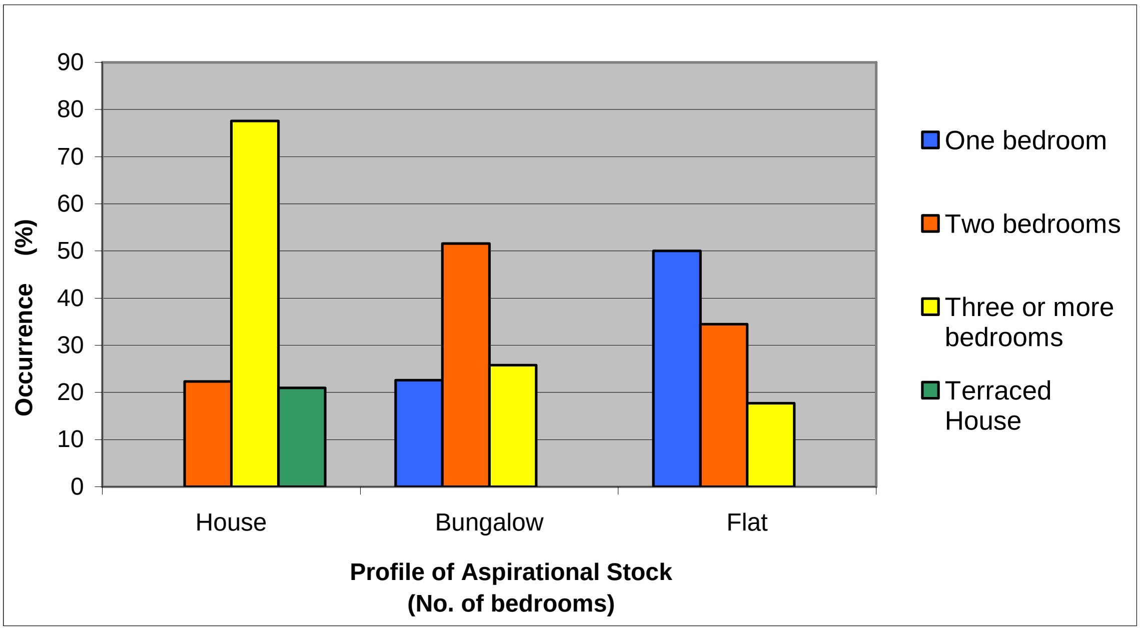
3.20 The HMA report concluded that:

"From a strategic perspective, the population migration dynamic is going to have a significant impact on housing markets within Tees Valley. Residents are clearly moving out of less desirable areas and this is being facilitated by the provision of modern homes meeting household aspirations in many areas (generally on peripheral sites away from town centres). The result is an ongoing hollowing out of population in less desirable areas (generally correlated with high density stock). There is a need to change stock composition (and possibly land use away from residential use) in these areas".

ASPIRATIONS AND HOUSING NEEDS

3.21 The Household Survey conducted as part of the HMA report indicated the desire for larger homes in terms of numbers and bedrooms. 78% of respondents aspired to a house with three or more bedrooms and over 77% of those aspiring to a bungalow wanted two or three bedrooms. In contrast, in a sub-region where the proportion of terraced housing is higher than the England average, and over 50% in the most vulnerable areas, only 21% aspired to a terraced house.

Figure 3.1 Residents household aspirations



Source: 2004 Household Survey

3.22 It is also clear that the sub-region has an appreciably lower proportion of detached houses and apartments than both the regional and England averages.

3.23 It is also evident from the initial sub-regional HMA study that more detailed assessments need to be undertaken in individual local authorities to understand specific local housing needs and aspirations. Each of the Tees Valley LAs will need a local housing assessment study to inform planning policy in respect of affordable housing. One LA has already completed its local HMA and a further three are to jointly commission a study early in 2006.

3.24 Other studies may also be required to inform housing or planning policy decisions. The range of planning decisions where this may be relevant are described in the Planning Policy guidance at Appendix A.

3.25 It is also recognised that the housing needs of the BME communities and of the gypsy and travelling population are not well understood across the sub-region. Research into the BME communities' housing needs is now in hand and will be used to develop an appropriate BME housing strategy during the current year.

THE STRATEGIC PRIORITIES

3.26 In response to the assessment of the housing market, the strategic housing priorities for the sub-region are summarised below:

- Complete and undertake a detailed evaluation of the local authority Local Housing Assessments.
- Increase the balance of owner-occupied propertied in line with the economic regeneration of the region.
- Improve the provision of accommodation in terms of a wider choice and a modern range of housing.
- Ensure all new housing is provided in sustainable neighbourhoods.
- Regenerate less attractive (and sustainable) housing estates by investment in social housing stock and the improvement of facilities, services and security.
- Provide an adequate supply of good quality housing to meet the needs of those people on lower incomes who cannot access housing at full market prices.
- Ensure a joined up approach to understanding BME and gypsy/travelling communities’ housing requirements and address their housing aspirations.

4.0 REJUVENATING THE HOUSING STOCK

"To rejuvenate the housing stock to meet 21st Century aspirations, replacing market failure with high quality housing in the right locations to help create successful, cohesive and sustainable communities" - Key Objective 1, Regional Housing Strategy 2005

THE CHALLENGE AHEAD

4.1 There are around 48,000 dwellings in the Tees Valley sub-region in vulnerable areas characterised by poor neighbourhood conditions, high proportions of older terraced housing, above average levels of social rented housing and low property values. The major challenge will be to rejuvenate the whole market through increased investment, better balance between renting and owning, increasing the choice on offer, and improving the neighbourhoods within which much of it is situated.

4.2 Not all of this stock warrants clearance, of course, and major investment plans are required to refurbish some 30,000 homes, the majority of which are in the private sector. Government has set a target for 70% of all private sector stock occupied by vulnerable households to have met decent homes standards by 2010, rising to 75% by 2021.

4.3 Demand aspirations are out of step with current supply as the HMA and Regional Aspirations studies both demonstrate. The major challenge here is to readjust the profile of house types and tenure to meet modern aspirations for home ownership, modern attractive housing and pleasant locations.

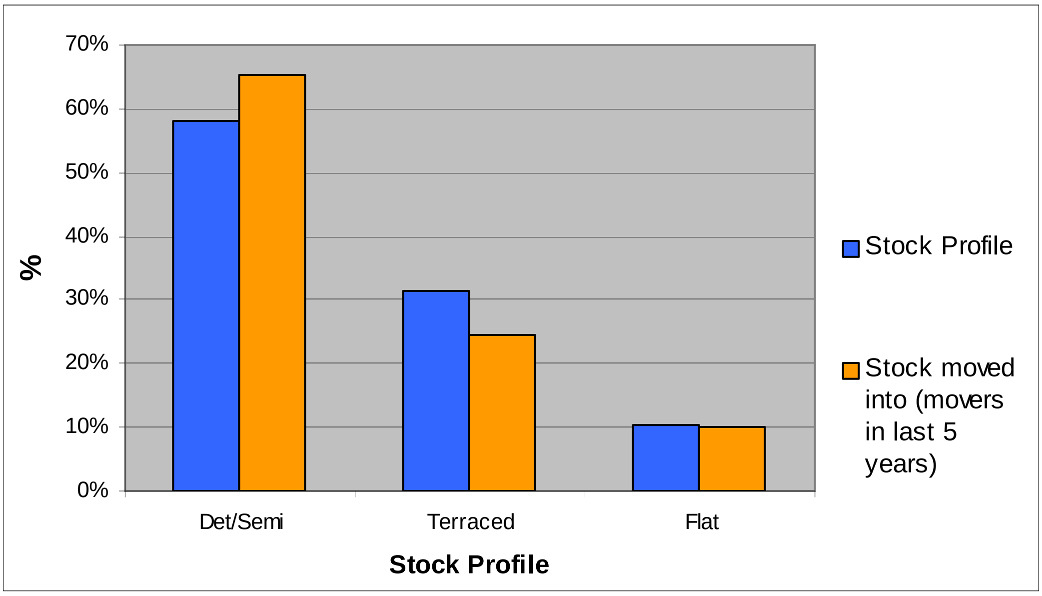
4.4 The aspirations of growing numbers of older people will create pressures on the rate and nature of that replacement. There is potential for developing new housing products for older people by both private and public sectors, and as part of the TVR flagship projects.

4.5 Estimates of the level of clearance required across Tees Valley indicate that, of the 17,500 dwellings needing to be cleared, approx. 11,500 are in the private sector and 6,000 in the social rented sector *(RSS/RHS)*.

4.6 However, to understand the step change required, if the rates of new build and demolition over the last 8 years were to be projected forward to 2004-21, it would result in 7,500 demolitions and a net increase of 29,000 dwellings (ie 1,700 pa) *(HMA Report)*

4.7 The current stock profile of over 31% terraced housing is out of balance with demand based on household moves over the last five years, as shown below:

Figure 4.1 Profile of stock moved into compared with aspirations



Source: 2004 Household Survey, V&V Index

4.8 The mismatch is even more evident in the 10% most vulnerable neighbourhoods, where almost 52% of the stock is terraced compared to only 25% of moves into this type of housing.

4.9 The Regional Housing Strategy expects sub-regions to looks towards *"replacing market failure with high quality housing in the right locations to help create successful, cohesive and sustainable communities" (Objective 1).* It stresses the need to involve communities to achieve their co-operation in delivering high quality replacement housing. However, it also recognises that clearance is not an objective in itself and that the scale must reflect local circumstances and the needs of local communities.

4.10 The major part of the sub-region's rejuvenation strategy will be planned and implemented by Tees Valley Living. Their approach towards clearance is set out in their draft housing market renewal strategy, which it is proposed be adopted for this strategy document, as follows:

> "*The replacement of obsolete stock should be pursued as a priority rather than matching build rates to household formation rates. Breaking down monolithic blocks of similar property types is desirable; resources are to be concentrated into areas of existing small high density "back of footpath" Victorian terraces and extensive 20th century council estates."*

4.11 Rejuvenation of the social housing stock is also required to tackle low demand, unattractive house types and monolithic estates. This will involve a mix of demolition and replacement by new housing of different tenures, and by improving retained housing to, and in many cases above, the Decent Homes Standard, together with environmental works (see section 4).

4.12 The scale of housing market failure is most evident in the urban centre of Middlesbrough where the numbers of "at risk" housing areas are greatest and the need to improve the housing offer to stem the population loss, most urgent. Whilst the strategic aims set out in this document are sub-regional, they will ultimately have to address the most severe symptoms of housing market weakness evident in Middlesbrough.

4.13 There has already been significant clearance, with a further 6,000 demolitions anticipated in the RSS through to 2021. In order to alter the tenure balance demolitions will not be replaced on a one for one basis. . The Tees Valley Living housing market renewal strategy proposes a norm of 80% owner-occupation on all new redevelopment schemes, with an absolute minimum of 70%, for example where additional affordable housing is required to facilitate relocation., This approach is also adopted in this strategy.

4.14 Right to buy sales have recently been running at relatively high levels. Although they do not enable a strategic approach to tenure balance, they do assist in adjusting the overall stock profile and in bringing more stability to estates that might otherwise be mono-tenure.

4.15 Effective neighbourhood management, whereby one agency has the co-ordinating role for all service providers to ensure a joined-up approach to street cleaning, litter picking, crime prevention and other essential services, can help to improve the attractiveness and social cohesion of estates. It will be important to consider setting up neighbourhood management initiatives where these can be shown to be robust and capable of improving service delivery.

THE REGENERATION PARTNERS

4.16 The Tees Valley sub-region is fortunate in having a range of regeneration partners working across its local authority boundaries to deliver major schemes. This housing strategy will aim to complement and underpin the regeneration plans of Tees Valley Living and Tees Valley Regeneration, with complementary schemes that help deliver sustainable communities.

