

Delivering on the housing agenda through a Multi-Area Agreement

Abstract	Tees Valley's Multi-Area Agreement (MAA) is only the second of its kind with housing as a core component. Housing has been recognised to play a crucial role in contributing towards the economic development of the region, the principal focus of the MAA. The success of the MAA can in part be attributed to the long-standing experience of the various partners in delivering joint initiatives since the creation of the Tees Valley as part of the local government reorganisation in 1996.
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Authorities involved	Darlington Borough Council Hartlepool Borough Council Middlesbrough Council Redcar and Cleveland Borough Council Stockton-on-Tees Council
Themes	Housing strategy
Performance indicators	Net additional homes provided (NI 154)

The Issue

The Tees Valley comprises five local authority areas, namely Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees. The challenges Tees Valley has been facing is not dissimilar to that of other housing market renewal (HMR) areas in the country, namely low or weak housing demand with major concentrations of deprivation, obsolete and unpopular housing. Problems have been accentuated by a population flight to the periphery. Due in part to comparatively low house prices, this has left a marginalised centre and middle-core, characterised by high levels of worklessness, crime and anti-social behaviour and a deteriorating environment. This in turn has hampered inward migration of more affluent households, which perpetuates further decline.

Tees Valley Living (TVL) was set up in 2003 to address the housing market failure in the Tees Valley and deal with the problem of an excess of obsolete housing. Tees Valley wasn't one of the nine original pathfinders, but one of three sub-regional partnerships set up subsequently to similarly focus on addressing the problems of weak and dysfunctional housing markets. In 2005, TVL received some government funding from money which had originally been earmarked for other HMR areas. TVL was awarded pathfinder status by CLG in April 2008. Access to funding for the period up to 2011 will be broadly on a par with some of the other HMR pathfinders.

What they did

At the time of the local government reorganisation in 1996 (when Cleveland County Council was disbanded and the four districts of Hartlepool, Middlesbrough, Redcar &

Cleveland and Stockton on Tees joined forces with Darlington to become the 'Tees Valley'), there was a recognition that they were not large enough individually to effectively address some strategic issues. It was held that a partnership approach would be best suited to address the issues facing the sub region. This has led to a strong track record and culture of joint working within the Tees Valley.

The following initiatives and partnership arrangements can be seen as the pre-cursor to the Multi-Area Agreement (MAA), and shows the strong capacity of partners and stakeholders involved. It included the establishment of the following:

- Tees Valley Joint Strategy Unit in 1996, tasked with preparing the region's Structure Plan, Strategic Transport Planning and Economic Strategy; managing European programmes; and providing an information and forecasting resource.
- Tees Valley Partnership in 1999, with the remit to prepare the City Region Business Case. Initially the partnership was made up of 10 partners. This was extended to 24 in 2002 and saw the partnership taking over responsibility for an annual programme, which now runs at £24 million.
- Tees Valley Living in 2003 to make the case for HMR and secure pathfinder status.

The MAA was signed-off in July 2008, and was one of the first in the country. It is also one of only a few with housing as a core component. The MAA is a delivery tool for implementing the place-making elements as set out in the Tees Valley City Region Business Case, bringing together various stakeholders and partners in order to agree on the appropriate interventions to enhance the region's economic performance. It is important to note that the MAA is not an additional source of funding, nor a strategy, but a delivery tool to help deliver Tees Valley's economic development and regeneration priorities earlier than would otherwise have been the case. By working together, the MAA enables the participating local authorities to influence regional and national policy and obtain the resources it needs to improve the economic performance of the region.

The overarching focus of the MAA is on economic development. The other priorities are regeneration and transport. By building on existing assets and a comprehensive regeneration programme, the MAA seeks to improve the region's urban competitiveness. Housing has been recognised to play a crucial role in achieving this.

The MAA covers four place-making funding streams, namely:

- One NorthEast Single Programme –Regeneration Capital Programme
- Housing Market Renewal Programme from CLG
- Housing Growth Point Initiative
- Transport – Regional Funding Allocation from DfT

The MAA is being taken forward by Tees Valley Unlimited (TVU), a partnership made up of public, private and voluntary bodies.

