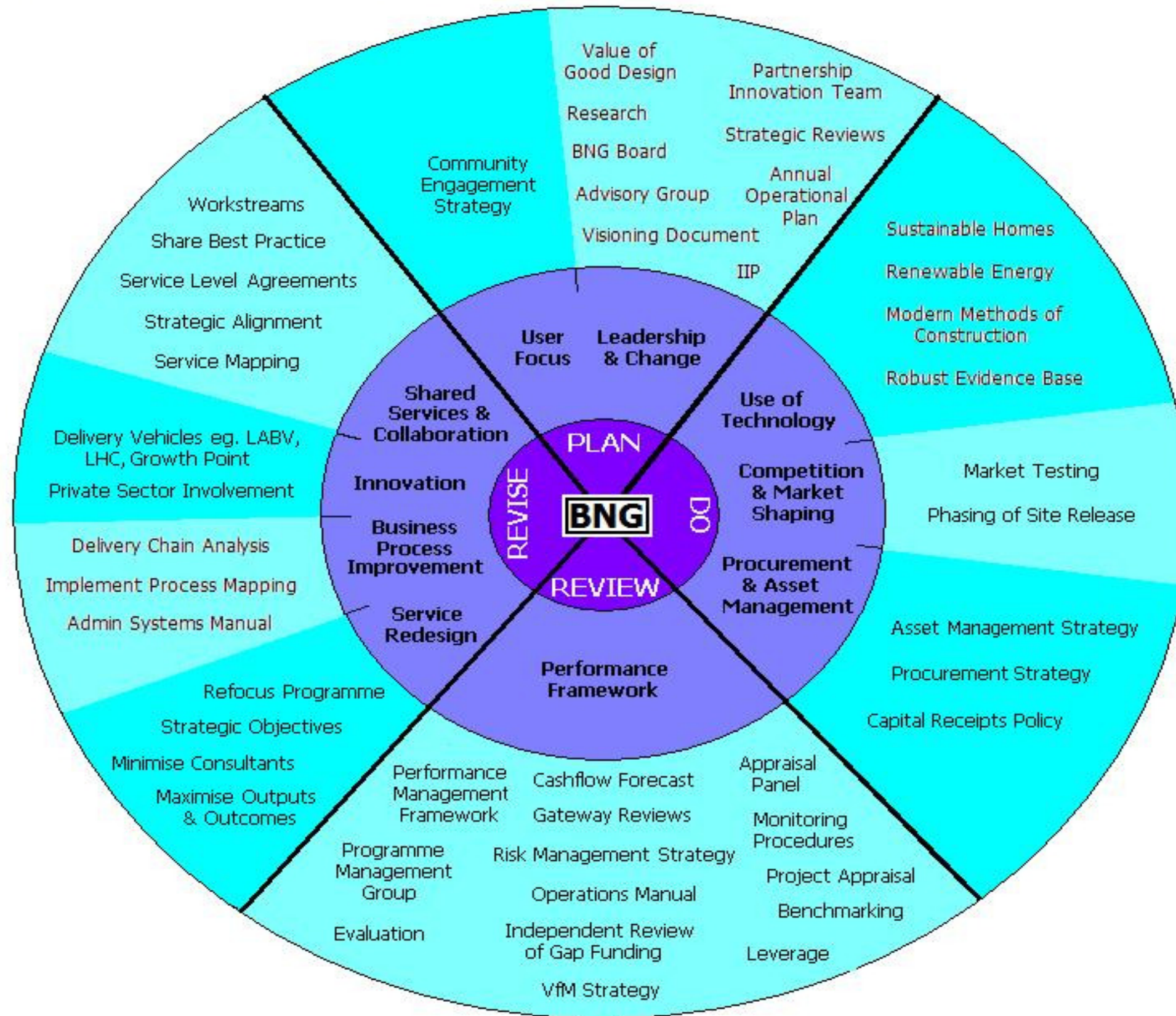


BNG Effectiveness and Efficiency Model



	Current Situation	Action Required	Who/When	Outcome
PLAN	'Prioritising and planning for improvement'			
Leadership and Change				
Annual Operational Plan	A BNG Corporate Strategy and Business Plan has been produced for the current funding period 2006-2008. This is supplemented by an Annual Operational Plan. Progress against this is reported quarterly to the BNG Board.	The Business Plan 2008-2011 submission to CLG has been accepted and £95m funding has been approved. An annual operational plan will be produced and submitted to the BNG Board in March this will then be reviewed and monitored quarterly.	Mgt Team (JD) March 08	2008/09 programme and associated strategic activity delivered.
Strategic Reviews	<p>Strategic VFM assesses the longer term impact or added value associated with groups of projects or the whole programme and examines the question of whether the interventions being undertaken are the right ones to achieve the desired outcomes. This needs to be considered at a strategic commission level.</p> <p>These aspects were considered as part of the detailed reviews of the Strategic Commission areas completed by the Advisory Group during 2007 and used to inform the development of the Business Plan submission to CLG.</p>	<p>The Strategic Reviews need to remain 'living' documents to ensure BNG is basing its programme on current information.</p> <p>Annual Strategic Review Updates and six monthly updates to gantt charts are scheduled for the coming year.</p>	<p>KA - Advisory Group</p> <p>Meetings as scheduled</p>	<p>Clear and shared visions for each strategic intervention area to ensure holistic regeneration.</p> <p>A better understanding of the relationship between places.</p>
Visioning Document "The Changing Place"	<i>Audit Commission: To complement the review of strategic commissions, and ensure a clear strategic direction for the whole area, masterplanning consultants have recently helped BNG to develop visioning, setting the pathfinder in the context of the city region and economic links. This will inform subsequent business planning and programme development from 2008. 'Character assessments' carried out by both councils already provide useful understanding of local heritage and distinctive characteristics to assist in</i>	The findings presented in this document will be taken into account when carrying out Strategic Review updates and any further neighbourhood plans or masterplanning activities.	<p>KA - Advisory Group</p> <p>Meetings as scheduled</p>	<p>Clear and shared visions for each strategic intervention area to ensure holistic regeneration.</p> <p>A better understanding of the relationship between places.</p>