4.17 Tees Valley Living, a key element of the Tees Valley partnership, has been awarded £23m of ODPM funding for 2006 – 08, to begin major housing market renewal schemes. These will be focused initially on the clearance and replacement of obsolete housing in central Hartlepool, north and central Middlesbrough and Greater Eston in Redcar and Cleveland.

4.18 Tees Valley Living will be working in partnership with all the local authorities across Tees Valley to develop and implement its proposals. Complementary strategies to support their interventions through the provision of new homes for displaced residents, the provision of home improvement advice and the development of neighbourhood management services, will all help underpin its major interventions, detailed later in this section.

4.19 Tees Valley Regeneration, an Urban Regeneration Company with a remit to attract inward investment and to deliver major mixed-use regeneration projects, has identified five major flagship schemes, four of which have significant, private sector housing elements to them. These are long-term developments over a 15-20 year time span:

- Central Park, Darlington: mainly commercial redevelopment, but including 600 new homes, of which 100 could be apartments.

- Middlehaven, Middlesbrough: mixed development of around 3,000 residential units, over half of which could be apartments.

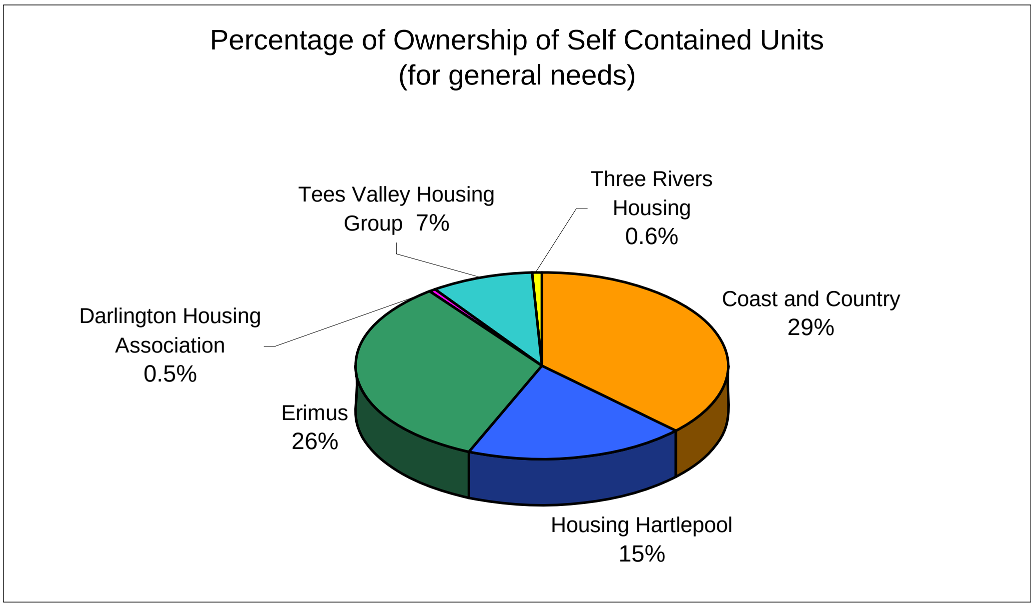
- North Shore, Stockton: mainly commercial with 600 residential units planned, mostly apartments. There is to be an element of affordable housing.

- Victoria Harbour, Hartlepool: mixed, but with a substantial housing element of up to 3,500 homes. The pace of development will be influenced by the pace of Hartlepool town centre regeneration and overall housing need and supply.

4.20 The proposed level of new apartment provision is of interest to Tees Valley housing providers. There is currently an under-provision of quality apartments in Tees Valley compared to regional and national levels of provision, and substantial new developments are being proposed to widen the housing choice on offer. However, the extent of real demand is far from certain. It is expected that the eventual numbers will be heavily influenced by initial sales figures and the results of further work to assess local housing aspirations.

4.21 The Tees Valley area has seen the transfer of over 40,000 former council houses to three new RSLs (Coast and Country, Housing Hartlepool and Erimus) and one Arms Length Management Organisation (Tristar Homes). Darlington is the only Authority to retain its council housing stock. This change has presented an unparalleled opportunity to develop a partnership with local affordable housing providers with access to wider funding sources to help deliver major regeneration initiatives across the sub-region.

Figure 4.2 The main social housing landlords in the Tees Valley Living Area



Source: RSR Survey 2005, The Housing Corporation

4.22 The Tees Valley Housing Group, together with Three Rivers Housing and Two Castles HA, have created The Spirit Partnership to access Housing Corporation funding to undertake new housing development initiatives in Tees Valley and elsewhere. The three LSVT RSLs have recently joined the partnership to create a very significant regeneration vehicle with the capability for local delivery.

4.23 Potential partnerships may also involve other RSLs who have traditionally been active across Tees Valley, for example the NEET partnership involving Endeavour HA, together with private sector developers and builders who will all play a major part in the regeneration process.

4.24 The sub-regional housing strategy will propose a range of actions to influence the mix of house types and tenures produced by these regeneration partnerships, to ensure that a better balance between demand and supply is achieved across all districts.

MAKING IT HAPPEN

4.25 Tees Valley Living's own Housing Strategy[14] will set the agenda for intervention within its defined housing market renewal area. Although much of

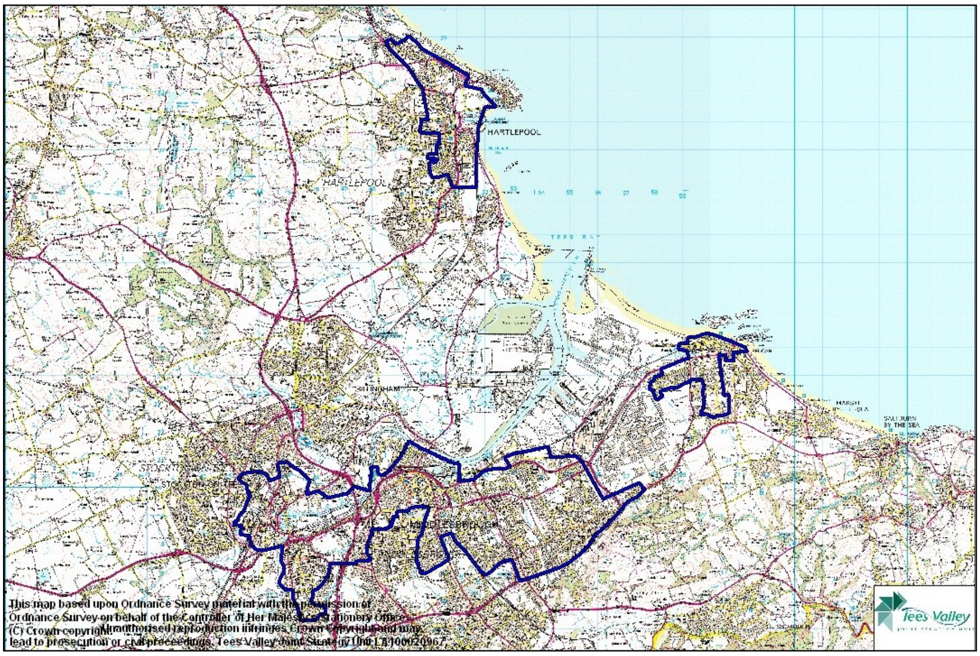
[14] Tees Valley Living Housing Market Renewal Strategy, December 2005

the redevelopment will be private sector financed, the Tees Valley Local Authorities will rely substantially on TVL funding for acquisition and demolition of poor stock. SHIP funding from the RHB will be targeted at refurbishment of the existing stock (including Facelift works) within the defined HMR area, and the provision of affordable housing and meeting special housing needs elsewhere.

4.26 The TVL Strategy confirms that the four designated Areas of Major Intervention within the HMR area contain the principal concentration of neighbourhoods with the lowest levels of vitality and viability. These are:

- Parkfield in Stockton;
- North Central and East Middlesbrough, and Thornaby in the West;
- South Bank and Grangetown in Redcar and Cleveland;
- Central and North Central Hartlepool;
- Coatham/Dormanstown/Lakes Estate area of Redcar.

Figure 4.3 Tees Valley Housing Market Renewal Areas



4.27 There are already a number of demonstration Housing Market Renewal projects under way across the sub-region. Building on those projects in Central Hartlepool, parts of North Middlesbrough, Greater Eston and Central Stockton will form the core of TVL's initial renewal strategy. In the longer term the Tees Valley authorities will continue to prioritise interventions to support TVL's investment in its four AMIs, with particular emphasis on interventions in other parts of Middlesbrough and elsewhere, where the largest number of terraced homes at risk are to be found.

4.28 Residents in the primary intervention areas will need first class arrangements for support and advice to enable them to consider their relocation and/or home improvement options and to assist them in achieving their preferred choice. This strategy will aim to establish a consistent approach to this advice service across the sub-region, to undertake research into best practice elsewhere, and to look for innovative financial and relocation packages to facilitate clearance and redevelopment.

4.29 The contribution to be made by other affordable housing providers such as the new LSVT RSLs, the Stockton ALMO and other RSLs will be significant and welcomed. Their proposals to rejuvenate their own estates and to assist in wider housing market renewal initiatives will be supported through the actions to flow from this strategy.

4.30 We believe that RSLs in the sub-region are well placed to assist in developing community consultation structures and resident support systems to assist the implementation of regeneration programmes. Their existing consultation arrangements and well-developed community links will enable them to play a significant role in the delivery of this sub-regional strategy by helping to secure resident support.

4.31 The HMR boundary excludes some smaller areas of low demand which exhibit many of the same market failure characteristics but which are not geographically linked to the designated priority areas. These are Borough Road and the North Road Corridor in Darlington, Owton Manor, Hartlepool, the Hemlington area of Middlesbrough, the former ironstone mining settlements of East Cleveland and the Hardwick estate, Stockton.

4.32 Tees Valley Living proposes to closely monitor the future of these areas through the annual Vitality and Viability Index. Although this sub-regional strategy may direct some of the non-HMR resources towards these areas, it is recognised that they are not the focus of TVL's HMR Strategy.

4.33 The intention within this housing strategy is to support the TVL strategy by targeting at least 75% of SHIP resources into those areas where market failure is most acute and where TVL's primary objectives will be directly assisted.

4.34 Smaller scale, new affordable housing developments are to be pursued in areas close to major regeneration schemes to provide rehousing opportunities to affected residents, to facilitate clearance or major renewal schemes, and to provide greater choice to residents. Affordable housing is defined in section 5 of this strategy.

4.35 Small-scale, new build schemes will also be pursued outside the major regeneration areas (eg the East Cleveland villages) wherever these will help stabilise or uplift neighbourhoods in need of inward investment and a better housing offer.

4.36 As a consequence of the initial sub-regional HMA report, further research is urgently needed to improve the focus on aspirational demand and new housing provision in each of the districts. We will do this by undertaking local authority based HMA studies.

THE STRATEGIC PRIORITIES

4.37 The strategic priorities to help rejuvenate the housing stock are:

- Regeneration identified areas of housing market failure (through Tees Valley Living); facilitate clearance programmes by providing support, advice and financial assistance for residents facing relocation.

- Support TVL's delivery of affordable housing market renewal schemes by facilitating affordable housing schemes to provide relocation opportunities for displaced residents.

- Target resources into areas where market failure can be alleviated and by helping to rejuvenate adjoining area:

  - Target at least 75% of SHIP resources into areas of market failure where LA primary market renewal objectives will be directly supported (delivered through TVL).

  - Consider other funding streams with market renewal activity.

- Work closely with TVR to influence the mix and types of housing proposed.

- Work with other public and private delivery partnerships to bring forward housing market renewal projects that deliver tangible and measurable benefits i.e.:

  - Value for money.

  - Efficiencies in procurement.

  - Local delivery.

