

BNG Key Facts March 2009

Housing Market Renewal and Growth

Why we were established

- BNG was set up at the end of 2002, as a Housing Market Renewal (HMR) Pathfinder. A national government programme, the aim is to restore sustainable communities in 10 areas in the North and Midlands where demand for housing has been relatively weak and which have seen significant decline in population, dereliction, poor services and, as a result, poor social and living conditions.
- In October 2008, BNG submitted a Programme of Development and a supporting document setting out the story of growth to the government. This resulted in NewcastleGateshead being declared one of 20 New Growth Points, receiving the first block of funding to invest in infrastructure to accelerate housing development to cover the period 2009-11.

Our story

The Programme of Development and Story of Growth set out a 20-year vision for NewcastleGateshead as a place of housing choice, creating better physical, social and cultural links between places, helping to drive economic improvement and a thriving high-skill economy. There are therefore obvious links with the future work of 1NG, the city development company, NGI, the tourism and destination marketing agency and the wider Tyne and Wear City Region and regional organisations.

And we aren't starting from scratch. We already have:

- Riverside and river slopes providing fantastic views for our new developments.
- A striking built heritage - the quiriness of Gateshead's arches, the unique Tyneside flats or the Byker Wall.
- Parks and open land studding the landscape – the formal urban parks like Saltwell or Walker, the 'Bankies' woodland on the slopes between Felling and Deckham.

Our story is based around two special locations:

- The Core and convenient, rejuvenated inner housing areas
 - Heart of the conurbation
 - Expanding west, east and south, improving and widening the residential offer; renewal and growth intertwined. Some places, like Elswick and Bensham right next to the centre and only a short walk away; others, like Saltwell, Benwell, Byker and Deckham, a 5-minute bus or Metro trip.
- The rediscovered river
 - Central waterfront that is already part of the housing and cultural offer
 - Focus now on Gateshead business areas upstream to neighbourhoods that will become successful suburbs eg. Dunston Staiths, Blaydon, Benwell and Scotswood, and downstream to Walker.

- Development-plus: housing development linked to recreation and employment, green spaces and cycle/walk ways.
- Development facing, rather than turning its back on, the Tyne.

Also – housing growth north-south on the A1; Newcastle Great Park, Birtley Northside and Metro Green in time.

Connections and sustainability are central to our approach. Significant transport and green (and blue) infrastructure exists, but it needs improving and 'joining up' to existing and new developments.

The connections within and outside the region are also important, and the increasing acknowledgement that cities are economic opportunities rather than liabilities due to their centrality, face-to-face interchange, variety and choice.

Integration of Renewal and Growth

In 2009-10, BNG will demolish a further 190 properties and refurbish more than four times as many (850) via the HMR programme. We will acquire 110 properties for future demolition and assemble 0.85ha of land; we aim to keep our key sites moving and build/convert 24 new homes (the introduction of the 'housing solutions' work would increase this)¹.

The Growth element of our programme is being used to:

- Connect places via sustainable transport and green infrastructure.
 - Air Quality Assessment modelling to complete imminently;
 - Community Infrastructure Fund 2 Business Case for extension of Quaylink bus service to Walker submitted;
 - Consultancy support via GONE to help understand where best and how to improve cycleways;
 - Work with Highways Agency to identify possible problematic locations.
- Understand and manage environmental impact.
 - Strategic Flood Risk Assessments underway;
 - Joint Water Cycle and Surface Water Management Plans (SWMP) about to go out to tender (Drainage Asset Management Plan in 2010/11). One of two regional City Flood (Environment Agency) pilot projects for SWMP;
 - Joint Green Infrastructure Strategy (GIS) and supporting plan being developed (working with CABE Space to help determine evidence baseline and out to tender imminently to help fill gaps identified);
 - GIS includes ecological impact assessment and River Tyne study as part of work modules;
 - Environment Agency, Northumbria Water Ltd and Natural England involved in project and steering groups.
- Develop site options, designs and plans.
 - Askew Road; Chandless; Beacon Lough East; Bensham; Teams and for Ouseburn infrastructure.