	<p><i>securing the long-term protection and enhancement of urban areas.</i></p> <p>This will inform subsequent business planning and programme development from 2008</p>			
Advisory Group	<p>The Advisory Group is responsible for advising BNG officers on strategic planning and development and high-status operational issues. The establishment of the Advisory Group in 2007 ensures that BNG officers have a formal group of Board Members and other experienced people from various backgrounds, from whom to seek views and advice on key developing issues and plans that will help to deliver the BNG programme.</p>	<p>Regular meetings of the Advisory Group have been scheduled for 2008.</p>	<p>KA</p> <p>Dates as scheduled</p>	<p>Better informed programme. Improved strategic alignment of policies and forward planning</p>
BNG Board	<p>The responsibilities of the Board include:</p> <ul style="list-style-type: none"> • Oversee the preparation of the Prospectus/Business Plan and updates to the Prospectus and carry out an annual appraisal of the Scheme. • Approve the housing market renewal programme and individual projects through agreed delegations. • Agree the Scheme of Delegation from time to time • Monitor performance of plans, budgets, controls and decisions against targets and in light of stakeholder/partner feedback and the performance of other pathfinders • Define and ensure compliance with the values and objectives of the organisation as set out in the Prospectus and updates • Establish a framework for approving policies and plans to achieve those objectives • Establish and oversee a framework 	<p>Revise the forward plan for 2008 detailing when the Board can expect to receive reports and make key decisions. An early priority will be the approval of the Operational Plan for 2008-09 reflecting the allocation from CLG.</p>	<p>AM</p> <p>March 08</p>	<p>Better management of partnership and programme</p>

	for the identification and management of risk, ensuring that the Board receives regular reports on these and to ensure that appropriate action as is required.			
Partnership Improvement Team	<p>An Executive Team consisting of the BNG Director and the two senior local authority officers who sit on the BNG Board meets regularly and takes a high level strategic overview of HMR activity etc.</p> <p>In addition officer working groups meet in each local authority and various workstreams exist.</p>	<p>A Partnership Improvement Team, aimed at supporting the Executive Team and encouraging closer working amongst senior officers across the partnership to drive forward improvement, is to be established.</p> <p>The Team will focus on strategy and forward planning and the review of the programme at a strategic, thematic level. It will not duplicate the work of other groups and workstreams that consider issues in detail; it will review and direct other 'groups' focus to improve implementation and sustainability.</p> <p>The Partnership Improvement Team will provide positive challenge to the programme and identify opportunities for improvement. The Team will bring together officers with different skills that existing contacts or structures do not allow. It will strive to achieve a greater integration of BNG objectives within delivery partners' organisations.</p>	KA/PIT Meetings as scheduled	<p>More effective programme and performance management.</p> <p>More strategically aligned programmes.</p>
Research Programme	BNG has undertaken some significant pieces of research during 2007-2008, which have informed the development of our Business Plan bid to government for funding 2008-2011, provided us with a clearer indication of potential target markets in some parts of BNG, and where there are still significant challenges in terms of perceptions about a lack of housing choice, anti-social behaviour, poor environment etc.	<p>A research event is to be held in March 08 where key findings of projects completed to date will be disseminated to partners, stakeholders and other pathfinders.</p> <p>A research programme for 2008-09 has been drawn up to look at the following main areas:</p> <ul style="list-style-type: none"> • Housing markets • Sustainability • Development • Assisting Delivery 	<p>KA March 08</p> <p>KA March 09</p>	Better informed strategy, policy and programme development.
Value in Good Design	BNG has no formal protocols in place for securing good design on new residential developments in the Pathfinder area and an 'ad hoc' approach is currently in place. There is a clear and defined need to develop a set of protocols which are based	BNG are currently seeking to appoint consultants in March 2008 to carry out research into the Value of Good Design. This will be a two stage piece of work with the first stage being a desktop review of all the different codes and standards currently in place which will identify any commonality and overlap. The	<p>JS</p> <p>August 2008</p>	Detailed understanding of design codes and standards and effective application to new build schemes through the development of Design Protocols.

	upon detailed research which identifies the value of good design on new build schemes.	second stage of the research will provide a cost benefit analysis of the different elements of the various codes and standards and will identify what provides maximum payback for the occupants of new dwellings as well as developers and funders.		
Investors in People	Performance development appraisals take place annually. Ad hoc decisions are taken re training and development.	BNG Core Team to become IIP accredited	IM March 09	More effective Core Team. Improved business and resource planning.
User Focus				
Community Engagement Strategy	BNG has prepared a Community Engagement Strategy and toolkit. <i>Audit Commission: BNG is performing strongly in terms of community cohesion, consultation and support. The pathfinder and partners have maintained a strong focus on community engagement and secured national recognition for their achievements. A new community engagement strategy and toolkit gives specific consideration to equality and diversity issues, and an enhanced strategic approach to interventions for BME, faith communities and people with special needs has been developed over the past year. There has been attention on ensuring interventions promote community cohesion and ongoing support for individuals and neighbourhoods affected by change. Although there is a need to further build capacity in some communities, to engage with people at different levels, and to ensure effective monitoring of new strategies.</i>	BNG needs to review the Community Engagement Strategy in light of the recommendations set out in the National Audit Office review of Housing Market Renewal.	KA/MP March 09	To be effective and efficient, so that our residents 'stay with us' as we deliver the programme, innovative and fun engagement methods will be encouraged
DO	'Helping people achieve better performance'			
Use of Technology				
Sustainable Homes	BNG has gap funded developments to enhance the specification of new dwellings	BNG will take into account how specifications can be enhanced to improve the housing offer for all	JS As	Better quality developments.

