

Bridging Newcastle Gateshead (BNG) submitted a Business Plan (bid) for continued Housing Market Renewal funding to government in November 2007. To keep our residents, partners and other stakeholders informed, this document summarises the contents of our bid.

BNG has operated successfully for nearly five years and our work has had a clear and positive impact on local communities. We have positive scrutiny reports from the Audit Commission; we have been commended by the Sustainable Development Commission in particular for our work in engaging communities in fundamental change; we have built a successful partnership and we have delivered against all the government's output and financial targets.

By March 2008 our programme will have delivered over 4,500 home improvements; supported more than 220 new build completions and created a pipeline of a further 3,900 homes, as well as clearing 2,000 obsolete houses and supported a range of neighbourhood management, employment creation and environmental action initiatives.

Our understanding of local markets has grown and our groundbreaking research on impact assessment has developed this further. But our markets are still vulnerable with higher than average vacancies and turnover and a predominance of low value housing. Continued investment is required to achieve sustainability and deliver better quality housing and more choice, as we have promised local people. It is essential that we tackle the continuing loss of population from the inner core, particularly 25-44 year olds.

BNG's programme priorities lie at the heart of the draft Regional Spatial and Housing Strategies. Regional development agency One NorthEast's Economic Strategy Action Plan targets deprived neighbourhoods in our areas for employment growth and recognises the ongoing need for strong integration between housing regeneration and economic growth objectives. At neighbourhood level our work, rising to the challenge of the Green Paper, is integrated with that of other partners to increase operational effectiveness.

The bid details how we will build on our strong track record of delivery over the next three years and we seek £105m from government, to which we will bring a further £1bn complementary investment, including £240m in public and private matched funding.

Our 'offer' is:

- To continue our programme of innovative funding and delivery through the creation of joint venture investment vehicles to add value to public investment, increase the impact of capital receipts and realise procurement cost savings
- To sustain our track record of community engagement in the major changes making the urban core more attractive, offering more choice and diversity of homes and tenure, giving people a voice in developing the quality of their environment
- To secure even stronger integration of local investment and service delivery with our partner local authorities, private and social sector partners and local people to create attractive, affordable and sustainable neighbourhoods.
- To further develop our track record through effective place making.

UNFINISHED BUSINESS

BNG's work is 'unfinished business'. Our challenge remains to reverse the loss of 25-44 year olds from the area. Despite low house prices compared to other parts of the conurbation, quality and choice are absent.

Affordability will be a key focus of our activity. We will provide affordable housing products to assist individuals onto the ownership ladder, to achieve mixed communities across all of the stock and to provide the infrastructure support to sustain new development.

We have made assurances to communities, which we need to deliver. The most difficult work on evidencing, devising and achieving support for this programme has already taken place. We now need the resources and national and local political support to turn our plans into reality. This regeneration effort - unlocking the exciting potential - cannot be done without partnership, substantial government support and sustained commitment to real and lasting change.

What we require

In real terms we require a minimum of £105m investment during 2008-2011. This will secure earlier investment and provide:

- Over 580 new homes of superior design, built to sustainable and energy efficiency standards. A further 280 will be built on land we have already acquired.
- 760 demolitions that will provide sites for even more new and improved homes in the future.
- Improvements to 2,360 sustainable properties.
- Crucial support to individuals living through transition.
- The ability to continue our exemplary track record of community consultation and engagement.

MOVING FORWARD

Through an integrated partnership approach, we will boost pride in the area, help tackle anti-social behaviour and poverty through increased employment and skills opportunities for residents as well as encouraging community cohesion. Accessibility improvements will aid both economic regeneration and housing initiatives. We will make the pathfinder area a successful, popular part of a thriving conurbation, continuing to create great places to live, work and learn.

Our resources are vital to realising the area's potential. Unless we build homes and places (on a sufficient scale) that economically active households aspire to, they will continue to live elsewhere and commute to work, undermining urban sustainability. Aspirations for pathfinder places need to be raised significantly.

Our strategic review of potential intervention areas in 2007 considered market indicators and opportunities at a 'place' level. Our programme post 2008 flows directly from this review; we know what needs to be done and where. Our 'Changing Place' document, which accompanies this report, is the basis of our strategy and the Business Plan.