- Implementation
 - Site access works in Gateshead;
 - Links to transport nodes and green spaces and public space improvement in Walker;
 - Site investigations and remediation in Scotswood and Gateshead.

The Programme of Development and housing growth trajectory provides for 17,900 (gross) new homes 2009-2017; a 25% uplift on RSS (14,270 net). The main focus of this development (gross) during the period is:

- Benwell and Scotswood – 1,110
- Walker Riverside – 900
- Byker Ouseburn – 687
- Newcastle Great Park – 1,785
- Felling and Deckham – 1,570
- Bensham and Teams – 1,505
- Birtley Northside – 520
- Bleach Green and Stella South - 850

Positively, gross completions in NewcastleGateshead in 2008/9 were 936, compared to 985 in the trajectory submitted to government in October 2008. Net additions were 264 compared to a trajectory of 486 due to accelerating the demolition programme in response to the market.

- Every effort is being made by BNG and its partners to keep development going on priority sites and the 'housing solutions' work described later will help with this.
- Strategic Housing Land Availability Assessments are underway to update the trajectory (and the Local Area Agreement targets) in 2009.

Solutions for existing and new residents

Community engagement and support has played a big part in developing and delivering the BNG programme of renewal, and now growth, including:

- Consultation on neighbourhood plans and Area Action Plans.
- Capacity building so residents can contribute to the designs for their neighbourhoods.
- Informative magazines at the BNG and local level, for the adults and the young people.
- Neighbourhood wardens working with youngsters who are now Junior Wardens, looking out for environmental issues such as rubbish dumping and passing this on to their mentors.
- Management and support of the private rented sector, likely to play a bigger role in the future.

And in March 2009, we held the first meeting of our Residents' Panel, which provides a link between communities and the Board, a forum for residents to have their say on key strategic issues – with their comments then fed into the Board. To support their development, Panel members, together with officers, are studying a bespoke community development course.

Accessing new homes Growth funding will help to accelerate new housing development but given the current challenges with the housing market we need to be confident that people will be able to access finance to move into the homes once they are built.

To this end the Residents' Panel were involved in the development of our work to provide Practical, Affordable Housing Solutions. This is BNG's innovative model to bring forward stalled housing developments and further phases of new build and refurbishment. The model shows how investing in intermediate market products such as Cash Deposit, Shared Equity and Rent to Purchase, alongside HomeBuy Direct (and other NAHP products) and the input of developers and lenders, can support the requirements of priority developments.

The initial programme, we estimate could support up to 160 homes of intermediate tenure, delivering up to 225 units in total on five priority developments within the BNG area. A combination of capital receipts and the additional 10% of programme remaining to be allocated for HMR will be used to deliver the work; the Homes and Communities Agency is keen for us to test out the new/top-up products which will be more flexible than those available at present. We aim to introduce them on at least one site in September/October 2009.

Employment and training Members of the partnership are committed to supporting training and employment in Newcastle and Gateshead, and will seek opportunities to increase this work as we deliver the renewal and growth programme.

Expectations to safeguard and create employment and training opportunities through our investment in 2009 and beyond will be delivered by:

- Continued work by Newcastle Futures and Economic Development in Gateshead;
- Setting out requirements for employment and training in the delivery of long term regeneration activity at the EXPO in Newcastle, Joint Venture Partnership in Gateshead and Walker;
- Continuing to run training and accreditation courses for private sector landlords, which will ensure high standards of accommodation in this sector. We have worked with 370 Landlords to date;
- Contributing to the development of the Economic Master Plan with 1NG, the City Development Company for NewcastleGateshead.

Both Councils/LSPs have developed plans in response to the economic downturn; these include:

- Additional support to residents made and/or facing redundancy – One Stop Shop in Gateshead/three resource centres in East, West and City Centre of Newcastle.
- Gateshead and NCC increasing number of apprenticeships within the Councils.
- Help with business start ups and encouraging enterprise – especially focussed around deprived areas.
- Increased package of support for long term unemployed via Newcastle Futures Partnership.