	with regard to improving eco homes ratings e.g. Walker Riverside	potential new developments where gap funding is required.	developments brought forward	Contribution to climate change agenda
Renewable Energy	BNG is gap funding developments to enhance the provision of renewable energy e.g. Riversgate	BNG will take into account how specifications can be enhanced to improve the housing offer for all potential new developments where gap funding is required.	JS As developments brought forward	Better quality developments. Contribution to climate change agenda
Modern Methods of Construction	BNG has gap funded developments to enhance the specification of new dwellings with regard to modern methods of construction e.g. Sunderland Road and Walker Riverside	BNG will take into account how specifications can be enhanced to improve the housing offer for all potential new developments where gap funding is required.	JS As developments brought forward	Better quality developments. Contribution to climate change agenda
Establishing a Robust Evidence Base using IT	<p>BNG contributes to the development of Vitality Indices within the two Local Authorities, which are robust statistical programmes that provide socio-economic information at a city and neighbourhood level to further our understanding of the housing market and steer BNG's investment strategies. These can be presented in both tabular and spatial forms using GIS.</p> <p>Using a Geographical Information System (GIS) allows programme and performance data to be presented and disseminated simply, and aids strategic decision making and priority setting by providing an understanding of the spatial relationships between schemes and complementary investment by our partners.</p> <p>The Research Officer uses SPSS (Statistical Package for the Social Sciences) software, which is a very powerful tool which enables types of statistical analysis that aren't possible using Microsoft Excel or Access. Further, SPSS can deal comfortably with very large datasets, unlike Excel. It is primarily used to investigate findings from BNG resident surveys.</p>	BNG will seek to use IT systems to assist in market analysis that supports and informs strategy and programme	KA/AS/KD March 09	Better informed strategy and programme
Competition and				

Market Shaping				
Market Testing	<p>All major development schemes must be informed by market testing to ascertain likely demand for the scheme e.g. Expo, Cruddas Park etc.</p> <p>Refurbishment works in Gateshead and Newcastle are subject to competitive tender.</p>	<p>Build in the requirement for market testing into the project appraisal system and ensure that the results are taken into account before any investment is approved by Project Appraisal Panel.</p> <p>Internal market testing in particular for refurbishment schemes has taken place and will be further developed in the next phase.</p> <p>The potential for refurbishments in Gateshead to be included in the brief for development sites is being considered as part of the consultant's report due to report in February 2008.</p>	<p>JS At appropriate stage of developments</p> <p>JD/IM March 09</p> <p>JS/IM/Gateshead Council April 09</p>	<p>More informed decision making.</p> <p>Improved quality and deliverability of developments.</p> <p>Better cost effectiveness of improvement schemes</p> <p>Development brief optimised.</p> <p>Improved deliverability and cost effectiveness</p>
Phasing of Site Release	<p>Gateshead Council, working with EP and BNG, has appointed consultants to undertake a strategic review to determine the most appropriate model of delivery of the programme in a way that produces the most effective return from public subsidy.</p> <p>Newcastle City Council has pilot status to take forward the Local Housing Company initiative. Site release will form part of this programme.</p>	<p>Consultants to finalise the delivery option appraisal and produce guidance on the optimum phasing of site release.</p> <p>Gateshead to procure delivery partners in accordance with consultants guidance</p> <p>Partners are working together and have submitted a bid to form a new Growth Point. Phasing of site release will be key to delivery of this programme.</p> <p>It is important that sites are brought to the market in such a way as to maximise the impact on the housing market, optimise the value of sites, and ensuring that sites are not in competition with each other.</p>	<p>AM/SJ</p> <p>JS/IM/GC</p> <p>Timescale TBC</p> <p>AM/LAs Aug 08</p> <p>JS/LAs March 09</p>	<p>Development sites packaged and delivered in most effective way</p>
Procurement and Asset Management				
Asset Management Strategy	<p>A revised asset management strategy has been produced by BNG that gives guidance on what is required if BNG are to invest in acquiring assets.</p> <p><i>Audit Commission: BNG has revised its asset management strategy to allow current funding in land and assets to be used as an investment to match with the Homes and Communities Agency, ALMOs and others. It</i></p>	<p>Programme Management Group to approve the asset management strategy in December 2007 followed by the BNG Board in May 2008.</p> <p>AM Plan to be determined following approval of the strategy</p>	<p>IM May 08</p> <p>IM July 08</p>	<p>Optimum use of assets leading to improved returns and delivery of strategic priorities</p>

	<i>will be used in conjunction with future investment, to provide a longer term return on these assets and greater private sector funding. Essentially repositioning BNG as an investor in future projects rather than grant aiding specific projects. The pathfinder anticipates post 2011, as a result of this approach; some 2,500 homes will be built without the need for further HMRF.</i>			
Capital Receipts Policy	A capital receipts policy has been agreed by BNG and its partner local authorities. This determines how capital receipts should be calculated and utilised.	<p>Ensure capital receipts policy is still relevant following changes to the Asset Management Strategy with regard to investment in new delivery vehicles.</p> <p>Where appropriate continue to utilise capital receipts in accordance with the agreed policy.</p> <p>Continue to build the use of capital receipts into the programme after they have been received.</p>	<p>IM July 08</p> <p>IM March 09</p> <p>IM As assets are sold</p>	Ability to expand programme by utilising receipts
Procurement Strategy	<p>A revised procurement strategy has been drafted to provide project sponsors with guidance as to how BNG anticipates procurement should be used to deliver vfm.</p> <p><i>Audit Commission: The pathfinder has recently redrafted its procurement and asset management plan and a new draft VFM strategy has been produced. Work is being finalised in both councils' to determine their overall approach to procurement, with BNG adopting an influencing role, promoting innovation. The pathfinder is currently working with the councils to explore a range of options, including public private partnership and a local asset backed vehicle.</i></p>	<p>Programme Management Group to approve the procurement strategy in December 2007 followed by the BNG Board in January 2008.</p> <p>Strategy to be implemented immediately following approval. Wherever possible efficiency gains to be quantified.</p> <p>Recommendations detailed in the Calcutt review relating to partnership working with developers to be considered.</p>	<p>IM/JS Jan 08</p> <p>IM/JD March 09</p> <p>JS As developments progress</p>	Improved procurement leading to efficiency gains.
REVIEW	'Understanding the impact of your actions'			
Performance				