AREAS OF CHANGE

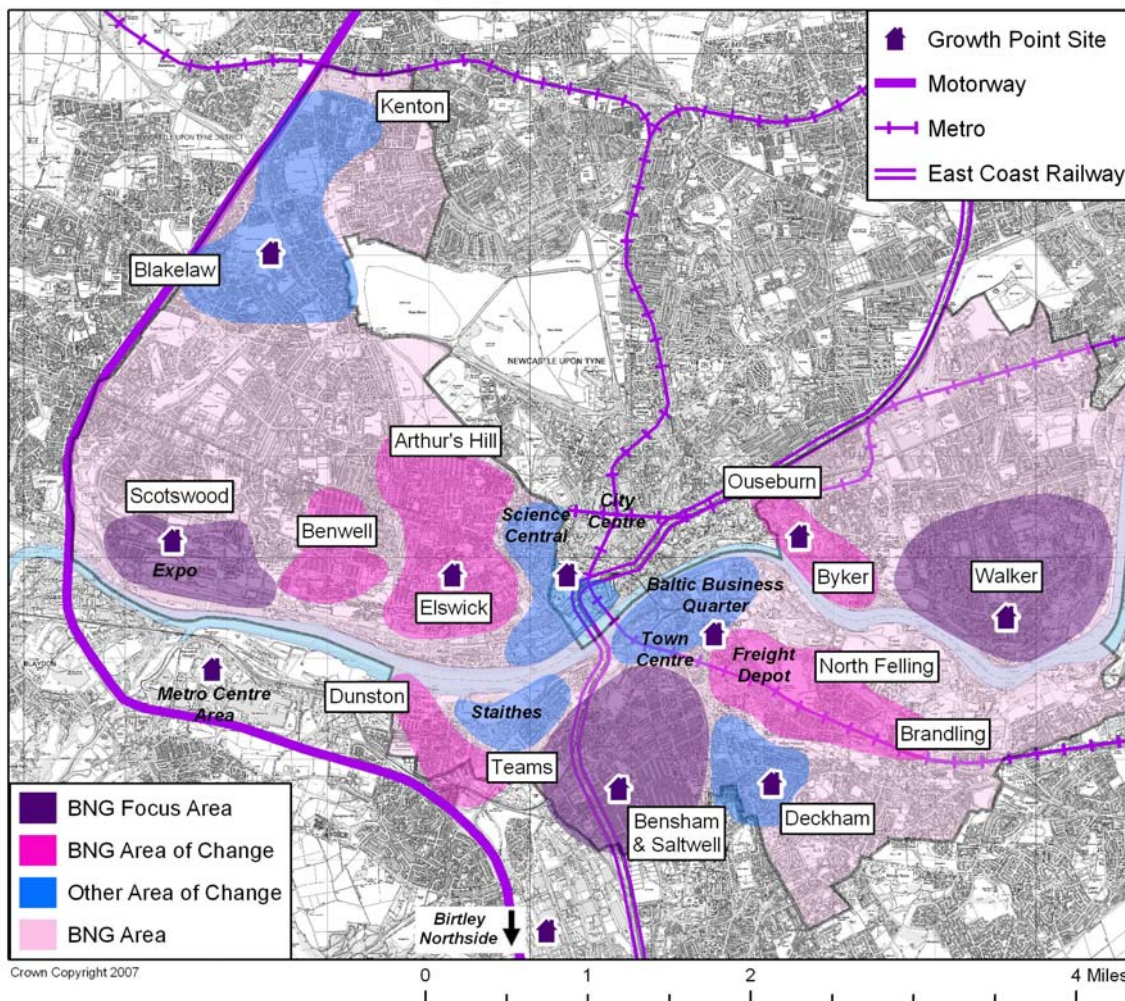
Our programme will be more focussed, reflecting changes in the market, where the private sector is considered to be more likely to invest and where our earlier activity has produced assets that can be used to deliver future regeneration. The changes to our programme therefore reflect how areas will be transformed and the scale of our involvement; our programme 2008-2011 is a combination of need, opportunity and unfinished business.