  - Developing capacity in the building industry.

- Support Strategic new housing schemes to provide mainly affordable housing outside of the HMR boundary, where these will facilitate the major objective of housing rejuvenation and help stabilise and/or uplift those communities.

- Ensure all new larger-scale developments are multi tenure with housing for owner-occupation being the predominant tenure (i.e. 80% of the overall development).

- Encourage the provision of ‘affordable’ housing on all new larger-scale housing developments.

- Maximise resources available by the introduction of gap funding models.

5.0 PROVIDING CHOICE AND QUALITY

*"To ensure the **type and mix of new housing provides choice**, supports economic growth and meets housing needs and demand. This will reflect the diversity of urban and rural communities and the needs for affordable, family and prestige housing"* - Key Objective 2, Regional Housing Strategy 2005.

WHAT HAS TO BE DONE

5.1 The Regional Housing Strategy refers to the Regional Housing Aspirations study[15] conclusion that: *"housing aspirations in the region are often out of line with those that can be met from the existing stock profile*". It particularly mentions Ingleby Barwick and Coulby Newham as good indicators of the latent demand for choice and quality in new housing.

5.2 The RHS identifies two particular pressures across the North East:

- A shortage of affordable housing in some parts of the region, exacerbated by recent increases in homelessness;

- A shortage of housing which meets the aspirations of households who want to move to better quality homes and neighbourhoods, or of those considering whether to move into the region.

5.3 Overall, Tees Valley has a slightly better balance of stock and tenure types than other areas within the region, but there are still large concentrations of older terraced housing where supply is out of balance with demand.

5.4 Research has thrown up the aspirational demand for more executive detached housing, particularly if economic regeneration targets are to be achieved, and for more three and four bedroomed, semi-detached houses of good quality in pleasant environments.

5.5 Good quality housing in the private sector for independent older people has been identified as being in short supply, particularly bungalows. The proportion of retired people in Darlington, Hartlepool and Redcar and Cleveland is over 19% in each case, with lower levels around 17.5% in Middlesbrough and Stockton. ONS projections indicate significantly rising proportions of retired people over the next decade in the region, making this sector one of the fastest growing markets.

[15]"Regional Housing Aspirations Study", Nathaniel Litchfield and Partners, March 2005

Executive and Affordable Housing in the Tees Valley region

5.6 A challenge for Tees Valley is to provide good quality new housing in environments that attract people to stay in, or move to, those areas rather than look to move to more desirable locations in North Yorkshire or County Durham. This challenge is greatest in Middlesbrough with its urban setting, and in parts of Redcar and Cleveland with a legacy of heavy industry, where there are particular difficulties in providing more attractive residential environments.

5.7 The design quality of new developments must be high and aim to avoid large, bland redevelopment schemes of single tenure, lacking in community and other facilities. Modern methods of construction will be encouraged, together with high levels of energy efficiency and eco-sensitive use of resources.

5.8 There is a continuing demand for affordable housing in the sub-region, fuelled by sharply increased house prices in most areas. Affordable housing is required to assist those social housing tenants who aspire to owner occupation and to facilitate the movement of households from clearance areas into new accommodation they can afford.

5.9 Greater use will be made of the private rented sector in offering more choice to people looking for housing in the sub-region, including people displaced by clearance schemes and homeless households. This will need to be backed up by appropriate accreditation and licensing schemes to ensure good standards are maintained.

RESIDENTS' ASPIRATIONS

5.10 The Regional Housing Aspirations study reinforced the high value attached to suburban developments and those adjacent to green spaces. Developments in town centres and waterfront settings have a more limited appeal. When redeveloping cleared urban sites, for example, opportunities for lower density housing developments with open spaces must be maximised wherever possible.

5.11 The aspirations expressed by Tees Valley residents in the household survey were largely traditional, with over 57% aspiring to semi or detached houses and only 21% seeking terraced housing. Aspirational demand for flats was 10% and bungalows almost 11%.

5.12 The Aspirations Study raises questions about the extent of demand for new apartments. Although there is undoubtedly a degree of unmet demand, experience elsewhere has shown that much of this has been investor led. If prices continue to rise, albeit more slowly than of late, the appetite amongst investors may continue to diminish as returns dwindle.

5.13 Local housing needs assessments will help determine the nature of demand and new provision in different areas of the sub-region. In the meantime, this strategy will support the development of apartments in appropriate locations where demand can be shown to exist, provided that family houses generally represent the substantial majority of new development. We will also look to see a greater proportion of detached dwellings in appropriate locations.

5.14 The trend towards higher levels of home ownership is set to continue, encouraged by Central Government policy. Recent pressures on social housing are likely to be short-term, driven by the rise in house prices and reductions in supply through clearance and improvement programmes.

5.15 Housing for older people to buy and to rent should include lifetime homes as well as purpose built bungalows and apartments. More specialised developments such as the Joseph Rowntree inspired retirement village being developed in Hartlepool will be encouraged.

5.16 Housing schemes for independent older people provided by the private sector will be supported where the developer has a proven track record in providing quality schemes for that client group.

5.17 The housing aspirations of older people should be explored further to ensure consistency of data One LA has already completed its local HMA and a further three are to jointly commission a study early in 2006, across Tees Valley, particularly in relation to tenure, house types, size and location.

AFFORDABLE HOUSING

5.18 Although the sub-regional strategy will aim to expand the range and choice of private sector housing, an adequate supply and diversity of affordable housing and of rented accommodation within the social housing sector will be pursued.

5.19 The RHS does not prioritise any of the Tees Valley local authority areas for rural affordable housing from SHIP funding. However, it does provide the opportunity for specific bids to be submitted where an exceptional case can be made to meet an identified problem or need.

5.20 Affordable housing is defined as non-market housing, which can include rented housing owned by local authorities, registered social landlords and others provided for under the Housing Act 2004, for which guideline target rents are set through the national rent regime and/or subsidy has been made available. It can also include intermediate housing at prices or rents above those of social rent but below market prices or rents. This can include sub-market renting, low cost home ownership and shared equity products such as HomeBuy.

5.21 Affordability has not been considered to be a major issue across Tees Valley until recently, due to the abundance of low cost, terraced housing. However, much of this is not in desirable neighbourhoods, whilst recent price rises may have created an affordability problem in some areas, particularly Darlington and Stockton. Furthermore, the majority of social housing tenants are in receipt of benefits and unable to access private sector housing at market prices.

5.22 Proposals will, therefore, be put forward to the RHB and the Housing Corporation for affordable housing schemes wherever there is an identifiable need to be met which will support one or more of the key objectives of this sub-regional strategy. Local Housing Assessments will enable more specific assessments of affordable housing requirements to be made.

5.23 The provision of new affordable housing is essential to facilitate the relocation of households from proposed clearance areas. Many existing residents are on low and/or fixed incomes, who may struggle to move into newer, more expensive homes as a consequence of housing market restructuring. This housing strategy will, therefore, prioritise affordable housing bids to help facilitate housing market renewal and to widen the choice to displaced residents.

5.24 Other related initiatives such as the First Time Buyers Initiative, Homebuy, and other shared equity schemes, will be pursued wherever the need can be demonstrated and appropriate funding secured.

5.25 In some instances it will be appropriate to procure affordable housing through the use of Section 106 planning agreements. At present the application of such agreements is very piecemeal across the sub-region and this will be reviewed to establish a more consistent approach.

DESIGN AND ENERGY STANDARDS

5.26 In line with the RHS, new housing developments will be expected to comply with PPG3 guidance and, in rural areas, meet the recommendations of Planning Policy Statement 7. New developments are expected to be well designed and capable of making a significant contribution to urban renaissance and improving the quality of life.

5.27 Any large-scale housing schemes must offer variety, high design standards, a mix of house types and be of a density that provides sufficient green and open spaces to meet residents' aspirations.

5.28 Replacement housing, whether to rent or to purchase, will be expected to be of high quality design and specification, and ensure that the needs of more vulnerable households are properly provided for.

5.29 The design of new housing schemes should take account of an ageing population and the need for more people to adapt their homes to meet their changing mobility and frailty. Lifetime homes will be encouraged and elderly persons housing provided to free up larger, family homes wherever possible.

5.30 Secured by design principles will also be adopted and estates planned to minimise the fear of crime by creating safe and secure environments. This will involve careful consideration being given to issues such as street layout, lighting, through routes, communal areas and car parking.

5.31 Developers will be required to give significant attention to the efficient use of energy and to minimise carbon emissions. Maximum use of estate-based renewable energy sources will be encouraged to minimise reliance on fossil fuel generated power. The RHB has already stated that it will give priority to schemes submitted for SHIP funding that meet these design and energy efficiency standards.

5.32 Modern methods of construction (MMC) can offer significant efficiency gains in terms of construction costs and timescales, in addition to introducing new technology and materials. A number of RSLs have already begun applying MMC to their recent schemes with encouraging results. The sub-region will adopt a policy of encouraging the private sector as well as the social housing sector to adopt MMC wherever possible in order to drive down construction costs.

THE STRATEGIC PRIORITIES

5.33 The strategic priorities to provide better choice and quality will be:

- To support the development of greater choice in housing types, tenures and locations in all new housing schemes, and encourage developments that enables a pleasant environment to be created with green/open spaces.

- Develop more detached, executive housing to increase the choice of newly built, private sector family housing for owner occupation.

- Work with the providers (across all sectors) to improve the supply of good quality housing for independent, older people.

- Develop a series of complementary design standards and develop the use of modern methods of construction to improve the range and quality of housing on offer, and encourage the highest energy efficiency and eco standards of construction.

- Review the current use of section 106 planning agreements to procure affordable housing and develop guidelines for a sub-regional approach to its use.

6.0 IMPROVEMENT AND MAINTENANCE OF EXISTING HOUSING

"To secure the improvement and maintenance of existing housing so that it meets required standards, investing in sustainable neighbourhoods" - Key Objective 3, Regional Housing Strategy 2005

MEETING DECENT HOMES IN SOCIAL HOUSING

6.1 The Government has set targets for achieving the decent homes standard in both the social and private housing sectors. By 2010/11 all social housing will be required to meet the decent homes standard. Across the north-east region around 47% of properties in the Local Authority sector did not meet the standard, based on figures from the English House Condition Survey 2001. No comparable figures are available for the sub-region.

6.2 All five local authorities have now determined their investment strategies to achieve decent homes. Hartlepool, Middlesbrough and Redcar and Cleveland have established new LSVT RSLs. Stockton has set up an ALMO and Darlington has chosen to retain its stock and fund the investment from existing resources and prudential borrowing.

6.3 The major investment that will flow from the need to achieve decent homes in the social housing sector will be a major contributor to the overall regeneration of the Tees Valley and to the delivery of more sustainable communities across the whole sub-region, which in turn will help underpin other major interventions outlined in this strategy. The major investment that will flow from the need to achieve decent homes in the social housing sector will be a major contributor to the overall regeneration of the Tees Valley and to the delivery of more sustainable communities across the whole sub-region, which in turn will help underpin other major interventions outlined in this strategy.

6.4 Existing RSLs are also required to meet the same decent homes target. In general, their housing is newer and more likely to meet the standard, but it will still require works to around 18% of their stock.

6.5 With investment plans now substantially agreed, the sub-regional housing strategy assumes that the Government's decent homes targets in the social housing sector will be achieved by 2010/11.

IMPROVING THE PRIVATE SECTOR

6.6 The improvement and maintenance of stock in the private sector is one of the greatest challenges facing the sub-region due to the estimated scale and cost. The Government expects that by 2010/11 at least 70% of private sector homes occupied by vulnerable households will meet the Decent Homes Standard. Based on regional estimates of non-decency in the private sector (using English House Condition Survey data), it is likely that around 26% of the private sector stock in Tees Valley is currently below the decent homes threshold, of which around 22% is occupied by vulnerable households.