Framework				
Performance Management Framework	<p>The performance management framework for BNG is based on the elements outlined below:</p> <ul style="list-style-type: none"> • Timely and accurate performance data provided through monthly monitoring returns and officer meetings • Leadership provided by BNG Board • Lines of individual accountability which is being made clear through work being done within the BNG partnership • Performance review and challenge through regular performance reporting and discussion to BNG Board • A clear forward plan for all investment projects developed through the review of the strategic commissions <p>The BNG core team monitors performance against its baseline targets on a monthly basis. Our performance management framework, agreed with the Audit Commission, identifies key performance indicators for delivery of the investment programme and is reported against on a quarterly basis to highlight any variances to both the BNG Board and the Project Appraisal Panel.</p> <p><i>Audit Commission comments: BNG has introduced new systems and procedures to improve programme and performance management. Robust performance management and monitoring arrangements are in place incorporating ongoing strategic risk assessment and control.</i></p>	<p>The performance management framework is to be reviewed to take into account internal gateway reviews, stakeholder engagement, market testing and the respect agenda.</p> <p>This will be carried out for the start of the new programme in April 2008.</p>	<p>JD/IM April 09</p>	<p>Improved management of programme leading to enhanced deliverability.</p> <p>Better informed Board and sub groups.</p>

<p>Programme Management Group</p>	<p>The PMG comprises representatives of the BNG Core Team and both Local Authorities to manage the BNG programme in line with the Funding Agreement terms and conditions.</p> <p>The group fulfils tasks on behalf of all partners including;</p> <ul style="list-style-type: none"> • Co-ordination of the programme at a partnership wide level on behalf of the Board • Assisting the two Accountable Bodies to manage the financial risks • Ensuring delivery of the funding agreement targets including Market Renewal grant expenditure, output delivery and matched funding expenditure (warranted and complementary). <p>The group will support the Appraisal Panel in monitoring the delivery of approved projects and the management of the programme to achieve the Board programme performance targets.</p>	<p>PMG will be responsible for reviewing, amending and implementing the BNG VFM strategy and strategic risk register.</p> <p>The group is scheduled to meet regularly, including an away day in January 2008, and a work programme is being drawn up to ensure the efficient management of the programme.</p>	<p>PMG</p> <p>Meetings as scheduled</p>	<p>Improved programme management and deliverability</p>
<p>Appraisal Panel</p>	<p>The project appraisal panel, consisting of Board members and independent 'experts', is responsible for advising, or acting on behalf of the Board on:</p> <ul style="list-style-type: none"> • Agreeing a project appraisal format and process to be adopted; • Agreeing a Programme and Risk Management Framework with delivery partners to be used in the management of the BNG programme; • To determine whether a project should be included in a BNG funded programme based on an agreed risk assessment and appraisal process • Working with the Advisory Group to ensure that future investment 	<p>Regular meetings of the Project Appraisal Panel have been scheduled for 2008 and a workplan is being prepared.</p> <p>Membership is to be strengthened by the addition of an independent member from the Bank of Scotland.</p> <p>Further members to be added to the panel.</p>	<p>JD meetings as scheduled</p> <p>AM Jan 08</p> <p>AM April 08</p>	<p>Improved management of programme.</p> <p>Project submissions robustly challenged leading to better programme.</p>

Project Appraisal	<p>Every intervention, before it is funded by BNG, is subject to rigorous project appraisal with the aspirations of the Treasury Green Book, BNG specific to ensure VFM of targets and implementation of the Programme</p> <ul style="list-style-type: none"> • Make it clear what work is the necessary option to deliver the • Periodically review with partners the management risks at both strategic, and project level • Report to the Board on progress of its work on fulfilling these efficiency responsibilities. • To constructively challenge project and, where possible, demonstrate the costs funding similar project appropriate. 	<p>Further develop the guidance notes and roll out training for partners in relation to the enhanced appraisal system.</p> <p>The issue of potential substitution will be rigorously examined as part of the appraisal.</p> <p>Increase the emphasis on cost benefit analysis in accordance with Treasury Green Book guidelines.</p> <p>Implement by March 2008 for interventions to be financed in 2008-2011.</p>	<p>JD/IM Feb 08</p>	<p>Robust testing of project submissions ensuring optimum use of BNG resources and deliverability of strategic objectives.</p> <p>Project milestones and key risks established to feed into performance management framework.</p>
VFM Strategy	<p>Specific VFM studies that take account substitution, displacement, leverage, deadweight and conditionality for BNG has been prepared. This states that the need for VFM is a priority for BNG. The challenges of this will include the following: from grants to loans, eliminating the risk of substitution, maximising the value of private investment and finalising existing management site plans strategy.</p> <ul style="list-style-type: none"> • Undertake VFM studies on areas of activity identified as worthy of 	<p>Programme Management Group to approve the vfm strategy in December 2007.</p> <p>Strategy to be implemented immediately following year end and review to be undertaken.</p> <p>Partnership Improvement Team to consider efficiency and effectiveness of partnership</p>	<p>IM July 08 IM June 08</p>	<p>VFM assumptions tested leading to improved efficiency and effectiveness.</p>
Gateway Reviews	<p>Gateway reviews are an effective methodology recommended for use in both programme and project management. The process examines the programme or project at key stages of its life cycle to provide assurance that it can progress satisfactorily to the next stage.</p>	<p>Roll out gateway reviews to key projects in the 2008-11 programme as part of the appraisal process.</p>	<p>JD/IM Timetable determined during project appraisal</p>	<p>Improved performance management and programme delivery</p>
Cashflow Forecast	<p>As part of gateway reviews have been introduced cashflow forecasts are prepared and monitored by the Project Appraisal Panel and the BNG Board.</p>	<p>Continue to develop cashflow forecasting in association with PMG.</p>	<p>IM March 08</p>	<p>Improved cashflow forecasting and monitoring. Better profiling of expenditure to reduce some year end risks.</p>
Risk Management	<p>In August 2007, we carried out a second</p>	<p>PMG to review the strategic risk register and</p>	<p>IM</p>	<p>Better risk management leading to improved</p>