- **Walker Riverside, Scotswood and Bensham** (including Dixon Street) remain our highest priorities. Though very different places, they face fundamental challenges with their housing markets and require ongoing support to rebalance housing choice through clearance, new build and refurbishment. They require investment in neighbourhood centres and public realm.
- **Elswick Discovery and North Felling** (Chandless to Sunderland Road), areas immediately adjacent to the City and Town Centres, also remain priorities but additional HMR funding will be controlled as we make the best use of our earlier investment in land assembly to deliver change.
- The main issues in **Byker and Dunston** are with social housing stock. BNG will support both councils to develop solutions for the long-term improvement and maintenance of the Grade II listed Byker estate and the almost empty Derwent Tower and unpopular maisonettes.
- Homes and the environment in **Benwell**, located between Scotswood and Elswick and a very popular point of entry for people new to the UK, need significant investment to encourage more people to stay in the area. Partners will also invest in the 'people' and 'place' to underpin BNG's activity.
- **Brandling**, with site assembly underway and receiving assistance from English Partnerships' Coalfields funding, has great potential, but to make the most of this may need focussed and relatively small levels of HMR support; BNG will help with this if required.
- Following support from BNG to develop a regeneration plan for **North Central**, and positive land values in what is one of the best locations in the pathfinder, the private sector will be involved early in its regeneration, minimising the need for public sector investment.
- Similarly, the BNG supported Neighbourhood Plan for **Deckham** provides the basis for future masterplanning by Home (the major social rented stock-holder in the area) that will culminate in an investment plan and redevelopment opportunities for their estates, making the most of their fantastic views over the River Tyne.
- Regeneration of **Science City, Gateshead Town Centre and Teams** will continue, brought forward by other organisations, including the private sector.

KEY FACTS ABOUT BNG

- Employment opportunities are increasing but unemployment rates are over 14% in some areas.
- Poverty and deprivation are still prominent and incomes very low in some areas.
- NewcastleGateshead is the driver of regional economic growth, accounting for over 25% of employment and 15% of its population.
- Newcastle and Gateshead are gaining population but BNG continues to lose people, especially 25-44 year olds.
- But, with continued HMR investment and a focus on the pathfinder area, the population could increase by about 16,000 2006-2021.
- The relatively small black and minority ethnic population has increased substantially 1991-2001 and ongoing growth is expected to contribute to future population increases.
- House prices have risen considerably, an experience shared with the rest of the country.
- Although still relatively 'cheaper' than other parts of Newcastle and Gateshead, homes in BNG are becoming less affordable due to price increases and the 'buy to let' market.
- There is a severe lack of choice of family homes; new supply will be in favour of houses rather than flats.
- Poor quality housing is concentrated in the pathfinder area.
- More than 5,500 dwellings are empty (7%), nearly 3,300 of these for more than six months.

Transformation of the Bridging Newcastle Gateshead Area



RENEWAL AND GROWTH

Professor Glen Bramley's work on modelling future markets confirms that the scale of the future HMR programme in BNG, and its link to growth, is fundamental to the area's future. Higher intervention would result in:

- Greater impact where more activity, especially where more new build.
- A reduction in the proportion of flats, providing a better choice of homes for families who are currently leaving the area.
- Larger increase in owner occupation rather than private rent and other tenures.
- Less concentrated poverty.
- Lower vacancies, especially after 2011.

Our New Growth Point bid with Newcastle and Gateshead Councils, ensures that early development takes place on BNG and other key sites, spreading out along the Tyne Gorge in time. The balance of the programme is shifting from neighbourhood restructuring to enhancing new building supply as the most obsolete stock is removed.

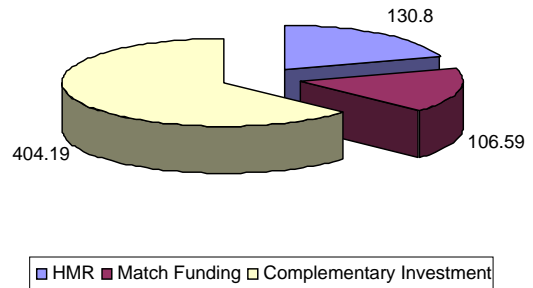
- Our new building programmes will continue to increase choice in terms of housing type and tenure to create high quality neighbourhoods and ensure populations stabilise and grow.
- Demolition is well underway with commitments given to communities that will deliver sustainable neighbourhoods.
- Refurbishment will be focussed on homes closest to clearance areas, to enhance character, support sustainability and complement future new build.

- Vital investment in people and social issues is still needed. Our partners are actively seeking means to support the continued work of teams in the private rented sector, recognised as providing good practice, as well as renewed funding for the area's award winning neighbourhood warden schemes. Seeking funding towards worklessness and skills programmes to tackle poverty also continues.