6.7 However, the extent of non-decency in the sector has not yet been fully quantified across Tees Valley. This situation will have been remedied by early 2006. However, all authorities recognise that they will have a substantial task to meet the 2010 target and that current SHIP and available private sector resources are unlikely to be adequate to meet the target. .

6.8 The Local Authority's have submitted an innovative partnership bid to the Regional Housing Board for SHIP 2 funding. This will tackle the improvement and maintenance of existing private sector housing to meet decent homes, reduce the number of empty homes and improve energy efficiency (ie objective 3 in the Regional Housing Strategy). It also proposes a more consistent approach to the improvement of property and management standards in the private sector.

6.9 Finally, more work will be undertaken to provide a better understanding of the location and scale of owner occupiers whose properties do not meet decent homes standards, and how regeneration might impact on the availability of services and facilities to enable elderly home-owners to remain in their own homes.

DELIVERING IMPROVEMENTS

6.10 The delivery of the bulk of decent homes across the social housing sector will be in the hands of the new LSVT RSLs, (Housing Hartlepool, Erimus and Coast and Country), and the ALMO (Tristar Homes). .

6.11 Darlington BC will be retaining its own stock and will be bringing together a range of funding streams, including prudential borrowing, to ensure it can meet its own decent homes plus standard across its housing stock.

6.12 The Regulatory Reform Order 2002 was an attempt to create more resources to finance home improvements in the private sector. It expects LAs and home owners to move away from traditional grant-led improvements by looking to increase the proportion of privately financed work through loans, equity release mortgages, release of savings and other privately financed initiatives.

6.13 The renovation grant regime is unlikely to continue receiving significant SHIP funding in the future. This will require a step change in the way LAs approach their private sector renewal strategies. Grant assistance to homeowners towards disabled facilities adaptations will continue, however.

6.14 As mentioned earlier, a partnership approach involving all LAs in the sub-region will aim to develop examples of good practice in privately financing home improvements, introduce new decent homes investment packages and help procure new financial services. The partnership will also develop a knowledge base of good practice to share with others and to move towards an homogenous approach to private sector investment across the sub-region.

Major improvement work being delivered by the LSVT RSL's

6.15 Local authorities have been encouraged by Government (through their agency, Foundations) to set up arms-length Home Improvement Agencies to provide support and assistance to homeowners, and to look at cross-authority working. Hartlepool, Darlington and Redcar and Cleveland have already set up HIAs with RSLs, whilst Stockton is presently considering adopting a similar approach. Middlesbrough currently intends to retain its in-house advisory service.

6.16 The role of private landlords in maintaining and improving the existing housing stock has often been seen as problematic. LAs have not had a consistent approach to the provision of financial assistance across the sub-region, and ways of improving this will now be explored as part of the partnership to improve housing standards across the private sector.

6.17 Alongside financial assistance, private sector landlords must accept increasing regulation through licensing and accreditation schemes to establish acceptable standards of management and maintenance. As many landlords own properties in more than one borough, the sub-regional SHIP 2 bid proposes a co-ordinated intervention to drive up standards of both property management and stock condition in this sector. A more consistent application of licensing and accreditation schemes will be developed across the sub-region, and training schemes for landlords promoted.

6.18 Fuel poverty continues to be an issue of concern, where it is estimated that over 15% of households in the region are spending more than 10% of disposable income on fuel, compared to 11.5% nationally. Several LAs have already adopted Affordable Warmth and/or Fuel Poverty strategies to improve insulation and heating systems and to ensure households benefit from financial support where necessary.

6.19 The Tees Valley partnership SHIP bid aims to build on existing good practice to develop a sub-regional energy efficiency strategy. It proposes joint working with a national energy supplier across the sub-region to offer residents a package of energy efficient measures to reduce fuel costs, especially amongst vulnerable and low income households.

6.20 Improvements to bricks and mortar are not seen as the sole solution to market failure and the regeneration of sustainable neighbourhoods. Effective neighbourhood management can underpin physical improvements and will be considered where significant regeneration activity is planned in the most vulnerable neighbourhoods.

6.21 Initiatives will be introduced to help develop capacity within the community to access employment, training and further education, and to co-ordinate the work of agencies who can contribute towards the regeneration of the community. Wherever possible, training and employment opportunities created by the physical improvement works will be made available to the local community.

THE STRATEGIC PRIORITIES

6.22 The strategic priorities to achieve the improvement of existing housing will be:

- Achieve the Government's target of achieving decent homes in the social housing sector within the sub-region by 2010/11:
  - Ensure the delivery of value for money through effective procurement and partnering arrangements.
  - All social landlords to produce Asset Management Strategies to ensure the decent homes standard is maintained.
- Encourage physical improvements to social housing estates, which include environmental works to transform neighbourhoods into more attractive and sustainable communities.
- Improve housing conditions in the private sector:
  - Quantify non-decency across the sub-region.
  - Formulate plans to respond positively to the Government's target of achieving 70% decency amongst vulnerable households by 2010/11.
- Explore sub-regional approaches to developing new privately funded loan and equity share products to help homeowners fund their own improvements and to develop new decent homes improvement packages.
- Review current HIA services and explore the potential to develop opportunities for a more consistent sub-regional approach.
- Continue to explore the opportunities for joint procurement in delivering value for money with regard to the provision of aids and adaptations.
- Develop a sub-regional approach to encourage private landlords to invest in improvements, participate in accreditation and licensing schemes, and to ensure consistency in approach to raising standards across the private rented sector.
- Achieve the target of ending fuel poverty for all vulnerable households in the Tees Valley.
- Improve energy efficiency to achieve a SAP rating of at least 65 across all the sub-region's homes by 2015.

7.0 MEETING SPECIFIC COMMUNITY AND SOCIAL NEEDS

"To promote good management and targeted housing investment to address specific community and social needs, including an ageing population and the needs of minority communities; this will be integrated with the Supporting People programme and promote greater community involvement" - Key Objective 4, Regional Housing Strategy 2005.

HOUSING FOR OLDER PEOPLE

7.1 Demographically the population of older people is increasing proportionately. Within the definition of older people there are different groups in terms of income, health and social characteristics, whose needs are very diverse.

7.2 As participants in the housing market older people have different housing needs at different stages in their life. There are some good examples of housing solutions to meet these changes in Tees Valley – e.g. the successful partnership bid from Hartlepool for an Older Persons' Village and the small scale stock transfer of its six sheltered housing schemes currently being pursued by Stockton.

7.3 The housing aspirations of older people are to be explored across Tees Valley through research and data analysis, particularly in relation to:

- tenure - rent, leasehold, shared ownership, full ownership and in specialised provision like extra care;
- house types – current home, bungalows, apartments with security arrangements, sheltered, extra care;
- size preferences for 1 or 2 bedroom homes;
- location – rural, suburban, town centre or urban, and willingness to move in order to secure their preferences;
- culturally specific needs and aspirations of older people from BME communities.

7.4 Older people should have better information about the options available to them beyond traditional models of social rented bungalows and sheltered housing, in order to make informed choices.

7.5 The strategic approach to housing, care and support for older people is developing well across Tees Valley. The most recent individual strategies, eg Stockton's Older People and Darlington's Supporting People strategies, benefit from latest policy developments and Audit Commission Inspection approaches. A sub regional strategic approach should readily emerge from this work.

7.6 There is broad agreement that the current model of extra care for older people is a good one, and that it should be enhanced to provide units for sale and be developed to provide a hub for services to older people in the wider community. All authorities indicate a shortfall of extra care and that specific provision for dementia sufferers, or those with complex needs should be met within extra care developments rather than stand-alone units.

7.7 There is a case for adopting a Tees Valley approach to deciding priorities for the provision of extra care, given the high cost, the call on capital and the opportunity to access Department of Health funding. Certain obstacles will need to be overcome and actions taken to facilitate this, including:

- The financial pressures on Supporting People and the current short time horizon which pose difficulties for long term planning;
- Work to be done to understand how much of older peoples' housing demands can be met from owner occupation or part ownership;
- The extent to which support services to older people in their own home can be provided more extensively by, e.g. developing the 'hub and spoke' model;

- Actions to meet the Decent Homes targets for older people living in their own homes;
- The extent to which sheltered housing can be cost-effectively re-commissioned to provide extra care;
- Further work on assessing and commissioning assistive and SMART technologies to improve services through new telecare monitoring services and similar, new developments.

ACCOMMODATION FOR SPECIFIC NEEDS

7.8 The Tees Valley LAs are currently reviewing whether existing temporary accommodation for homeless people is fit for purpose. A sub-regional approach to temporary accommodation and/or hostels provision should be developed, to ensure that provision is matched to the supply of general accommodation and the ODPM target of reducing reliance on it can be met.

7.9 Two recent initiatives provide a springboard for inter-authority working; the sub regional homelessness group initiated by Middlesbrough and the designation by ODPM of Hartlepool as a Champion Homelessness Authority. In addition the Cross Authority Group (CAG) for Supporting People (Tees Valley and Durham) have recently agreed to work closely together on a number of issues.

7.10 A logical extension of the current approach is to work together to re-commission hostels suitable for future needs using the ODPM Toolkit and to develop reciprocal protocols for cross boundary usage. Initiatives to involve the private sector in providing accommodation are being pursued, including arrangements for the reprovision of short-term hostel accommodation and private sector leasing schemes.

7.11 Prevention of homelessness is particularly high on all agendas. Activities designed to avoid homelessness occurrences, such as raising service awareness school visits, mediation services, information and advice packs, and training, all feature strongly. Improved housing advice and assistance services have been developed by all housing authorities using dedicated staff. In three authorities a ‘Housing Options’ approach has been taken to broaden the housing advice to applicants.

7.12 Access to permanent accommodation needs to be improved, with a dedicated focus on improving support services for 16 – 25 year-olds. Partnership working is significant, particularly in providing services to those leaving institutions such as prison and long stay hospitals, including HARP (Housing and Returning Prisoners) which has established sub-regional protocols and good practice.

7.13 There is a role for the private sector in providing accommodation for homeless people, which has not been well developed to date. With increased pressure on available accommodation it is acknowledged that accommodation provided by private landlords should be used to a greater extent for both short and longer-term housing.

7.14 In addition, the introduction of accreditation and licensing schemes will offer greater opportunities to improve the standard of housing and services provided by all private landlords. Closer dialogue is to be established in order to develop an appropriate service.

7.15 The Census 2001 revealed that just under 1% of Tees Valley homes were occupied by student households. The sub-region has two expanding Universities, and although most of their students appear to be locally based, it is probable that the numbers living in privately rented accommodation will increase.

7.16 In terms of accommodation for other special needs the following priorities have been identified:

- Cross authority provision for single homeless people, people with drug and alcohol problems, women and families experiencing domestic violence and offenders and those at risk of offending;

- Young people and others with complex needs, often with mental health problems, and ex offenders;

- More refuge places for people of both genders suffering domestic violence;

- Homeless people with more specific temporary accommodation needs, eg drug and alcohol abusers and some ex-offenders.

7.17 There is presently an under provision for those with learning disabilities who want to live independently. Detailed information on the extent of unmet need is lacking. However, Learning Disability Partnership Boards means the potential is there for a fuller understanding and the development of a sub-regional Learning Disability housing strategy to specify accommodation needs.

7.18 By comparison, the specific housing needs of other groups across Tees Valley is not so large in scale or numbers. Generally the most critical issue is the appropriate type and level of support to achieve independence linked to good quality accommodation.

7.19 Accessible housing, lifetime homes and the use of Disabled Facilities Grant mean the accommodation needs of those with a physical disability and/or sensory loss can be improved. There is broad agreement across Tees Valley that mainstream accommodation should normally be provided for those with mental health problems, for those with HIV/Aids and for ex-offenders, as long as appropriate floating support is available.