<p>Strategy</p>	<p>fundamental review of our strategic risk register, involving officers from BNG and all delivery organisations, including the Board and Council Members. This resulted in a revised risk register that identifies 23 key strategic risks:</p> <ul style="list-style-type: none"> • 15 identified as red (high impact, priority risks). • 7 identified as amber. • 1 identified as green (less likely and less impact). <p>Programme Management Group (PMG) reviews and develops actions to manage risks The Board receives twice-yearly reviews with continuous monitoring by the Project Appraisal Panel. Operational risks are determined during project appraisal and are regularly reviewed as an integral element of the project monitoring system</p>	<p>determine appropriate mitigation strategies by January 2008.</p> <p>Review of strategic risks to be taken to BNG Board in March 2008.</p> <p>Strategic Risk Workshop to be held in Sept/Oct</p> <p>Advisory Group and Partnership Improvement Team to consider future risks and changing environment</p> <p>Develop Service Level Agreement</p> <p>Review governance arrangements</p>	<p>Jan 08</p> <p>IM Six monthly</p> <p>IM Oct 08</p> <p>KA March 09</p> <p>JD April 08</p> <p>AM March 09</p>	<p>programme. Risk mitigation strategy should reduce impact and probability of risks.</p> <p>Status of risks reviewed and any new risks identified.</p> <p>Future risks identified and mitigation strategies determined.</p> <p>Improved programme delivery.</p> <p>Governance arrangements 'fit for purpose'</p>
<p>Operations Manual</p>	<p>The Operations Manual has been revised and strengthened leading to a much more robust project appraisal. This requires Project Officers to provide justification in areas such as:</p> <ul style="list-style-type: none"> • Impact on BNG objectives • Options appraisal • Strategic alignment • Value for Money • Risk management • Deliverability etc. <p>The manual includes comprehensive guidance notes to assist project officers in completing project submission forms.</p>	<p>Review the Operations Manual and update as required for projects commencing in 2008-2011.</p> <p>Include updated Operations Manual in intranet site</p>	<p>JD/IM April 08</p> <p>JD April 08</p>	<p>Better project submissions leading to improved programme. Saving in officer time in appraising projects.</p>
<p>Independent Review of Gap Funding</p>	<p>Significant elements of the current and future programme relate to 'gap funding' of new build developments. To ensure that these costs are justified the EP 'Beta' gap funding model must be used to determine the level of the gap. These costs are</p>	<p>Continue to use independent quantity surveyors to verify the gap funding calculations as new build developments are brought forward.</p>	<p>IM/JS As developments brought forward</p>	<p>Optimum use of BNG resources in delivering new build developments ensured.</p>

	<p>challenged/verified by independent consultants to ensure that only the minimum amount of public subsidy is required.</p>	<p>Consider how best to procure this expertise by the end of March 2008.</p>	<p>IM April 08</p>	<p>Time saving by avoiding the need to procure advice on a project by project basis</p>
Benchmarking	<p>BNG participates in the 'benchmarking club' facilitated by the Audit Commission and has internally benchmarked activities such as demolition and private sector renewal.</p> <p>The project appraisal now asks for unit costs and wherever possible comparable costs from similar schemes.</p>	<p>The VFM Strategy requires benchmarking and unit costing to be examined in more detail. This will be implemented by March 2008.</p> <p>We will continue to provide benchmarking information for comparative use by the 'club' in accordance with required timescales.</p>	<p>IM March 09</p> <p>IM July 08</p>	<p>Unit costs and delivery mechanisms tested and compared.</p> <p>VfM examined and tested.</p>
Leverage	<p>Match funding targets as agreed with CLG in the Deed of Variation were exceeded in total for 2006/07 and are on target for 2007/08.</p> <p>Wherever possible BNG should not be the only source of finance for interventions. The level of leverage is tested as part of the appraisal process.</p> <p><i>Audit Commission: The programme and project appraisal process considers the extent of leverage. In 2006/07, complementary investment in the BNG area was at least £187million, with around 28percent of this levered in as a direct result of HMR. The overall target for leverage, or matched funding of some £73million was slightly exceeded, although private sector leverage at some £6.57million was less than the £8.21m anticipated.</i></p> <p><i>Audit Commission: However, a number of challenges remain, including switching from grants to loans, eliminating the risk of substitution, maximising complimentary investment and finalising and implementing the site release strategy.</i></p>	<p>Significant levels of match funding and complementary leverage are anticipated in the period 2008-11. Monitoring procedures are being amended to ensure that all leverage is captured.</p> <p>Deed of Variation 2008-09 to be completed</p>	<p>JD April 08</p> <p>IM March 08</p>	<p>All match and complementary funding captured and recorded.</p>