STRETCHING RESOURCES

Approximately 20% of the overall investment in the BNG area, estimated at £642m between 2004 and 2008, has been financed by HMR (£130.8m). It is estimated that of the £511m of complementary investment £107m is directly matched to HMR projects. About £290m investment has already been secured from the private sector.

Investment in BNG Area 2003-2008 £millions

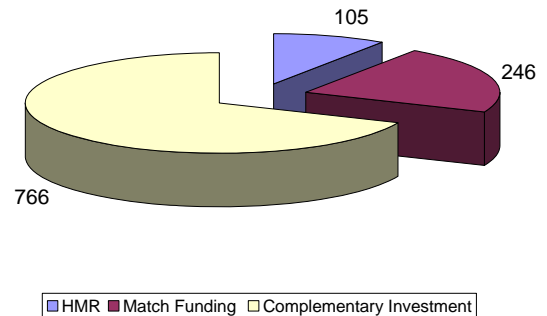


Our programme: 2008-2011 and beyond

BNG has developed an investment programme that:

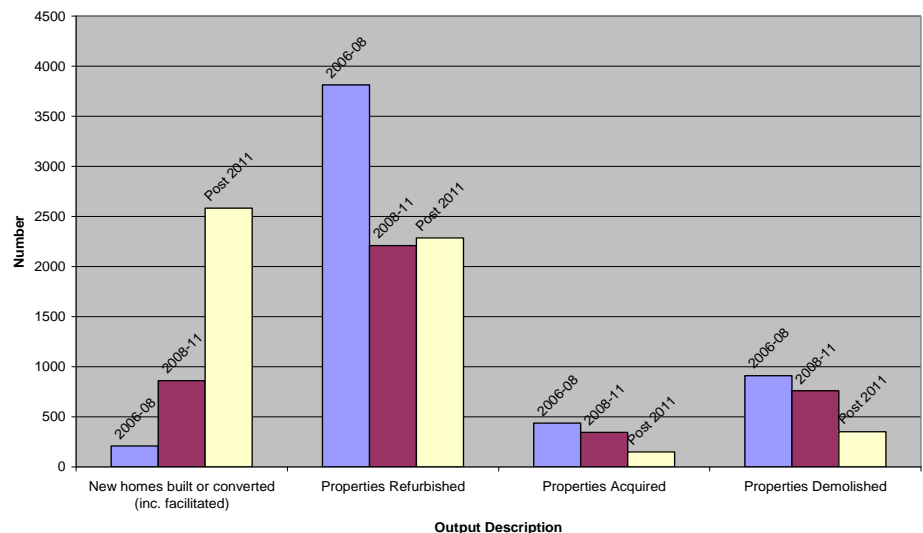
- Is strategically driven.
- Is area focussed.
- Makes best use of HMR funding, land and assets, which will achieve increased value for money.
- Has identified where interventions are capable of being delivered through the private sector or existing assets.

Investment in BNG area 2008-2011 £millions



BNG has achieved outstanding results to date. Nevertheless, there is still a need for minimum HMR investment of £105m over the next three years, which would attract over £1bn complementary funding, including £240m directly matched to BNG investment, of which £210m is anticipated from the private sector.

Output Trends



The 'Output Trends' chart identifies the core outputs that a £105m investment programme will deliver in 2008-2011. The outputs generated reflect the completion of our strategic planning as well as securing control over a significant amount of development land.

MORE CHOICE, HIGHER SATISFACTION, INSPIRING PRIDE

With so many new homes being built, and the worst stock demolished, there will be an improved choice of homes in the BNG area. The tenure profile will change to be closer to the North East average: there will be a better choice of homes to buy – we anticipate that **owner occupation will increase to around 48% in 2011 and 54% in 2018, compared to 38% in 2001.**

The planning carried out with communities and stakeholders has looked at whole places – not just housing – and how to improve perceptions of our neighbourhoods. The focus for future community services to encourage more social interaction in public places and buildings, the greater use of public parks and making the most of river views have all featured as neighbourhood, master and Area Action plans have been agreed.

We aim to close the gap between satisfaction ratings for the pathfinder areas and those for Newcastle and Gateshead as a whole: **more residents will think that their neighbourhood has improved.**

KEEPING OUR COMMUNITIES WITH US

For our programme to be successful and leave a legacy, it is essential that we involve our communities in planning the future of their neighbourhoods.