7.20 All of the Tees Valley LAs have submitted bids in 2005 for top-up SHIP funding for additional Disabled Facilities Grant, to meet increasing demand from elderly and disabled residents wishing to stay in their own homes.

Assistance with undertaking the work involved will be available through the HIA services offered by them.

7.21 Practitioners across the sub-region agree that, for those who may be vulnerable for a range of reasons, their overwhelming preference is for a decent home in a pleasant and safe environment with support "floated in". This provides flexibility for the individual and for Supporting People contracts, prevents "silting up" of units of specialist accommodation, avoids the disruption of further home moves often to less desirable accommodation, and avoids labelling.

7.22 Floating support can be designed for particular groups, be financed from different funding streams relating, be provided under contract arrangements by a range of providers and be administered more efficiently through, for example, a common waiting list. Floating Support services should tie in with Assistive Technology/Alarm Services supported by Health and the PCTs as well as the care services.

THE BME COMMUNITY

7.23 In general terms, the Tees Valley BME population is low at around 3% of the population, compared to the England average of 9%, except for Middlesbrough where it is 6.3%. This means that real effort needs to be made to identify the various communities and to understand their housing needs, for example, by establishing a sub-regional BME consultative panel, as has been done in Stockton.

7.24 The Regional Housing Strategy refers to the limited understanding of the housing needs of black and minority ethnic groups and the paucity of up-to-date evidence. Work currently being undertaken by TVL to research the needs of the BME community in Tees Valley is welcomed and will be invaluable in helping to ensure their needs are better met.

7.25 In terms of special housing needs, the development of services for those members of the BME community experiencing domestic violence and for young people at risk of homelessness, is necessary. Improving the knowledge of Supporting People services amongst the BME community in order to improve fair access to all services, and of housing related support services in particular, is a key aim of this strategy.

GYPSIES AND TRAVELLERS

7.26 The Housing Act 2004 introduced new requirements on LAs to include Gypsies and Travellers in the Local Housing Needs Assessment process and to have a strategy in place which sets out how any identified need will be met, as part of their wider housing strategies. The RHB is required to provide a regional and sub-regional view of Gypsies' and Travellers' accommodation requirements to inform the RSS and Local Development Frameworks.

7.27 Gypsies and travellers moving through the Tees Valley area are made up of several very diverse groups. Conflict with Travellers tends to focus around illegal camping on non-designated sites and perceptions that their numbers are increasing. Research will be undertaken to improve the understanding of their requirements and to develop the strategy, particularly as current evidence suggests they suffer from greater levels of poor health and social exclusion.

7.28 There are already examples of good practice across the sub-region. Redcar & Cleveland's Gypsy and Traveller Strategy aims to ensure a consistent approach and effective planning to deliver services appropriate to their needs. Stockton has recently provided a new transit site with a SureStart building, which will be the focus of consultation with the travelling community. Darlington's Honeypot Lane scheme has secured over £1m of Government funding and involves other agencies such as SureStart.

ASYLUM SEEKERS AND REFUGEES

7.29 All the sub-regional LAs have had experience of participating in the Government's dispersal policy on Asylum seekers through the National Asylum Seekers Service (NASS). The North East Consortium for Asylum Support Services (NECASS) acts as a clearing house and broker on issues with NASS and Government. The multi-tenure approach will continue, although its administration has raised issues for individual authorities in managing it and ensuring individual asylum seekers and refugees have the appropriate support to sustain short term tenancies.

7.30 Co-operation between Health, Housing and Social Care is critical. Although each Local Authority, through its arrangements with NASS, has a feel for the number of asylum seekers in its area, information on the number and location of refugees is less clear and will be improved.

7.31 Specific research will be undertaken to provide a more informed picture across the sub-region of longer-term housing requirements of refugees, the level of provision needed, use of the private sector, standards of housing management, and ways in which host communities have responded.

THE STRATEGIC PRIORITIES

7.32 The strategic priorities to address specific community and social needs will be:

- Continue the development of a cross-authority strategic approach to housing, care and support through strategies for older people.

- Strengthen the potential for vulnerable households who wish to remain in their own homes (in all tenures), through effective housing related floating support.

- Adopt the model of extra care for other vulnerable people:

  - Provide units for sale.

  - Provide a hub for services to other vulnerable members of the wider community.

- Prioritise homelessness prevention across Tees Valley.

- Explore alternative models of temporary accommodation for homeless households to ensure quality accommodation is provided:

  - Explore the use of the private rented sector.

- Continue to build on existing good practise in terms delivering housing services to vulnerable groups:

- Effective cross authority working on homelessness, domestic violence, rehousing of ex-offenders (HARP), drug abuse and young people with complex needs.

- Consider the implications of the Governments Respect Agenda and how it influences sub-regional working in terms of anti-social behaviour and improving standards of housing management in vulnerable areas.

8.0 CROSS-CUTTING ISSUES

RESEARCH NEEDS

8.1 The Tees Valley region is relatively well supplied with data on, for example, economic, demographic and transportation issues, mainly due the work of the Joint Strategy Unit. Other research has been specially commissioned, for example, the Housing Market Assessment study for TVL.

8.2 However, a number of gaps have been identified in the knowledge and understanding of the housing market, its people and their aspirations, especially at a more detailed, local authority and neighbourhood level. To develop this first sub-regional strategy it will be important to follow through with specific research to plug these gaps to better inform the priorities for intervention.

8.3 These gaps include:

- An evaluation of the extent of disrepair and non-decency in the private housing market, to build-up an evidence-based sub-regional picture;
- The location, aspirations and housing options for residents from the Tees Valley BME communities (research has recently been commissioned by TVL);
- The housing aspirations of older people and their preferences regarding the tenure, type and location of housing;
- The extent and type of housing need, support and preferred housing provision amongst people with learning disabilities;
- A detailed assessment of housing markets, peoples' needs and aspirations at local authority and neighbourhood levels;
- The housing preferences, health and community needs of the travelling community;
- The housing requirements of refugees, the level of provision needed, use of the private sector, standards of housing management and ways in which host communities have responded;
- The extent of demand for high quality apartment living in specific locations amongst younger professionals and independent, older people.

DEVELOPING GOOD PRACTICE

8.4 This strategy has identified new initiatives to assist with its delivery, based on good practice by other providers. In some cases this is good practice within the sub-region which could be shared with the rest of the Tees Valley providers. In other cases it is work not currently experienced by any of the sub-regional providers.

8.5 Some areas where improved understanding and dissemination of good practice is required include:

- Continued partnership working to implement a sub-regional approach to Choice Based Lettings.

9.0 DELIVERING THE STRATEGY

THE POTENTIAL PARTNERS

9.1 The Tees Valley is fortunate in having a number of significant organisations working across local authority boundaries, to help deliver the housing strategy. The Tees Valley Partnership was established in 2000 and charged with co-ordinating the economic development and regeneration of the Tees Valley and the activities of the main agencies responsible for delivery. Its Board consists of representatives from private and public sector organisations, academia, the police and the voluntary sector. The Joint Strategy Unit was established to develop a strategic database and to establish a strategy to improve the economic performance of the sub-region and improve the quality of life.

9.2 One of the most significant housing regeneration agencies is Tees Valley Living, created in 2003 to develop a case for major funding to restructure the housing market and to tackle low demand and obsolescence in all sectors. It is a partnership body with representatives from the five local housing authorities, other housing providers, Tees Valley Regeneration, Building Societies and house builders.

9.3 It has successfully bid for housing market renewal funding, and although not one of the original nine HMR Pathfinders, it is intent on delivering similar housing regeneration solutions. It has received an initial allocation of £23m from 2006-2008, and has produced its own housing strategy detailing proposed interventions for the next two years of its longer-term programme (referred to in Section 4).

9.4 The importance of TVL and the funding it has secured to the delivery of this sub-regional housing strategy cannot be over-stated. Without it, the major task of tackling low demand and delivering the clearance of obsolete housing and stimulating new investment in the priority neighbourhoods set out earlier will not be achievable.

9.5 However, TVL is not itself a delivery vehicle for clearance and redevelopment work. Its primary functions are the strategic direction, setting the priorities and procuring finance for key activities. The key delivery partners will be the private sector developers and builders, local authorities and the RSLs.

9.6 The refurbishment needed to meet decent homes standards in the social housing sector, and to upgrade its housing estates, will need to be delivered in full or in part by Darlington BC, and by Stockton BC through Tristar Homes. In the other three boroughs, the new RSLs who have taken ownership of all the former council housing, together with other, longer established RSLs, will be responsible for delivering decent homes within their stock, estate refurbishment and any new affordable housing.

9.7 RSLs will also have a key role in meeting the demand for additional housing accommodation for special needs, the BME community and travellers, as referred to in Section 7.

9.8 The private sector has by far the largest financial contribution and physical input to contribute to delivering this strategy. This includes not only the building industry and developers, but also private householders, landlords, mortgage lenders and other private lenders, all of whom will have an important part to play in achieving major redevelopment and the improvement of existing housing.

9.9 Partnering arrangements with major housebuilders will be paramount in securing major redevelopment and new housing projects, and will be one of the critical factors in delivering this strategy. There is already a substantial experience of development partnerships, and the LAs will pool their expertise and knowledge in ensuring the best possible arrangements can be achieved.

9.10 Closer relationships with private home-owners and landlords are planned in order to secure their "buy-in" to parts of this strategy that require not only their support but also their financial contribution. Public sector funding will be insufficient to achieve the improvement needed to existing private housing, and the strategy will fail in that respect if effective partnerships with owners and landlords are not achieved. Similarly, there will need to be effective links with local builders and house improvement contractors to ensure capacity and good standards are available to undertake small-scale house improvement works.

9.11 The most significant public sector partnership to emerge is the Spirit Partnership. Founded by Tees Valley Housing Group and Three Rivers Housing Group, it now includes Two Castles HA, Coast and Country Housing, Erimus Housing and Housing Hartlepool. The significance of this delivery partner is enormous, not only in terms of its responsibility for over 40,000 former council houses with £500m of investment, but also its ability to access Housing Corporation funding for new social housing and the cross boundary working experience of its founding members.

9.12 Tees Valley Regeneration is another potential partner who will be procuring the delivery of around 7,000 new homes across the sub region over the next 15-20 years. Although not in receipt of any public sector capital funding and outside of the direct control of individual local authorities, its activities will have an enormous influence on the future housing market. As such, the sub-regional LAs will be seeking to work closely with TVR to influence its housing and other major redevelopment proposals so that there is synergy between the delivery of its plans and those set out in this strategy.

9.13 Substantial parts of this strategy do not in themselves require capital investment to achieve the planned outcomes. The need for significant increases in floating support for vulnerable clients, extra care for older people unable to lead independent lives, and other initiatives to meet special housing needs of the more vulnerable, will all require partners with the appropriate expertise, knowledge and revenue funding.

9.14 Traditional RSLs have long-standing experience in this area, together with the voluntary sector and private sector care agencies, and they will be essential in the successful delivery of the strategy. Links with Supporting People teams are already well developed across the sub-region, and will need to be developed further to improve the knowledge base and understanding of the needs of vulnerable people in order to make the most efficient use of limited resources.

9.15 Joint procurement and commissioning initiatives will be pursued in order to meet the cost effectiveness agenda. The partnerships referred to above will need to agree how best to procure services and contracts and to deliver support services for individual services. The building industry is already short on capacity and partnerships will be encouraged which develop training and skills in the industry.

9.16 Joint procurement of materials and services to assist the major redevelopment projects and to facilitate smaller-scale home improvement projects will be encouraged, to achieve maximum value for money and maximise the outputs. Similarly, energy efficiency targets will be more easily achievable through major procurement of fuel and energy efficient equipment and appliances.