Monitoring Procedures	Monitoring procedures are in place to ensure that detailed information is collected in a timely manner for each project. This is fed into the Performance Management Framework and reported at a high level to the Project Appraisal Panel and Board on a regular basis	PMG is to review the nature and level of information collated to ensure that it is meaningful and used as a key element of programme management. Monitoring form to be reviewed and updated.	JD April 08 JD April 08	Improved performance management and data collection
Evaluation	An overarching evaluation of the programme was undertaken in 2005 with all key recommendations now implemented. Subsequent evaluations of community engagement and neighbourhood management have helped to clarify BNG's approach and contribute to these important areas of work. <i>Audit Commission: BNG was the first pathfinder to commission an independent programme evaluation and to begin development of an evaluation framework. Ongoing evaluation is being used to inform strategic and operational decisions. Recent examples include evaluating the success of community engagement, governance arrangements and neighbourhood management. The latter provides a focus on the contribution of individual projects to the main strategic objectives established by BNG. The report provides an overview of the BNG policy approach, outlines the most effective interventions and identifies improvements to existing performance management systems to better track project level activity to achievement of BNG objectives.</i>	BNG's and partner's approaches to private sector renewal will be revisited by the Workstream to ensure it is as effective as possible in achieving 'impact' and vfm. Part of the research programme in 2008/09 will measure the impact of the programme. Participate in national evaluation of HMR programme Detailed evaluation of programme delivery to be completed Respond to national evaluation of value for money	JD July 08 KA March 09 KA March 09 JD July 09 IM March 09	Private sector renewal policies and impact tested to inform future schemes. Inform and improve programme development Inform and improve programme development Inform and improve programme development Improve evidence relating to delivery of vfm
REVISE	'Learning to change what you do'			
Service Redesign				
Strategic Objectives	Strategic objective 1	The strategic objectives were agreed as part of the	KA – Advisory	Confirmation that strategic objectives are still

	<p>To enable more people to enter and sustain home ownership, reflecting housing aspirations, and to help reduce concentrations of worklessness</p> <p>Strategic objective 2 To provide an improved choice of good quality, well designed homes through new development and investment in sustainable homes, whilst replacing obsolete housing</p> <p>Strategic objective 3 Work with partners to improve neighbourhoods and provide a good quality of life, and place.</p> <p>The Changing Places visioning document commissioned by BNG helps to set the objectives in context.</p>	<p>scheme update in 2005 and subsequently reaffirmed during preparation of the business plan submitted to CLG for 2008-2011.</p> <p>Advisory Group to review the objectives to ensure they are still appropriate</p> <p>All interventions funded by BNG are tested to ensure that they make a contribution to the strategic objectives.</p>	<p>Group June 08</p> <p>JD as appraisal timetable</p>	<p>appropriate or amended as necessary.</p> <p>Ensure that all projects make an impact on delivery of strategic objectives.</p>
<p>Refocus Programme</p>	<p>The BNG programme in 2006/2008 spread its resources across 11 strategic intervention areas covering most of the geographical areas within the overall boundary.</p>	<p>The programme for 2008 onwards is much more focused on areas of greatest need as identified in the Business Plan 2008/11 (p9-10)</p> <p>Strategic intervention areas to be reviewed annually</p> <p><i>Audit Commission comments: Investment proposals continue to be focused on areas of greatest need and opportunity and should ensure delivery of the pathfinder's vision. The programme flows directly from a robust strategic review of the roles, opportunities, challenges and needs of each area as well as assessing information on past trends and future forecasts for key market indicators. The programme is strategically driven and prioritised, led by the pathfinder, and well supported by its partners, focusing first on places facing fundamental challenges with their housing markets which require ongoing support to rebalance housing</i></p>	<p>KA as timetable</p>	<p>Ensure programme remains focussed on evidence based areas of greatest need.</p>

		<i>choice through clearance, new build and refurbishment.</i>		
Maximise Outputs/Outcomes	<p>In 2006/07 BNG managed to exceed all target outputs, in most cases, fairly substantially, while maintaining spend to its allocated budget of £23 million. Key outputs include;</p> <ul style="list-style-type: none"> • Acquisition of 115 homes and 1.7 hectares of land • 44 homes constructed • 1692 homes improved, and • 258 homes demolished <p>At the end of November 2007 BNG were very close to the cashflow forecast and again on target to meet or exceed all core output targets set.</p> <p><i>Audit Commission Comments: Achievements in 2007/08 demonstrate increasing impetus and impact. For example, the target number of homes to be refurbished at 2,087, is double that achieved in 2006/07 and comparable to the cumulative total to March 2007 of 2,567. A similar significant increase is seen in 2007/08 in terms of new homes; 162 compared to a cumulative total of 103 to March 2007. And in terms of land made available for use - almost 18 hectares which significantly outstrips the cumulative total of 7.5 hectares to March 2007, indicating a gathering pace to release of assets which should be further enhanced following implementation of a site release strategy. Generally, this reflects the position the pathfinder has reached, in terms of having put all the necessary building blocks in place to effect transformational change which should see increased impetus over the next three years.</i></p>	<p>The interventions planned for 2008/11 have been focussed to ensure that significant outputs will be generated in the next phase of the programme. These reflect the completion of our strategic planning as well as securing control over a substantial amount of development land.</p> <p>Project appraisal and monitoring will ensure that the outputs are achieved in accordance with business plan targets.</p> <p>Outcomes such as vacancies, turnover, house prices and resident satisfaction will continue to be monitored and plans for different areas revisited if no improvement is apparent over the next few years.</p>	<p>JD/IM March 09</p> <p>KA As HMI Timetable</p>	<p>Improved performance management and programme delivery</p> <p>Better informed programme decisions. Programme may need to be refocused if outcomes are not being delivered.</p>
Minimise Consultants	In previous phases of programme	BNG will continue to use consultants only where	Mgt Team	More efficient use of resources