Design principles

Growth Point status provides us with the opportunity to reinforce our commitment to good quality homes and investment in the public realm and not just nice housing estates.

Growth funding, HMR investment and negotiations with developers will help us to continue providing homes to lifetime standards, to at least Code for Sustainable Homes level 3, and with a public realm in line with Home Zone principles.

Partnership, governance arrangements and processes to support delivery

BNG is one of three 'sister' partnerships feeding into the Gateshead and Newcastle Partnership (1NG and NGI being the others). The BNG Board Scheme of Governance has been updated to include growth as well as renewal, covering the whole of Newcastle and Gateshead.

BNG Board membership includes an independent Chair, a Member and senior officer from each local authority, two representatives from each Local Strategic Partnership, three independent members, One NorthEast and the Homes and Communities Agency; there are also observers from Newcastle New Deals for Communities and Government Office North East.

BNG is responsible for strategy formulation and co-ordination and programme management; the local authorities and other partners are responsible for delivering the programme.

Delivery processes involve various sub-groups and workstreams as well as local authority teams.

- The studies delivered as part of the growth programme involve the Project Directors and Project Managers for the LDF Core Strategy Joint Project Board; the timescale for this work relates to the timing of the NewcastleGateshead Core Strategy – evidence base by end December 2009 and consultation on preferred options in June 2010.
- The BNG strategic review, programme management and appraisal processes now apply to all growth point projects as well as renewal.

A track record of delivery

We have already achieved a lot; overachieving on challenging targets each year. From 2003-2008/9 we had:

- Refurbished over 5,000 homes.
- Demolished 2,365 properties that were no longer sustainable, achieving 96% satisfaction levels with the service provided to residents being supported through the difficult process of finding a new home.
- Converted or built nearly 300 homes.
- Brought a significant amount of land into public ownership – that will provide 3,700, high quality new homes in the future.
- Locally:
 - 1,200 of the 1,600 properties identified for clearance in Scotswood, are demolished.
 - Sites are secured along Walker Road and Cambrian estate.
 - All site investigations for the Scotswood Expo site are complete.
 - Loadman Street remediation works are on site.
 - Site investigations for the former Freight Depot and Brandling sites in Felling are complete.

- Bensham refurbishments are significantly improving the area around the clearance site, in preparation for its redevelopment.

Six years into a long term, transformational programme, we are starting to have an impact on the market:

- Vacancies, though still high at 5.7% (4,441) are significantly lower than in 2005 (6.8% and nearly 5,300). Likewise properties empty for six months or more, have reduced to 3.9% (just over 3,000) compared to 4.7% (3,665) in 2005.
- Our median and lower quartile house prices have started to close the gap on regional prices although the level of owner occupation in some areas is so low, choice is still severely restricted.
- Turnover has also reduced, to 12.3% compared to 15.3% in 2005; areas where turnover is higher tends to be private rented areas where our private rented teams encourage good management and provide support to landlords and tenants.

Despite this there are still significant challenges:

- The choice of homes is still significantly restricted for those wanting to own. Around 40% of homes are owner-occupied and 45% social rented in the BNG area, compared with 64% owner-occupied and 28% social rented for the North East as a whole. We want to correct this imbalance and help more people who want to achieve and sustain owner occupation.
- The BNG area lost around 20,000 people between 1981 and 2001; recent work at Medium Super Output Level estimates a further loss of 3,000 people 2001-2005. We are working to reverse this by making sure local neighbourhoods offer enough quality housing options to keep existing residents and attract incomers to the BNG area.
- There is still a significant gap between the employment, income and educational levels of residents living in the BNG area and elsewhere in Gateshead and Newcastle and 'Place' surveys indicate that although the areas are perceived to be improving, satisfaction amongst residents is still lower than elsewhere.

The money

We have successfully attracted significant levels of investment to transform our places.