10.0 CONCLUSION AND RECOMMENDATIONS

TAKING IT FORWARD

10.1 This first Tees Valley sub-regional strategy sets out a clear strategic direction and priorities supported by the main housing organisations in the sub-region. The challenge now is to develop the priorities and objectives detailed within this strategy into actions against which, performance is measured.

10.2 This concluding section therefore pulls together the threads of the action now required and makes a limited number of recommendations about how this should be achieved.

10.3 The strategy is set in the positive context that much is being achieved to improve the housing offer in Tees Valley. A large investment programme is under way to improve all the social housing stock to be retained, pushed forward by all the LA's and major RSL's. Much of the private housing sector is vibrant with sustained new house-building and investment in existing stock. The sub-region has been far-sighted and resolute in establishing Tees Valley Living and securing initial government funding for a housing market renewal programme. There is clearly a good deal of innovation, creativity, partnership working and good practice.

10.4 The strategy will build upon this to address the development of a key aspect of the Tees Valley City Region - the concentrations of poor housing and poverty, both geographically and in specific sections of the community. It will support the economic growth strategy by helping to make Tees Valley a more attractive place to live, and promote social inclusion for all.

10.5 There are four main work-streams to take forward:

- Further improving the research and intelligence base of evidence on which programmes are developed, and the case for resources is made.

- Working together to increase the pace and effectiveness of policies, programmes and products where innovation and development is required, to make best use of skills and resources.

- Agreeing sub-regional investment priorities and programmes, in particular to attract funding from the Regional Housing Board and other funders.

- Establishing long-term partnership arrangements, with practical support, which will oversee the on-going work and review as necessary.

Each work-stream is considered in detail below.

THE RESEARCH AND EVIDENCE BASE

10.6 The main research priorities are identified in paragraph 8.3. This is a substantial work programme that, in practice, will need to spread over several years. One of the key priorities is to develop an up-to-date and local authority-level of understanding housing requirements and aspirations. Work on a shared brief has already progressed.

10.7 The most pressing issue is to obtain a better knowledge of private sector housing conditions, how this relates to the Decent Homes Standard and the impact of poor conditions on vulnerable households and, especially, elderly people. Action on poor private sector housing will be central to future programmes and must be informed by a good and consistent evidence base.

10.8 To take forward this work it is recommended that:

A	A housing research and evidence group be established with a brief to: 1) Agree a prioritised work programme within 6 months. 2) Act as the client for priority sub-regional commissions. 3) Avoid duplication of effort. 4) Report to the Partnership on the outcomes of the priority commissions.

SHARED POLICY AND PRODUCT DEVELOPMENT

10.9 The main priorities for joint working are listed at paragraph 8.5. There are other priorities particularly in the detailed work needed to develop services for vulnerable people covered in section 7. Joint working must be a productive use of time. The work therefore needs to be tightly structured with clear and agreed objectives. It is accepted that some of these groups have already been established.

10.10 It is recommended that:

B Cross LA working groups with RSL membership, should be established with the following briefs:

1) To develop programmes to address cost-effectively the Decent Homes Standard in the private sector including development of financial products to replace grants, promotion of energy efficiency and working with private landlords.
2) To develop new and improved approaches to meeting older persons housing needs including the development of support services, assessment of the potential for extra care schemes and the scope for re-commissioning sheltered housing to meet these needs, as compared to other models.
3) To continue to support the Cross Local Authority Groups for Supporting People linked to measurable outcomes.
4) To assess the research findings, together with existing information, about the specific needs of the BME communities and to recommend appropriate actions.
5) To guide initiatives about improving access to affordable housing and preventing homelessness, including Choice based Lettings.

SUB-REGIONAL INVESTMENT PRIORITIES AND PROGRAMMES

10.11 During the next two years, the strategy will reflect in strong sub-regional programmes, which take forward the priorities. The main elements will be:

- The TVL market renewal programme, concentrating on a small number of major interventions.
- Complementary improvement of sustainable housing, especially within or adjacent to TVL priorities, or in other areas at risk of market failure.
- Complementary provision of affordable housing for relocation, including new social housing.
- Investment in the regeneration of specific priority locations outside the TVL area, taking careful account of the limited resources available.
- Working with the planners to ensure the right mix of new housing to meet housing needs and improve the overall housing offer.
- Continued work to address the housing needs of all vulnerable groups;
- Joint procurement and commissioning for cost-effectiveness and promoting local capacity and skills.

10.12 It is recommended that:

C
In consultation with the Regional Housing Board, work is commissioned to prepare an agreed timescale, an overall sub-regional investment programme in line with the Strategic Priorities. This work should be steered directly by the Housing Partnership.

PARTNERSHIP WORKING

10.13 All of the Tees Valley housing bodies will need to agree the most appropriate arrangements for future partnership working. This could be under the umbrella of the existing Tees Valley Partnership, or it might use the TVL structure, or existing LA-based working arrangements. Whichever route, it is essential that it has the explicit support of the constituent local authorities, and other key partners, and that it is adequately serviced to move forward the necessary work.

10.14 The overall responsibility for the Strategy and for implementation of an Action Plan should be established at a cross-Tees Valley level. There needs to be sufficient authority to secure the support of each LA and the wider stakeholder group. It needs to ensure effective alignment of housing with related strategies. Since local authorities are statutorily responsible for the overall strategic housing role, they are therefore positioned well to undertake this role ensuring there are clear and strong linkages to the TVL and TVP structures.

10.15 Alternatively, the Joint Strategy Committee (JSC) of the TV Partnership is well placed to take this responsibility, but has (to date) little direct involvement with Housing. Its membership does not include members with specific responsibility for housing strategy. This could be resolved by establishing a new Partnership Body with a stronger housing focus. In the short-term, it is suggested that a housing member from each LA be invited to the JSC when Housing Strategy matters are considered.

10.16 The Tees Valley Living Board is an alternative cross-TV partnership, which has a major role to play in the Strategy. It includes many of the key individuals and skills required to direct the sub-regional strategy, but it may be unwise to widen its responsibilities beyond the Market Renewal Strategy at this stage. TVL is properly focussed on establishing and implementing a successful HMR strategy and there would inevitably be tensions, and distractions, in also taking responsibility for a wider Housing Strategy.

10.17 If the TV Partnership has overall responsibility for taking forward the Strategy, there will need to be an “Executive” group to manage the work on a month-by-month basis. This Executive group will need to:

- Have full involvement of each of the five LA’s, as strategic housing authorities;
- Include TVL and ensure continued integration of the TVL and Sub-Regional Strategies;
- Involve representatives of other key stakeholders (e.g. RSL’s, house builders);

- Be effectively serviced, which will be able to be provided by a strengthened JSU.

10.18 It is recommended to:

<u>D</u>

1. Establish a local authority based Executive Group to oversee and manage the implementation of the Action Plan.

ACTION PLAN

10.19 The recommendations within this Strategy need to be brought together into a SMART Action Plan. This concentrates on the work required to take forward the priorities identified in this Strategy and to strengthen sub-regional working so that Tees Valley can respond (and compete) effectively to the emerging Governmental focus of City Regions and sub-regional housing markets.

10.20 It is recommended that:

<u>E</u>

1. A draft Action Plan be produced by the strategic local authorities for consultation with all sub regional housing partners with a view to agreeing a final Action Plan for implementation.
2. The Action Plan be monitored through the local authority based Executive Group.
3. The Action Plan should be adopted and approved by the Tees Valley Partnership.

11.0 APPENDIX A - PLANNING POLICY CONTEXT

Introduction

11.1 This section provides the planning context, which will impact on the delivery of some of the Tees Valley sub-regional housing strategy priorities.

National Context

Planning Policy Guidance Note 3: Housing

11.2 The overall aim of the policy advice presented in PPG 3 is to:

> *"promote more sustainable patterns of development and make better use of previously-developed land, the focus for additional housing should be existing towns and cities." (PPG3 Paragraph 1)*

11.3 In regards to the provision of new housing PPG3 sets out that Development Plans should adopt a sequential approach in order to give priority to developments on previously developed land in the most suitable locations, through a plan monitor and manage approach. The potential and suitability of land for residential development should then be assessed against a number of criteria to ensure suitability for development.

11.4 As well as encouraging future housing provision to be located in sustainable locations, PPG3 also emphasises that future housing should be developed with the aim of creating mixed and inclusive communities which offer a choice of housing and lifestyle. The aim should be to provide a choice of housing type and size, including a provision of affordable housing to meet identified local housing needs.

Changes to Planning Policy

11.5 Amendments to Planning Policy Guidance 3 (PPG 3) made in January 2005 and subsequent consultation on a number of additional changes to PPG 3 is intended to support the delivery of a sub-regional housing strategy through the planning process. The amendments to PPG 3 focussed on the requirement for local authorities to 'consider favourably' the potential for housing on redundant employment sites with no realistic prospect of use for employment purposes.

11.6 This change in policy will have implications for the Tees Valley given the large supply of employment land, some of which may be promoted for housing on the grounds that it has no realistic prospect of use as employment land.

11.7 Redundant employment sites put forward for housing are now required to demonstrate that they would not cause an oversupply of housing and would not impact upon areas of low demand. If these policy 'tests' can be successfully addressed then PPG3 provides a presumption in favour of residential development. This could clearly be a major source of new housing supply and therefore it is important that the housing market implications of such proposals are fully addressed.

Recommendation 1 For developments over 150 units, developers should be requested to provide an assessment of the effects of the housing market impact of the proposed development. This information alongside the Local HMA findings could inform the appraisal of the subsequent application to determine the impact on the local housing market.

Recommendation 2 At a local level it is necessary to speed up employment land reviews in order to help LDFs to identify the employment sites which would be retained, those that would be released for housing subject to a number of tests and those that would be preferable for housing.

Proposed Changes

11.8 The proposed changes to PPG 3, identified in the consultation paper 'Planning for Mixed Communities', sets out the requirement for Local Authorities to carry out Local Housing Market Assessments (Local HMAs) in order to help inform the type, tenure and density of developments as well as the amount of affordable housing that needs to be provided. This approach has now been integrated into the Draft PPS 3 released in December 2005.

11.9 The changes to PPG 3 will help support the delivery of housing market restructuring in areas as new developments will need to consider their impact on delivering sustainable communities, by ensuring that housing meets the needs of residents both now and in the future. Local Planning Authorities (LPAs) will be required to undertake research to provide the evidence base to inform Local Development Frameworks (LDFs), this will include Local Housing Assessments.

11.10 The Local Authorities (LAs) of the Tees Valley have already begun to undertake Local HMAs to help provide a better understanding of local housing needs and requirements. Local HMAs will provide considerable evidence to underpin the requirements of particular house types and sizes within an area. The findings of Local HMAs once adopted by the Council should to be used to develop housing requirements set out in the LDF.

11.11 In terms of housing renewal areas, an understanding of re-provision requirements is required, to meet housing market renewal objectives. Understanding these requirements will enable LAs to identify specific sites within the LDF, where re-provision could be delivered to help facilitate local renewal areas. In some cases the re-provision may be at a lower density or at different location from the renewal area.

11.12 Local HMAs can help to identify local housing markets and housing requirement. This information will provide a good base to understand the impact of new housing on current housing markets and how it meets local housing requirements. The Local HMA findings can also be used to assess the housing impact assessments which are provided to support applications for more than 150 housing units (see recommendation 1).

Planning for Housing Provision

11.13 This consultation document was published in July 2005.. It sets out the Government's objectives for improving housing supply through the planning system.

11.14 The Government has identified that the inadequate supply of land and the current unresponsiveness of housing to market demand is a constraint on the housing market.