	development there was a reliance on consultants to provide advice in a number of areas e.g. Board and Sub –Groups. The strengthening of the Core Team has significantly reduced this requirement and consultants are now only used when there is a lack of capacity or appropriate skills ‘in-house’ to deliver specific pieces of work such as the Changing Place document. This has led to significant cost savings.	there is a capacity or skills gap and only then subject to a tight brief that will be managed to ensure minimal use of consultants for optimum benefit.	March 09	
Business Process Improvement				
Delivery Chain Analysis	<p>BNG carried out delivery chain analysis of its 2005-6 programme as well as its relationships with / influence on key strategies and organisations. The aim of the work was to help the pathfinder (and its delivery partners) improve performance, have a positive impact on the areas we are trying to transform and therefore, increase the potential to secure future HMR allocations.</p> <p>Our focus has been in the effectiveness and efficiency of delivery and the Audit Commission’s ‘Delivering Efficiently: Strengthening the links in public service delivery chains’ was used as a guide. The pathfinder partnership is a complicated ‘delivery chain’, a complex network of organisations that need to work together to achieve or deliver outputs and outcomes that demonstrate that we are successfully transforming the housing market in NewcastleGateshead.</p>	<p>As a key element of taking forward the programme into the next phase it is important that BNG and partners work as efficiently and effectively as possible.</p> <p>Work with partners to seek agreement to taking forward delivery chain analysis</p>	AM September 08	Improved partnership working leading to more efficient programme delivery
Process Mapping	Process mapping is potentially a key tool in helping to deliver Business Process Improvement (BPI) It provides a mechanism for determining the most efficient way of carrying out functions and reducing waste and duplication of effort.	BNG Core Team and PMG to identify areas of work where process mapping could streamline the way things are done to improve efficiency e.g. programme management and monitoring.	IM January 09	More efficient use of resources. Potential duplication of effort removed. Improved partnership working.
Admin Systems	BNG administrative systems and	Office Manager is to prepare a detailed systems and	IM	More efficient admin support to Director and Core

Manual	<p>procedures are carried out effectively when staff members are present.</p> <p>Procedures and systems are not currently documented.</p>	procedures manual.	September 08	Team.
Innovation				
Delivery Vehicles	<p>To date a range of delivery vehicles from in-house contractors (Gateshead LES and Newcastle Citybuild) on refurbishment schemes to long term partnerships with developers such as Places for People on Walker Riverside have been utilised.</p>	<p>BNG is considering becoming involved in a number of initiatives and delivery vehicles including:</p> <ul style="list-style-type: none"> • LABVs such as the URV to deliver the Expo in Scotswood; • New Growth Point initiative; • Local Housing Company; • Joint Venture Partnership in Gateshead <p>These initiatives will be further developed over the coming months to determine the most efficient use of BNG funding in terms of value for money and public subsidy.</p> <p><i>Audit Commission: Generally the pathfinder is working with partners to ensure strategic alignment of programmes and funding streams to optimise use of resources and community benefit. The pathfinder is also supporting partners in determining different delivery mechanisms including PFI, Local Asset Backed Vehicles, Local Housing Company, New Growth Point, and Multi Area Agreements. For example, in 2008-11 BNG will invest £10m in the Local Asset Backed Vehicle at Scotswood which will deliver £450m of investment over a 15 year period.</i></p>	Mgt Team Timetables being developed	<p>More efficient use of resources. Use of assets optimised. Leverage and match funding improved.</p>
Private Sector Involvement	<p>To date the private sector has been involved in a number of areas of programme delivery in different ways including:</p> <ul style="list-style-type: none"> • Long term delivery partnership in Walker Riverside; • Traditional development briefs in Sunderland Road; • As contractors for refurbishment 	<p>BNG seeks to involve the private sector as soon as possible in the development of projects. Innovative delivery vehicles as described above will be taken forward. The recommendations of the Calcutt Review in terms of longer term development partnering will be taken into account.</p> <p>The procurement strategy being considered in Gateshead will maximise the impact of the private sector in terms of development sites being brought</p>	JS As developments are brought forward	<p>Earlier involvement of private sector leading to better use of resources and more deliverable schemes.</p> <p>Sharing of risk and reward.</p> <p>Improved leverage and match funding.</p>

	<p>schemes;</p> <ul style="list-style-type: none"> • Soft market testing; • Value engineering at Cruddas Park etc. <p><i>Audit Commission:</i> However, a number of challenges remain, including switching from grants to loans, eliminating the risk of substitution, maximising complimentary investment and finalising and implementing the site release strategy.</p>	<p>forward. This is due to be reported to Cabinet in February.</p> <p>Build relationship with estate agents and investors.</p> <p><i>Audit Commission Comment:</i> Between June 2003 and March 2008 £131m HMR was complemented by some £511m other investment, £18m of this from the private sector. Over the next three years, the level of complementary investment is set to increase to over £1bn, with £216m private sector match funding anticipated as a direct result of BNG activity. This equates to a 2:1 ratio, with £2 of private sector investment for every £1 of HMRF. BNG seeks to involve private sector partners at the earliest possible stage to test cost assumptions, and plans to review phasing, timing and packaging of development sites to maximise contribution from the private sector. The review of strategic commissions included specific consideration of where the private sector is considered to be more likely to invest and where earlier activity has produced assets that can be used to deliver future regeneration.</p>	<p>JS March 09</p>	<p>Better awareness of market conditions.</p>
Shared Services and Collaboration				
Strategic Alignment	<p>BNG works closely with partners and stakeholders to ensure strategic alignment of policies and programmes wherever possible.</p> <p><i>Audit Commission:</i> There is good partnership working and strong alignment of key strategies with BNG having significant influence in developing proposals and helping to ensure a holistic approach to regeneration. BNG continues to contribute to and influence the development of key regional strategies, with most now clearly supportive of the pathfinder. BNG has done all it can to influence the RSS, and an updated target and trajectories model enables a flexible response to changing circumstances. Changes proposed by the Assembly in</p>	<p>BNG will continue to work with partners including: LSPs, both local authorities, English Partnerships), Housing Corporation) (HaCA), One North East GO-NE, CABE, English Heritage, RSLs, Groundworks, BRE etc. to ensure the strategic alignment of policies and programmes wherever possible.</p> <p>Gateshead and Newcastle Partnership will oversee BNG, NewcastleGateshead Initiative and the City Development Company to maximise the impact of all programmes.</p>	<p>AM/KA March 09</p>	<p>Strategically aligned programmes to optimise regeneration benefits and deliver sustainable communities.</p>