In order to effectively deliver the objectives as set out in the MAA, government has agreed to:

- the development and use of a common appraisal system for projects within the capital programmes in order to avoid duplication where projects require funding from more than one programme.
- ONE NorthEast, the Regional Development Agency (RDA) for the North East of England, to delegate funding on a programme basis to TVU from March 2010 onwards.
- enable TVU to move funding within capital programmes and from one programme to another in order to meet the needs and opportunities that arise whilst achieving the outcomes of individual programmes over the agreed period.
- enable TVU to bring forward or delay up to 10 per cent of HMR funding in any given year.
- discuss further the possibilities of funding for the three main capital programmes (i.e. regeneration, housing and transport) over a five year period.

There are however still some outstanding issues which need to be resolved with government, namely:

- long-term funding certainty (5 or 3+2 years) across all capital programmes within the MAA.
- development of a duty for national and regional agencies (such as the Homes and Communities Agency and Highways Agency) to participate in the MAA as well as bringing Network Rail on board.
- establishment of the principles of sharing cost-savings as a result of new ways of working.

The impact

The HMR programme has not yet been fully absorbed into the MAA's governance structure. There has been a growing recognition of housing as a major contributor to the region's future economic prospects amongst partners and stakeholders and housing is part of TVU's corporate approach to regeneration.

HMR activity is focused on the following areas:

- Central Hartlepool
- Central Middlesbrough
- South Bank Renewal Area
- Central Stockton

The main achievements so far can be summarised as follows:

- Achieving HMR pathfinder status - the only area outside the originally designated list of nine to do so, despite many urban areas expressing an interest.

- The establishment of effective HMR monitoring systems to track progress in both spending and the achievement of outputs and outcomes, as future funding is dependent upon successful performance.
- Co-ordinating the submission of the region's first sub-regional housing strategy and action plan which secured the greatest sub-regional share of resources in the North East. Work on the follow-up is currently underway, with a particular focus on strategic issues, such as the housing offer for an ageing population and climate change, which includes the retrofitting of the existing stock to increase its energy efficiency. In this context it is worth mentioning the plans for developing a large district heating network, which will capture 'waste' heat from industrial plants to deliver free heat within a 50km radius of the heat source.
- Securing round 2 Growth Point status, which has brought in £6.2m of un-ringfenced funding up to March 2011.
- The co-ordination of a comprehensive programme of research into sub-regional housing issues, which will inform present and future policies and proposals.
- £1.1m Kickstart funding from the Homes and Communities Agency for 50 new homes as part of the regeneration of the Hardwick area in Stockton-on-Tees.

Challenges

HMR started as a 15 year programme and worked exceptionally well until the recession, with sites developed under the programme proving to be extremely popular. The strength of the MAA partnership came to the fore during the recession. TVL was able to react quickly (such as in putting together bids to access Kickstart and Housing Market Recovery Package funding) because of the strong partnership arrangements in place.

However, the difficult economic climate will make it increasingly difficult to meet the HMR targets as well as the other main 'housing challenges', as identified in the Tees Valley Sub Regional Housing Strategy (i.e. developing the housing stock to enhance the city region's economic prospects, providing for an ageing population and responding to the demands of climate change). Since it seems unlikely that all ten HMR Pathfinders will continue, lobbying to secure a future for the unfinished elements of the Tees Valley HMR programme is therefore essential.