11.15 To address these constraints the following are proposed:

- Sub-regional housing markets used as a basis for allocating and tailoring approach to delivery
- Planning horizon to be extended to 15 years
- 5 year supply rolled forward as land is developed to ensure the supply of developable land is maintained and that monitoring is more responsive to market conditions

Planning for Housing Markets

11.16 The main aim of this proposal is to shift the focus on to identifying sub-regional housing markets rather than looking at administrative boundaries for the allocation of housing numbers. The RSS will be the guide to whether sub-regional housing markets are identified for high levels of housing growth, managed growth, or a managed reduction in housing. The level of growth identified in area impact on the amount of land required to enable housing to be developed.

11.17 Finally the RSS will be responsible for allocating the housing numbers to the sub-regional housing market areas and to Local Authorities in them. This approach promotes a sub-regional approach to housing and suggests that LAs should continue to work together to deliver housing regeneration.

Identifying Land for Housing

11.18 Development Plan Documents will allocate land to deliver housing for the first five years. Land for a further ten years will also need to be identified within the plan.

11.19 The land allocated for the first five years should be the most suitable land for development and should take into account the Government's Brownfield land target.

Managing and Monitoring Land Supply

11.20 In order to manage the supply of land more effectively the consultation paper makes proposals to allow Local Authorities to top up their land supply from future allocations which have been identified. If land is used up at a faster rate, due to higher demand then:

- Areas identified for high level of growth will roll land forward from future provision
- A partial review of the RSS will take place to assess whether housing numbers should be revised or market areas changed
- Areas of managed growth would be expected to manage the release of land to control the pace of development
- If the rate of development in low growth/managed reduction areas is higher than planned then a partial review of the RSS will also take place

11.21 There are also measures if land is developed at a slower rate than expected including;

- If land is difficult to develop then consideration will need to be given as to how it can be made easier to develop
- If the change is as a result of a change in housing markets, LPAs need to consider whether these are as a result of long term market change and consider the implications.

11.22 These measures should contribute to a more flexible planning system which is more responsive to housing markets.

11.23 The consultation document sets out the need for regions, sub-regions and local authorities to work together to implement these proposed changes. At a regional level, sub-regional housing markets need to be identified which will become the housing markets to provide the basis of planning. At this level a decision will be made to identify where housing numbers will be seen as a 'floor' and where they will be a 'ceiling'.

11.24 Local HMAs and wider Housing Market Assessments undertaken within the sub-region will provide the evidence base to determine the level and distribution of housing provision.

11.25 The consultation document also suggests that Local Authorities in each housing market area could work together to commission joint local housing assessments. These would provide the basis for developing a joint Development Plan Document (DPD). Working together at this level would provide a shared sub-regional approach to delivering the RSS, this would be reflected within local authorities own DPD. This could support a co-ordinated planning policy approach to help deliver the sub-region's housing objectives.

Recommendation 3 Further consideration should be given at a sub-regional level to identify the benefits of preparing a sub-regional LDD to enable successful delivery of the RSS and the sub-regional housing strategy objectives.

11.26 To ensure that a balanced approach is taken in terms of the scale and distribution of housing across the Tees Valley, it is felt that a sub-regional LDD would be beneficial. However this approach would need to be endorsed and supported by all of the districts within the Tees Valley.

11.27 In terms of windfall sites, these will be dealt with in a way which will meet the needs of housing markets. Again the approach to windfall sites will be different depending on whether the area has been identified as a growth area. A windfall allowance should only be made in the first five years where it is not possible to allocate sufficient land or where particular local circumstances justify this.

11.28 These proposed changes would have implications if they are adopted. In practice they would mean:

- The possibility of a Sub-Regional DPD to set out the key sites allocated at a sub-regional level or within individual DPDs to promote a co-ordinated approach to housing across the Tees Valley

- A mechanism to determine the type of housing to be built and where in the sub-regional housing market areas based on Local Housing Assessments (LHAs)

- Monitoring of take up and development, especially where housing numbers are identified as a floor, to ensure that there is no adverse impact on housing market renewal or inner urban areas where land is not yet ready for development

Case Study – Middlehaven Housing Demand and Impact Study

This project was undertaken for Tees Valley Regeneration (TVR) and Middlesbrough Council (MBC) to inform the strategy for the release of housing sites within Middlehaven. Strong interest has been shown from developers to bring forward a large residential scheme in the area. Both TVR and MBC considered it appropriate to understand the impact such a large development would have on existing housing areas and the local housing market.

In order to determine the appropriate scale and pace of delivering development at Middlehaven and the mix of types of housing, future housing supply for Middlesbrough and the wider Tees Valley housing market area was modelled in the form of housing market trajectory. As a result of this modelling it was identified that due to the potential oversupply of housing between 2005 and 2012, a slower rate of provision during this period is required at Middlehaven. It was also identified that a slower rate of provision would be required for both lower and upper price range flats in order to minimise the potential risk to existing housing markets in the town.

It also identified that post 2012 there is potential to increase the housing supply at Middlehaven to vary the dwelling types and sizes which would help meet wider housing market renewal objectives.

As a result recommendations were made for Middlehaven on the scale, rate and type of housing at Middlehaven. The recommendations allow for flexibility at Middlehaven to respond to housing market conditions which will minimise the risk to housing market renewal objectives but ensure that the major regeneration benefits of the scheme are realised.

Recommendation 4
A case-study approach, similar to that used for Middlehaven, should be adopted for other major housing sites in the Tees Valley to understand their impact on supply and potentially influence the rate of development to minimise the impact on local housing markets.

Planning Circular - Planning Obligations

11.29 Planning obligations are negotiated on an individual site basis and may be used to:

- Prescribe the nature of a development e.g. by identifying the proportion of affordable housing required
- Secure a contribution from a developer to compensate for loss or damage created by a development
- To mitigate a developer's impact e.g. through increased public transport provision

11.30 The guidance sets out that planning obligations are only sought where they meet all of the tests. A planning obligation must be:

- Relevant to planning
- Necessary to make the proposed development acceptable in planning terms
- Directly related in scale and kind to the proposed development
- Reasonable in all other respects

11.31 Planning obligations are directly related to proposed developments, where there should be a function or geographical link between the development and the item being provided as part of the developer's contribution. Planning obligations cannot be used solely to address existing deficiencies or to secure contributions to achieve wider planning objectives which are not necessary to allow consent to be given to a particular development.

11.32 In terms of delivering affordable housing in the Tees Valley. Planning obligations can be identified on specific development sites in the LDF which set out the requirement for affordable housing. This will guide developers in terms of the requirement they will need to consider in submitting a planning application.

11.33 Planning obligations may also provide a vehicle to set specific requirements on sites located close to housing renewal areas to facilitate re-provision of housing for those affected by housing renewal areas. A decision will be required to identify which sites could be included in such conditions. The location would be informed by LHAs which would identify local housing markets and where there are links in terms of re-provision in appropriate locations.

11.34 Following the release of the Draft PPS3 and Planning Gain Supplement released in December 2005, there are further proposed changes. The Government's intention is that throughout the UK, the proposed Planning-gain Supplement (PGS) would capture a '*modest'* portion of the uplift in land value that occurs as a consequence of the grant of planning permission, for both residential and non-residential development. It would be at one rate and if there are to be any thresholds, they will be very low. The PGS revenues raised from development gains would be collected centrally but the '*majority'* would be for the provision of local infrastructure.

11.35 If these changes are implemented, s106 obligations will be scaled back to only take into account those matters affecting the environment of the site, and the provision of affordable housing.

Recommendation 5
The role of planning agreements in helping to ensure that new developments achieve wider HMR objectives will continue to be important, but the best practice will need to be reviewed in light of proposed national policy and practice changes.

Regional Context

Regional Spatial Strategy Submission Draft

11.36 The need to provide a better quality of housing to meet future needs is established within the emerging Regional Spatial Strategy for the North East, which recognises the need to replace obsolete housing and restructure failing housing markets. RSS will be examined in public in Spring 2006. The housing strategy reflects these requirements.

11.37 The RSS aims to create sustainable communities within the region. The RSS sets out the criteria that should be taken into account when assessing the suitability of land for development:

- *the potential contribution of development to the strengthening of local communities and their social cohesion;*
- *the potential contribution of development to secure by design, crime prevention and community safety;*
- *the nature of the development and its locational requirements;*
- *locating development to reduce the need to travel and minimise journey length and fuel consumption;*
- *concentrating the majority of the region's development within the existing defined urban areas, utilising previously developed land wherever possible, where movement needs can be well served by all modes of transport, in particular walking, cycling and public transport;*
- *the accessibility of development sites to homes, jobs, services and facilities by all modes of transport, in particular public transport, walking and cycling, and the potential to improve such accessibility;*
- *locating high trip generating uses and higher density development at transport interchange nodes*;

11.38 The RSS is clear that the approach to creating sustainable communities is through housing market restructuring. The RSS proposes that the housing market restructuring for the region should include an integrated package of measures which seek to:

- Maximise the improvement of existing properties where sufficient demand for their continued residential use exists;
- Reduce vacancy levels to a regional average of 3% by 2010;
- Increase the average level of demolitions 46,655 demolitions in the region between 2004 and 2021.
- In areas of older high density housing, consider the replacement of housing at lower densities where this would improve the living environment and quality of life and achieve a better mix of housing; and,
- To ensure that in areas adjacent to Housing Market Renewal (HMR) areas, the release of housing land does not adversely affect the successful delivery of HMR strategies.

11.39 The need to address the qualitative housing supply, including at the upper end of the market is recognised and is considered necessary to help to retain current (and attract future) residents to the region.

11.40 The RSS approach to increasing the level of gross house building is to provide for improvement or replacement of dwellings at the same time as increasing the dwelling stock. In this context, the RSS makes provision for net additional dwellings in the Tees Valley by 2021 as follows:

Net Additional Dwellings				Total
	2004-2011	2011-2016	2016-2021	2004-2021
Tees Valley	**14,455**	**7,525**	**7,050**	**29,030**
Darlington	3,325	1,225	750	5,300
Hartlepool	2,730	1,750	1,750	6,230
Middlesbrough	2,100	1,850	1,850	5,800
Redcar & Cleveland	2,100	1,350	1,350	4,800
Stockton on Tees	4,200	1,350	1,350	6,900
Tyne and Wear	17,290	13,775	13,950	45,015

11.41 On top of this net additional provision, there will be the need to replace the demolished stock (17,535 in Tees Valley) equating to a total projected gross housing provision of 46,565 dwellings in the Tees Valley area between 2004-2021. This represents an average of 2,739 gross per year over this period which is more than double the current RPG rate. However it is not expected that a one for one replacement of demolished dwellings will take place, therefore gross additions are likely to be less than 46,565 dwellings.

Comparison with Past Trends

11.42 Using past data which illustrates housing supply across the Tees Valley, it is possible to compare past build rates and the rates identified within the RSS plan period.

	Net Past Build Rates 95/03	RSS Net Additions
Darlington	360 pa	310 pa
Hartlepool	360 pa	365 pa
Middlesbrough	170 pa	370 pa
Redcar & Cleveland	130 pa	280 pa
Stockton on Tees	700 pa	405 pa

11.43 The table shows that Middlesbrough's net additions set out in the RSS are considerably higher than past build rates (200 pa higher). Redcar and Cleveland have higher net additions within the RSS compared to past build rates. For Stockton, past build rates are considerably higher than the rates contained within the RSS. For Darlington and Hartlepool build rates within the RSS are not significantly different from past build rates. RSS net additions sets out a significant change compared to past trends particularly for Stockton (to reduce net additions) and Middlesbrough (to increase net additions).

Plan, Monitor, Manage

11.44 There is a need for a plan monitor and manage approach to be adopted to ensure that the net additions set out in the RSS do not negatively impact on housing market renewal in the Tees Valley. Particular caution is needed in Darlington and Stockton as a result of high number of current commitments and permissions. Analysis of current commitments, allocations, urban potential and Tees Valley Regeneration sites has identified these two areas as areas of potential over supply when considering RSS figures for net additions. The net additions also peak within the first phase of the RSS.

