

Meeting:	BNG Board
Date:	11 July 2008
Contact:	Anne Mulroy
Board Action:	For Discussion
Sensitivity:	Public

Subject: Item 5 – Director’s Report

Items covered in this report are:-

- Proposals for Allocation of Funding Years 2 and 3
- Housing Targets and Growth Point Bid
- New Delivery Vehicles
- Partnership Agreement
- Deed of Variation - Progress on Investment – Meeting with CLG
- One and Northern Way Research
- Board Awayday 2 July
- Board Membership Matters

1. **Proposals for Allocation of Funding Years 2 and 3**

CLG have now confirmed the assessment arrangements for funding allocations 2009-10, ie 10% flexibility. The Audit Commission will make the assessments on behalf of CLG and has agreed a framework for the process.

Progress will be assessed on the following areas:-

- progress in working with the private sector;
- progress in working with the bodies that will become the Homes and Communities Agency (HCA);
- progress in working with growth programmes;
- market conditions.

The framework is a three stage assessment process.

Stage 1 – Performance Review

In BNG this will be carried out from 1-5 September.

Stage 2 – Use of Resources

This will be in September. A date is being arranged.

Stage 3 – Need for Investment

This will be carried out by the Audit Commission for each of the Pathfinder areas and will be complete by November 2008. The baseline used will be the Audit Commission Assessment in 2007. The staff team are preparing for the Review.

2. **Housing Targets and Growth Point Submission**

At present there has been no announcement on either of these items, however it is anticipated that an announcement on Growth Point submission could be made before the Summer recess at the same time as adjusted housing targets. An update will be given at the meeting.

3. **New Delivery Vehicles**

Both Local Authorities are now well advanced in establishing new Delivery Vehicles. Gateshead Cabinet have now approved the procurement of a joint venture partner to deliver sites within BNG.

Newcastle are making progress to become a Local Housing Company pilot – an announcement is expected shortly. A presentation will be made to September Board by each Local Authority on their progress.

4. **Partnership Agreement**

Final comments have now been received and incorporated into the document. The Agreement will form part of the report to NCC Executive and Gateshead Cabinet on the Deed of Variation.

5. **Deed of Variation - Progress on Investment with CLG**

As part of the Business Plan 2008-11 investment of funding into the URV proposed for Scotswood was approved. The arrangements to allow for this change in process are currently being discussed with CLG. A meeting has been arranged for 25 July at CLG with Henry Cleary and Legal and Financial Officers to discuss how to take this forward. It is hoped agreement can be reached at this meeting as any further delay will impact on approval of the Deed of Variation.

6. **One and Northern Way Research – Residential Futures in Tyne and Wear**

The above piece of research is part of the 3rd stage of work commissioned by the Northern Way into the Quality of Place and the Residential Offer, and housing's role in supporting economic competitiveness.

The earlier stages found that quality of place, along with other elements within a wider basket of quality of life factors, impacts at two levels: the city/city regional level – that serves to attract or retain key individuals/firms to a wider location (functional economic area) and a second level, 'Local Liveability', which covers relatively local factors that may influence locational choices within the city region. Ultimately, the first stage concluded that the residential offer/quality of place supported the wider quality of life secondary driver of competitiveness rather than being a primary driver but, nevertheless, played a part in influencing locational choices of individuals and possibly firms.

Phase 2 developed a methodology to assess the quality of the current residential offer. The analytical framework was based on: Range – type, tenure, composition, price and

market; Quality – access to services, housing condition and general demand indicators; Value for money/affordability – difficulty to access owner occupation, house price change and income. Alongside phase 1, three broad groups were identified that were a) of disproportionate relevance to the economy and b) whose locational choices policymakers could seek to influence. Whilst accepting the importance of a whole-market approach to housing provision, these groups are: Recent Graduates; Family Builders; Knowledge Economy Workers.

Phase 3a developed and tested a methodology for exploring how the future residential offer/quality of place needed to change in order to respond to the economic trajectories and aspirations of a city region. This approach, called 'Residential Futures', was tested out with Manchester, Liverpool, Leeds and Sheffield city regions. Additional work was undertaken in Sheffield to identify different area typologies across the city region to be used as a strategic planning tool – 'Planning for Opportunity'.

The current commission rolls out phase 3 taking a 'Residential Futures' approach to the Central Lancashire, Hull and Humber Ports, Tees Valley and Tyne and Wear city regions. The 'Planning for Opportunity' approach will also be used in Tyne and Wear, the largest of the remaining case study areas to link housing/residential offer to the needs of the economy AND to define these spatially.

Put simply, Tribal (the lead consultants) will work with CURS from Birmingham University, to understand:

- The forward looking demand side of the residential offer (what sort of housing is going to be needed where in response to the sectoral changes in the economy and the resultant derived demand) alongside;
- The 'Planning for Opportunity' model, which explores where that growth might be accommodated by looking in a fresh way at the capacity and crucially the role and function of existing localities and seeking to understand their capacity, or opportunity to evolve and change.

The work will enhance and extend BNG's strategic reviews and 'The Changing Place' document.

This will allow regional and sub-regional decision makers to start integrating economic opportunity into their housing and planning analyses. It will mean that authorities understand the type of housing required and where, in response to the needs of the economy.

The additional work to take place in the Tyne and Wear city region could add immense value in terms of wider objectives and enhanced cooperation at a sub-regional level, supporting the development of future Multi-Area Agreements, the Economic Assessments by the Tyne and Wear City Region and City Development Company as well as for regional partners and the Northern Way. Fundamentally, it will set BNG's spatial and investment strategy in context of the wider market, in time providing a shared understanding of what needs to be built where, when and for what target markets.

BNG's Head of Research and Strategy is on the Steering Group for the work along with representatives from ONE, Northern Way, Tyne and Wear City Region, Tyne and Wear Housing Partnership and an officer involved in the Leeds City Region work, now

working in Tyne and Wear.

The work is likely to complete in the autumn and updates will be provided to the Board when available.

7. **Board Awayday 2 July**

At its Awayday the Board considered potential challenges and opportunities for BNG in the future.

A report is attached at Appendix 1 to this report which outlines those challenges and opportunities and puts forward from the discussion at the Awayday a number of questions to be further considered. Professor Ian Cole's slides are also annexed to the report.

8. **Board Membership Matters**

Appointment of an Independent Member

Following the circulation by email of Andrea Proudlock's CV and the positive responses received, the Board is asked formally to confirm her appointment as a Board Member with effect from 1 September for a period of three years and also to invite her to become a member of the Appraisal Panel in the light of her legal expertise.

Appointment of the Chair of BNG

The Chair's initial appointment for three years expires on 30 November 2008. The second Schedule to the Governance Scheme which specified the appointment process and terms is attached for information. The Board is invited to consider an appropriate performance appraisal process for the Chair prior to deciding at the September meeting whether to appoint for a further term or to advertise for a replacement.

It is suggested that the detailed process is delegated to a Member of the Board or small panel, supported by the Director.