	<p><i>summer 2007 are helpful to BNG, with enhanced allocations within the Newcastle/Gateshead area, and restrictions elsewhere. BNG has also had a strong input into the Regional Economic Strategy. The RDA has identified strong growth poles in Newcastle and Gateshead and specific resources will be available for improving skills in deprived communities, which should benefit pathfinder communities.</i></p>	<p>Should the NewGrowth NewcastleGateshead expression of interest be successful, BNG will work closely with both local authorities to develop a formal bid for growth area status to complement Housing Market Renewal.</p> <p>Relationships will be built/strengthened with the RDA, Highways Agency, Natural England, Northern Way, Integrated Regional Strategy, Science City, Economic Masterplan,</p> <p>Relationships will be improved with Economic Development and employment and enterprise.</p>		HMR better aligned to skills and employment agenda
Service Mapping	<p>BNG has undertaken an exercise to map the areas of work being undertaken by partners and stakeholders that is complementary to its programme including decent homes investment from ALMOs, education programmes etc.</p> <p><i>Audit Commission: At a local level, neighbourhood and area action plans promote strong alignment and all key partners are committed to working together to achieve holistic regeneration, with complementary interventions mapped as part of the review of strategic commissions.</i></p>	<p>The service mapping exercise will be reviewed and updated.</p> <p>The resource planning exercise that goes along with the service plans will be further developed during 2008.</p>	<p>KA March 09</p> <p>IM March 09</p>	<p>Improved alignment of programmes leading to better use of resources.</p> <p>Match and complementary funding maximised.</p>
Workstreams	<p>A number of workstreams and task groups are in place made up of key partners to develop strategies and programmes of work and share best practice. These include: Private Sector Renewal; Affordability; Community Engagement; VI/HMI; Design and Sustainable Construction etc.</p> <p><i>Audit Commission: However, a number of challenges remain, including switching from grants to loans,</i></p>	<p>Partnership Improvement Team will review the scope and relevance of workstreams.</p> <p>The Private Sector Renewal Workstream will examine the potential for introducing loans rather than grants to finance refurbishment works in accordance with Audit Commission recommendations by April 2008.</p>	<p>KA September 08</p> <p>JD April 08</p>	<p>More focussed work programmes.</p> <p>More efficient use of resources</p>

	<i>eliminating the risk of substitution, maximising complimentary investment and finalising and implementing the site release strategy.</i>			
Service Level Agreement	<p>BNG has a budget to manage the Core Team, research and marketing/consultation. Contributions are made to the staffing capacity in Newcastle and Gateshead to ensure delivery of the programme.</p> <p>A complex and detailed staffing protocol currently exists relating to all staff funded through BNG.</p>	<p>A Service Level Agreement for the functions to be delivered during 2008-11 is to be drawn up and reported to the BNG Board in May 2008. The benefits of this approach are:</p> <ul style="list-style-type: none"> • Clear and agreed outcomes and outputs that all parties will need to deliver. These will need to be negotiated with partners and will be monitored in accordance with the performance monitoring system; • Greater freedom and flexibility for delivery partners to manage their resources, this will mean better use of resources and greater ability to switch resources to areas of need. <p>The SLA will be financed by utilising a percentage of the programme. The figure will be determined following the overall allocation from CLG in March 2008.</p>	JD May 2008	<p>Better use of resources to maximise impact of limited revenue funding across all partners.</p> <p>Improved performance management and project delivery.</p> <p>Role of partners clarified.</p>
Share Best Practice	<p>Best practice is currently shared through the workstreams, Newcastle OWG and Gateshead SIG. The Director and Heads of Service also meet with other Pathfinders at various groups e.g. Finance Forum, PPWG, Evaluation Group etc. on a regular basis to discuss issues and share ideas.</p> <p><i>Audit Commission: BNG has made a substantial contribution to cumulative learning, particularly in terms of research and information to better understand how local housing markets work. It continues to be proactive at sharing and learning to promote good practice and contribute to improve efficiency and effectiveness of operations locally and nationally.</i></p>	<p>A lessons learned log is to be developed to ensure that the experience gained in the delivery of projects is captured and shared with partners.</p> <p>Events to disseminate research findings will be held on the completion of key projects.</p> <p>Event to share the outcome of the evaluation of the programme to be held.</p> <p>Audit Commission reviews to be examined and areas of good practice determined.</p> <p>Contribute to national learning events</p>	<p>IM/JD April 08</p> <p>KA March 09</p> <p>JD July 08</p> <p>Mgt Team April 08</p> <p>Mgt Team March 09</p>	<p>Improved knowledge leading to better programme and project development.</p> <p>Research findings shared with partners/ stakeholders etc.</p> <p>Improved knowledge leading to better programme and project development.</p> <p>Lessons learned from other pathfinders to be shared and implemented.</p> <p>Improved knowledge leading to better programme and project development.</p>

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