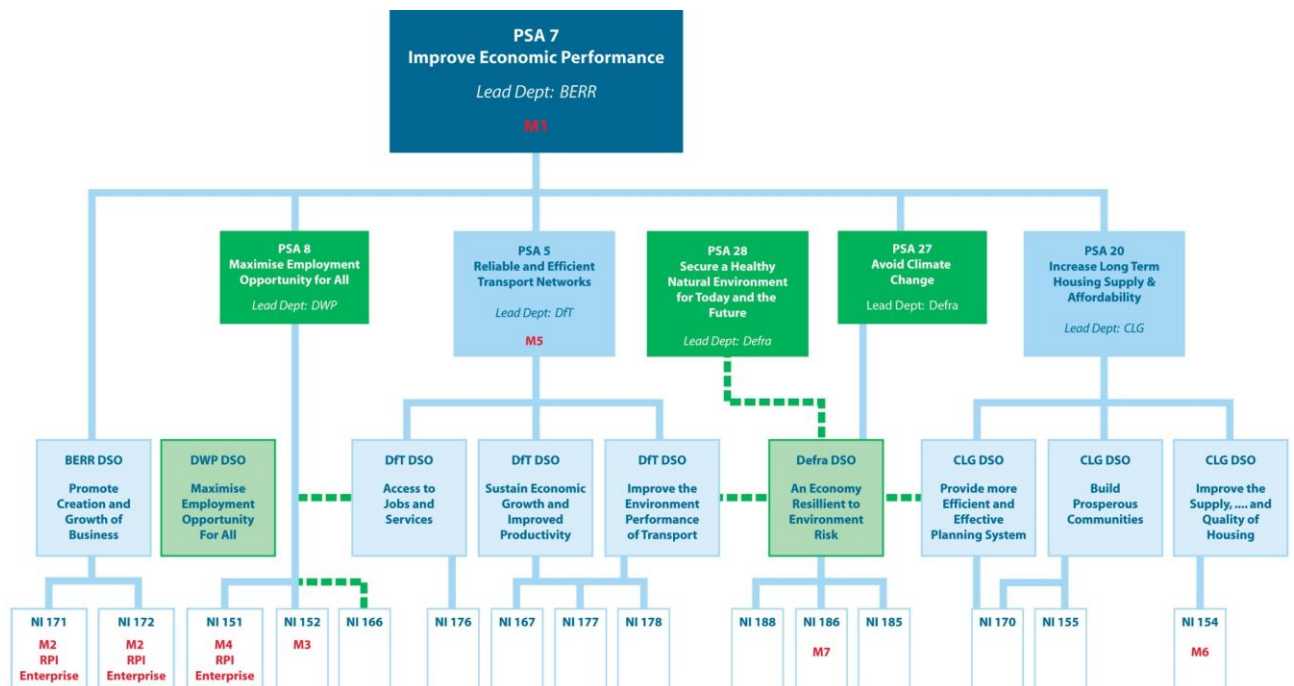
The recession made it impossible for TVL to deliver the annual target set under the housing growth programme, resulting in a big deficit in 2009 (1,600 compared to the target of 2,676 net additions per year). With the recovery some way off, the future housing targets need to be reset at more realistic levels. So far, CLG has not been willing to sign-off revised targets.

Lessons

If one has to pick only one lesson from Tees Valley's approach, it would be the building of a strong evidence base to underpin all of TVU and its partners' activities.

- It is important to have a clear coherent vision of what you want to achieve as well as the impacts sought, supported by a strong evidence base (this for instance had been instrumental in securing HMR pathfinder status). Remember, flexibilities and freedoms have to be justified. The resulting freedom and flexibilities stem from having a robust evidence base in place. Equally, identify and clearly articulate any added value as a result of entering into a MAA.
- At the same time, don't ask for freedoms and flexibilities that you won't be able to deliver. All parties signed up to the agreement need to benefit.
- Give Government confidence that you can deliver – again, being able to back up any proposals with the right evidence is clearly helpful here, as is a strong track record of partnership working and delivery.
- Don't ask for guidance, but instead use CLG and Government Offices as sounding boards for your ideas. In other words, ask yourself how to help government achieve its agenda.
- It has to be remembered that developing a MAA is a lengthy and complex process, as is the actual delivery. Therefore, commitment and buy-in from all sides is crucial. Equally important for the success of an MAA is the buy-in from local politicians.
- Remember, the MAA is not a strategy but an implementation plan, which needs to be supported by a robust strategy in order to deliver on its outcomes.
- Ensure that set targets relate to Public Sector Agreements (PSAs) and Departmental Strategic Objectives (DSOs) targets (see figure below).
- The complex nature of a MAA necessitates a robust partnership that is able and has the capacity to resolve difficult issues. It needs to include clear governance and accountability structures, as government wants to know who is responsible if things go wrong.
- The MAA is working – business case ready for a potential new incoming government
- MAA needs to be seen as complementary to and not in a hierarchical relationship with Local Area Agreements.

Tees Valley MAA Indicators and Public Sector Agreements (PSAs) and Departmental Strategic Objectives (DSOs)



Further information

About the Tees Valley MAA:
 Jim Johnson
 Director Tees Valley Living
 Telephone: 01642 264 903

John Lowther
 Director Tees Valley Joint Strategy Unit
 Telephone: 01642 264 800

About the case study:
 Christoph Sinn
 Policy and Practice Officer
 Chartered Institute of Housing
 Telephone: 024 7685 1700