- Between 2003 and 2008/9 almost £165 million of Housing Market Renewal funding has been allocated to BNG.
 - £4.7m from the Growth Fund has been allocated to accelerate housing development 2009-11.
 - Potentially £930,000 via the Business Case for Community Infrastructure Fund 2 to extend the Quaylink bus service to Walker.
 - This will all be complemented by a range of further funding, from the public and private sector, which will enable us to create great places to live in Newcastle and Gateshead.
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MORE DETAILED INFORMATION

Population Loss

	2001 population	Population Decline Since 1981
Newcastle City	266,200	-3,032 (-1.1%)
Gateshead Borough	191,151	-19,783 (-9.4%)
Newcastle BNG	132,261	-9,059 (-6.4%)
Gateshead BNG	49,451	-10,800 (-17.9%)
BNG Total	181,712	-19,859 (-9.9%)

Source: Census – best fit to wards, figures differ to other population analyses based on changes in housing stock

Empty Homes

Area	Number	Vacancies		Vacant for 6 months or more		
		Rate*	March 06 Rate**	Number	Rate*	2006 Rate**
BNG	4,441	5.7%	6.8% (5,292)	3,096	3.9%	4.7% (3,665)
Gateshead BNG	1,941	7.2%	6.5%	1,162	4.3%	3.0%
Gateshead Outside BNG	2,099	3.2%	2.9%	1,318	2.0%	1.2%
Newcastle BNG	2,500	4.8%	6.9%	1,934	3.7%	5.6%
Newcastle Outside BNG	2,892	4.0%	5.0%	1,571	2.2%	3.4%

*As a % of all residential properties, numbers and rates at March 2009

**As a percentage of all residential properties, numbers and rates for March 2006

Source: Local Authority Analysis of Council Tax Data

House Prices

- o Median house prices reached their peak in BNG in April-June 2007, having more than doubled since 2001/2. Median prices in December 2009 were £90,000.
- o However, this average masks large differences in prices between intervention within BNG and areas where the market is able to take care of itself eg. Benwell Scotswood prices are now under £50,000, with Byker Ouseburn, Walker Riverside and Bensham around £60,000.
- o Sale transactions have reduced to a quarter of the levels a year ago in some areas.
- o Positively, prices in Walker Riverside, the most advanced on our intervention areas, are holding up reflecting that the majority of sales relate to new build in an area with 73% social rent.
- o More recent prices (March 2009) for Newcastle and Gateshead districts show mean prices of just over £125,000 and nearly £101,000 respectively; prices have fallen by 13.2% and 17.3% compared to March 2008.

BNG Activities

Activity*	April 2003 - March 2008	Apr 2008- Mar 2009	Total to date	Projected, 2009-2010	Projected, 2003 – 2018**
Homes refurbished, repaired or otherwise improved	4,190	921	5111	850	9,522
Land acquired – hectares	13.37	0.8	14.17	0.85	15.87
Land made available for final use – hectares	15.25	0	15.25	0	up to 114.5
New homes or conversions built, facilitated by BNG	205	69	274	24	around 2,622
Houses demolished using HMR funding	1,849	516	2365	210	up to 3,159
Properties acquired	814	218	1032	110	around 1,407

*Definition of outputs consistent with proposals for funding agreement targets for relevant years

**Subject to change and dependent on funding

BNG Targets

Working with local communities and partner organisations we aim to:

- Stabilise and increase the BNG population from around 160,200 in 2005 to around 172,923 in 2018.
- Increase owner-occupation in the BNG area to 51% by 2018 (from around 40% in 2005).
- Increase the net dwelling stock by around 6,500 units in the Pathfinder Intervention Area between 2006 and 2018.
- Indirectly help to reduce concentrations of benefit dependency and worklessness within the BNG area.
- Narrow the gap between neighbourhood satisfaction (very or fairly satisfied) in BNG and the averages for the rest of Newcastle and Gateshead.
- Increase the level of BNG residents believing that their neighbourhood has improved
- Increase the percentage of people who feel safe in their neighbourhood after dark while bringing about a fall in the percentage of people who think that anti-social behaviour is a problem in their area.