We pride ourselves on the standard of our community engagement. Between May and September 2006, we carried out an extensive, independent evaluation of consultation and community engagement within the BNG area. Overall, the findings were very positive and following a

'... there has been extensive and successful consultation in NewcastleGateshead... Engagement processes in almost every other area we examined have not met the standard set in NewcastleGateshead.'

Source: Sustainable Development Commission, Building houses or creating communities, May 2007

multi-agency workshop, we have developed a new community engagement strategy – BNG's Commitment to Community Engagement - that has been distributed to all residents living within the BNG area. The Commitment underlines our approach to community engagement and what residents can expect. We have produced a dynamic best practice community engagement toolkit for officers to use, which contains methods for engaging with residents, as well as advice on publicity and ways to feedback community engagement findings.

To ensure that we continue to improve, we are committed to meeting the recommended standards referred to in the Chartered Institute of Housing/Tenant Participation Advisory Service Good Practice Guide to Community Engagement in Housing Market Renewal by March 2008. We will also establish a Residents' Sounding Panel by March 2008.

CREATING AFFORDABLE HOUSING

BNG and its partners are developing innovative solutions to deliver affordable housing options. New and more easily understood products are required.

The UK's first development of BoKlok homes at Gateshead is aimed at households earning between £15,000 and £35,000 a year. Responses to an e-survey sent to 700 people (about 33% response rate) who have registered an interest in purchasing a BoKlok home show that they are attractive to local people and especially those under 30 years old, with incomes in the target bracket.

At River's Gate in Walker, Places for People has begun the development of 107 new homes. People can buy 25-75% of the HomeBuy properties and the rent element has been reduced to circa 2.5% (compared to 3%). Interest to date confirms that the options are attractive and affordable to people at different life stages and with different financial circumstances; a local family currently renting has reserved on a 25% equity basis for one of the large 4-bed homes and first-time buyers have purchased apartments outright.

The HomesFirst scheme in Benwell takes a different approach to supplying affordable homes; at the same time bringing empty homes back into use and converting Tyneside flats into large family houses to meet local need, including minority ethnic communities. 10 homes, released in 2 phases, sold straight away, without a need for shared equity options.

Tackling affordability also means raising the incomes of households in the pathfinder area and our local authorities and Local Strategic Partnerships are actively helping people into work. This essential work will be accelerated through contractual local labour clauses in developer agreements and initiatives such as Groundwork, around linking environmental improvements to employment and inspiring pride in communities.

RESPECT AND PROMOTING COMMUNITY COHESION

Millions of pounds are being invested in physical changes to create great places to live in the heart of Newcastle and Gateshead. Our research and residents' surveys show us that perceptions of crime and anti-social behaviour are still very important to people when they are deciding where to live. To ensure our investment in areas is maximised, and to encourage people to stay and move to live in them, we have developed a Respect Delivery Plan (for more information visit www.bridgingng.org.uk), which demonstrates a range of innovative projects, addressing the Respect Agenda.

We will continue to contribute to the government's Respect Agenda, through encouraging our partners and other stakeholders to invest in neighbourhood management and private rented sector support as we increasingly focus on refurbishment and new development that helps to 'design out crime', creative community engagement that encourages cohesion as well as support for those living through transition.

As our programme improves housing choice and places, new people will come to live in BNG; this has implications for community cohesion. To tackle this we will:

- Support new development that is flexible to the requirements of different communities and the conversion of flats into larger homes.
- Develop racial and cultural awareness amongst our employees and encourage partners to continue promoting increased applications for social housing from historically underrepresented groups and sign up to the Respect Standard for Housing Management.
- Support specific community engagement to encourage people from different backgrounds to come together to influence plans for their area and to develop a shared sense of belonging and citizenship.
- Improve perceptions of our neighbourhoods through promotion and myth-busting.

And all of this work is underpinned by a robust and continually improving evidence base considered to be good practice by the Audit Commission.

This Business Plan or bid to government for Housing Market Renewal resources is another step in achieving transformational change to tackle the continuing structural issues which blight our inner urban core.

We have come a long way and matured as a partnership. Our 'offer' is impressive and robust and will enable us to move to the next stage, continue with government to progress and fulfil our shared commitments and responsibilities to communities.

We await the government's decision on our allocation – this is expected to be in February 2008.