



NEWS RELEASE
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New bid for Tees Valley HMR funding to be submitted

Tees Valley Living (TVL) is submitting a bid for £120million of funding from the Government as part of the Chancellor's 2007 Comprehensive Spending Review.

TVL's bid submission is a 'daughter' document of the Tees Valley City Region Business Case prepared by the Tees Valley Joint Strategy Unit. It is also being submitted to the Government this week for consideration as part of the Comprehensive Spending Review.

TVL, the agency responsible for overseeing housing market renewal in the area, believes the funding is crucial to the successful long-term regeneration of the Tees Valley. Without it, it believes the current plans will take significantly longer to complete.

If it is successful, the bid will see £120million invested in the area over the four-year period from 2008-2011 to provide the core funding for the major intervention that is needed in the Tees Valley housing market. The public sector funding will be used to lever an additional £450million of private sector money between now and 2016.

The bid document, *Building Sustainable Communities in the Tees Valley*, calls for the government to do four key things:

- acknowledge the scale of the housing issue faced in the Tees Valley
- endorse TVL's strategy for tackling the problem
- commit £30m a year over four years to enable it to implement the strategy
- choose the Tees Valley as a pilot area for its proposed Multiple Area Agreements by creating a new economic partnership under the title Tees Valley Unlimited.

Neil Etherington, Chair of Tees Valley Living, said: "We have been working hard and have achieved a lot over the last three years to make the Tees Valley 'investor ready'. What we now need from the government is for it to endorse our strategy and commit funding to the Tees Valley so we can attract further private sector funding and transform the area as a place in which people want to live and work."

Jim Johnstone, Director of Tees Valley Living, said: “The logic behind this bid is simple. With this funding we will be able to realise our goal of creating high quality communities where people want to live and work within the next ten years. Without it, the regeneration and renewal of the area could take twice as long, prove more costly to central and local government and more disruptive to local people and businesses.”

The major problem in the Tees Valley is the lack of people willing to invest and live in existing properties. The urban core of the Tees Valley is mainly made up of two types of housing - a mix of back of pavement terraces from the 19th century and large sprawling council estates from the 20th century – neither of which is attractive to potential buyers.

To tackle this issue, major housing market renewal work, led by the Tees Valley councils, is already well underway. Since 2003 they have:
acquired 1,326 homes
demolished 973 homes
built 292 new homes
improved 1007 existing properties.

TVL already has high-profile backing from the public and private sector on the ground. Local MPs Vera Baird and Iain Wright back the proposals, the Leaders and Mayors from the five local authorities in the area sit on the TVL board, and its various private sector partners include major national housebuilders like Yuill Homes, George Wimpey, Bellway and Barratt.

The majority of Tees Valley residents are, or aim to become owner-occupiers. Low house prices in the sub-region mean that most residents can bypass the low-cost urban core of the area and are choosing to live in outlying areas, which means major public investment is needed to lead the regeneration.

Michael Poole, North East Secretary of the National Association of Estate Agents, sums up the current lack of demand amongst owner-occupiers for properties in the urban core of the Tees Valley.

He said: “There is now very little, if any, demand for housing within the South Bank, Grangetown, central Middlesbrough and central Hartlepool areas from owner-occupiers. We need to create a desire for owner-occupiers to return back to the central areas and this will only be achieved by providing adequate housing and a safe environment in which to live.”

The Tees Valley covers the areas of Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees in North East England. It is home to 651,000 people in 287,000 homes.