11.45 In terms of the demolition rates identified in the RSS, there is a significant step-change required to achieve these compared to past demolition rates. Past demolition rates across the Tees Valley peaked in 2002/2003 at 750 pa, illustrating the considerable step change needed to meet RSS demolition rates. Again monitoring of demolitions needs to take place. Failure to achieve the target demolitions together with achieving the net additions would have implications on low demand areas and impact on the success of housing market restructuring.

11.46 The RSS states that the managed release of housing land to meet this future provision is important to ensure that priorities such as housing market restructuring and the development of previously developed sites in sustainable locations are delivered. The RSS states that strategies, plans and programmes should:

- *incorporate policies to ensure that the managed release of housing land occurs in accordance with the locational strategy and sequential approach;*
- *bring forward previously developed land opportunities first, taking account of new previously developed land potential as identified in up-to-date urban capacity studies;*
- *phase the release of housing land to ensure that there are no adverse impacts on the successful delivery of housing market restructuring and other regeneration programmes; and,*
- *consider the re-use of employment sites for housing only where they are not required for long term employment use and do not adversely affect any adjacent employment land.*

11.47 In relation to the type and size of new housing developments to meet the future provisions, the RSS proposes that the provision of an adequate supply of a decent standard of affordable housing, along with a better mix of housing type, size and tenure is conducive to the economic and social well being of the whole region.

11.48 In order to meet economic projections it is essential that the right type of housing is provided to attract new people to move to the area and help meet economic growth targets. This will be facilitated and guided through the revisions to PPG 3 and Local HMAs. Local HMAs must provide the evidence to guide LDF policies around the type and mix of housing which is required.

Recommendation 6
In light of RSS and other policy changes, a mechanism for joint working between housing and planning professionals should be established to ensure that the plan, monitor and manage system is developed to recognise the potential risks associated with over-supply of new housing, and the extent to which new-build markets operate across the Tees Valley. The mechanism would aim to ensure that:-

- Priority needs, as shown in HMA findings, are successfully integrated into policy.
- Approved schemes conform with the strategic approach in this Strategy and the TVL strategy for the development of sustainable communities.

Implications

11.49 The Sub-Regional Housing Strategy will assist in delivering the priorities of the RSS. The increase in build rates set out in the RSS will support and facilitate economic change across the North East and help contribute to providing a better mix of housing type and assist with population retention in areas of growth. The RSS supports the need to tackle low demand housing, through both clearance and replacement but also through improvement if this is identified as the most appropriate local solution.

11.50 An additional challenge for the Tees Valley will be to reverse past migration trends. Ensuring that new housing retains and attracts new people to the Tees Valley is essential to meet economic growth targets. Migration in the past has generally been internal, exacerbating the problems of low demand. There has also been significant out-migration from the Tees Valley to Yorkshire and Humber.

11.51 The Tees Valley needs to ensure that new housing supply acts as a factor to attract people into the area and reverse the out-migration which has taken place in recent years.

11.52 Balancing new supply with low demand is critical for the Tees Valley. The Plan, monitor manage approach is critical to ensuring that the net additions and delivery of strategic sites do not impact upon these housing renewal areas and create more concentrated problems. Phased release of land is critical to the success of delivering the sub-regional housing strategy.

Sub-regional Context

Tees Valley Structure Plan

11.53 Sub-Regional Planning Policy for the area is currently provided by the Tees Valley Structure Plan (2004) and is based on the existing RPG1 guidance. Under the new planning system the Structure Plan will be superseded by RSS and Local Development Frameworks (LDFs), however some policies of the Structure Plan will be 'saved' for a 3-year period until the RSS and the LDF's for each of the sub-regions local authorities has been adopted. It is therefore important to assess the current planning policy in regards to the future housing strategy of the sub-region.

11.54 Draft National Guidance, 'Planning for Housing Provision', in relation to RSS currently proposes that in the growth areas, there may be a need for a non-statutory sub-regional approach to deliver the spatial strategy. Regional Planning Bodies through discussions with Local Planning Authorities would make a decision as to whether this approach would be appropriate. In some areas a joint LDD could facilitate the implementation of the RSS and its objectives and provide an updated form of Structure Plan.

11.55 In comparison, the proposed net additional dwellings to be built in the Tees Valley sub-region over the period of 2004-2016 as set out in the Structure Plan is lower than the figures set out in the Submission Draft RSS. The comparisons for the average number of dwellings proposed are as follows:

- 2004 to 2016 - the RSS proposes on average 21,980, where as in the same period the Structure Plan proposes a provision of 20,000.

- 2004 to 2006 - the RSS proposes on average 4,130 (2,065 pa) where as the Structure Plan proposes a provision of about 2,520 (5,040 pa).

- 2006 to 2016 - the RSS proposes on average 17,850 (1,785 pa), where as the Structure Plan proposes a provision of about 15,000 (1,500 pa).

11.56 The figures set out above were proposed before the Submission Draft RSS was published, however this is acknowledged in the Structure Plan that the provision post 2006 **"***is only indicative at present as stipulated in RPG1*" and that the requirement after 2006 will be informed by the RSS.

11.57 In regards to the allocation of future housing sites in sustainable locations the Structure Plan, is consistent with the guidance set out by the draft PPS3 by setting out a sequential approach that future local plan's should follow when selecting suitable sites for new housing. The policy also highlights that the sequential approach has the additional aim of meeting the national target of providing 60% of new housing developments on previously developed land by 2008 and 65% by 2016.

11.58 In relation to the future provision of affordable housing in the sub-region, the Structure Plan proposes that in the Tees Valley region affordable housing appears only to be a significant issue in certain parts of the rural area. Although Housing Needs Assessments are beginning to identify affordability problems in parts of the sub-region. The Structure Plan establishes that the need for affordable housing is acknowledged as a material planning consideration where there is a proven lack of affordable housing to meet local needs. The 'demonstrable need' as discussed in the policy would be ascertained from current and future local housing market assessments and potentially the results from the sub-regional housing strategy. These would be set out within Local Development Frameworks.

11.59 The structure plan acknowledges the potential change of the household structure over the plan period in regards to future house sizes and types but also in relation to the need to provide small scale, high quality, low density housing in some parts of the Tees Valley region.

11.60 The Structure Plan proposes that in respect of these potential changes the following issues will need be to be considered:

- A lower than average percentage of good quality medium and larger houses in the existing stock;
- Out-migration of higher income groups e.g. senior mangers and company executives, with a corresponding increase in commuting; and
- Potential deterrents to inward investment and the retention of successive businesses if the Tees Valley cannot offer a better range of housing.

11.61 Changing the supply of housing in the Tees Valley is important in order for the sub-region to begin to attract and retain residents. Traditionally family housing in the Tees Valley has been provided on large urban extensions such as Ingleby Barwick, Coulby Newham and Middlewarren. Tees Valley need to continue to provide this type of housing; the Structure Plan identifies a key sites in South Middlesbrough and further capacity at Ingleby Barwick for this type of housing supply.

Local Context

Local Development Frameworks

11.62 The future local planning policy context for the Tees Valley sub-region will be set out in the Local Development Frameworks (LDF's) of each of the sub-regions individual local planning authorities (LPA). The LDF is a portfolio of Local Development Documents (LDD's) that will collectively set out the spatial planning policy for an individual LPA. As stated above, LDF's along with RSS will form the statutory Development Plan and be the basis for all planning decisions.

11.63 In relation to the sub-regional housing strategy, the main documents of the LDF which will permeate current national and regional housing planning policy to the local level are:

- The Core Strategy Document
- Site Specific Allocations
- Area Action Plans
- Supplementary Planning Documents

11.64 The strategies and policies set out in each of the above documents will be informed by a sound evidence base, which will include;

- The Regional Housing Strategy
- HMAs
- Local HMAs
- Housing Aspiration Studies
- The Sub Regional Housing Strategy.

Core Strategy Document

11.65 The core strategy document set's out the strategic objectives for an LDF area over the plan period. With regards to the sub-regional housing strategy policy context, the core strategy document will:

- Set out the LPA's core policies in relation to locating future housing developments in suitable locations;
- Permeate the RSS housing provisions and demolitions through to the local level, identifying areas rather than exact sites where the new housing developments should be located;
- Provide core policies in relation to the future housing structure of the local area, with regards to house types, size, density and tenure (informed by LHAs)
- Set out core policies in regards to the future provision of affordable housing in terms of levels of provision

Site Specific Allocations

11.66 Where land is allocated for specific uses (including mixed uses), this should be referred to in one or more development plan documents. Sites identified should be founded on a robust evidence base including; suitability, availability and accessibility of land for particular use or mix of uses. This is likely to identify key areas of housing.

11.67 The development plan document should set out key policies relating to the delivery of the site specific allocations, including access requirements or broad design principles for sites. The key policies may be in the site allocation(s) development plan document(s), an area action plan or a separate development plan document.

Area Action Plans

11.68 Where the LPA considers it necessary, an Area Action Plan can be produced to set out specific policies and strategies for a key area of change. The aim of Area Action Plans is to focus upon implementation of these strategies and policies, providing an important mechanism for ensuring development of an appropriate scale, mix and quality for key areas of opportunity, change or conservation.

11.69 Area Action Plans can be prepared before the Core Strategy Document of the LDF is adopted, however once the Core Strategy Document is adopted the Area Action Plan will have to be in conformity with it. Once adopted an Area Action Plan will be included in the statutory development plan and thus will need to be considered in regards to future planning decisions.

Supplementary Planning Documents

11.70 Supplementary Planning Documents (SPD) have the same role within the local context as the previous Supplementary Planning Guidance did, where if the LPA believes that further guidance is needed on certain strategies or policies of the LDF then an SPD will be produced to provide it. To this regard a SPD could be produced by an LPA to provide further guidance on such issues as affordable housing, design issues, particular housing types where appropriate or on how the allocated sites that are not already covered within an Area Action Plan should be developed.

11.71 Supplementary Planning Documents are not part of the Development Plan, however they are considered as a material consideration in regards to future planning decisions.

11.72 With reference to the sub-regional housing strategy policy context, Supplementary Planning Documents on Housing could provide further guidance:

- On the allocated sites in the housing LDD to ensure the strategies and policies of the LDD are implemented when they are developed;
- On affordable housing in reference to the specific need for affordable housing for specific areas, this may be delivered through site specific planning obligations;
- On design issues such as layout and densities; and
- On the future housing stock in regards to type, size and re-use of the existing housing identified through Local HMAs.
-

11.73 It is important that the policies set out in the LDF are informed by national guidance and Local HMAs which will provide a robust evidence base, as these policies will be the basis of future planning decisions. It is critical that the policies set out in the LDF are delivered in practice through the control of planning applications by the local planning authorities in the Tees Valley and joint working with housing professionals to deliver housing objectives.

Recommendation 7 Ensure that LDFs of the Tees Valley provide clear strategies for managing the supply of new housing so that approved schemes will meet the needs and aspirations of existing and future households in the Tees Valley which will be informed by the findings of the Local HMAs.

11.74 The findings of the Tees Valley HMA identified that there was a surplus of high density small terraced housing combined with a shortage of lower density executive homes. It also found that there was an undersupply of flats in the Tees Valley compared to national and regional profiles. However, caution was given with regard to the demand that exists for flats and it was acknowledged that a number of large developments in the sub-region have outstanding permission for flats.

Recommendation 8 Pursuant to the findings of these local housing market assessments and forthcoming changes to PPG3, robust policies should be included in LDFs to influence the size, type and affordability of housing to ensure an appropriate balance between the provision of high density, and other forms, of housing across the Tees Valley. Revisions to LDFs will need to be mindful of changes in the local evidence base as well as changes to national and regional policy.