

**BRIDGING NEWCASTLEGATESHEAD BOARD
FRIDAY 23 JANUARY 2009
MINUTES**

Present:

| | |
|--------------------------|------------------------------|
| Jim Coulter | Chair |
| Councillor Bill Shepherd | Newcastle City Council |
| David Slater | Newcastle City Council |
| Councillor David Napier | Gateshead Council |
| Sheila Johnston | Gateshead Council |
| Donald Urquhart | Homes and Communities Agency |
| Tom Warburton | One NorthEast |
| Geraldine Wilcox | Independent |
| Steve Errington | Independent |
| Charlie Hughes | Newcastle LSP |
| Gev Pringle | Gateshead LSP |

Observers:

| | |
|--------------|--------------------------------------|
| Fiona Gough | Government Office for the North East |
| George Curry | New Deal for Communities |

Officers in Attendance:

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|-----------------|---------------|
| Anne Mulroy | BNG |
| Karen Anderson | BNG |
| Ian Mackintosh | BNG |
| Jonathan Dunk | BNG |
| John Sparkes | BNG |
| Julia McAweaney | BNG (minutes) |

Action

1. APOLOGIES FOR ABSENCE

Apologies were received from Andrea Proudlock.

The Chair advised that the March Board will take place on Friday 13 March, as originally planned. Although this clashes with the North East Housing Board Awayday, switching the Board to 12 March would mean fewer Members present.

Tom Warburton, Fiona Gough and Donald Urquhart will be attending the NEHB Awayday.

2. DECLARATIONS OF INTEREST

Jim Coulter – Audit Commission: personal but non-prejudicial.
Cllr Bill Shepherd – will be a Board Member of CDC.

3. **MINUTES OF 21 NOVEMBER MEETING AND MATTERS ARISING PLUS ACTION NOTES**

- Page 1, item 2 should read Cllr Bill Shepherd will be a Board Member of the CDC.
- Page 2, Regional Funding Advice – there is a meeting this afternoon to look at the almost final draft. It will then be signed off and go through the political process.
- Page 3, Byker PFI – there will be a visit by CLG first week of February.
- The minutes were signed by the Chair.

4. **DIRECTOR'S REPORT**

Growth

- Focus of the early work will be on mandatory work in relation to infrastructure studies and arrangements for these are ongoing. Intention is to treat both HMR and Growth as one programme.
- There is a meeting of the extended Executive Team on 12 February to agree an initial programme. Still await announcement on CIF funds.
- 2 February Stakeholder Event is being postponed because of circumstances outside BNG's control.

Research

- A Research report will go to Board in March which will include reference to Audit Commission recommendations on evaluation of cumulative impact of the programme. Karen Anderson is looking at the link to the Northern Way residential offer. KA
- Karen Anderson to keep Tom Warburton updated on research findings as this will assist with thinking at regional level for Single Regeneration Strategy. KA
- Three Regional HCA Directors and Eammon Boylan, Deputy CX are looking at the potential of picking up work on Northern Way.

Strategic Reviews

- Next round starts 6 February with Walker Riverside, Scotswood, Bensham and Felling. The reviews will be carried out by the Advisory Group and the remaining reviews will follow during Spring and Summer.

Residents' Panel

- Continuing to make progress. Inception meeting in February of the group. Have had success in linking membership of the Panel with potential for engaging on local courses in relation to Community Development Certificate.

Gateshead JV

- Now in OJEU process. Total of 19 companies registered at pre qualification stage. Shortlist has been narrowed down but no announcement as yet. Further information will be brought to the Board when it is available.

Freight Depot

- An event facilitated by Ian Darby Partnership took place in December to look at Freight Depot site in more detail and establish a Vision for the site. The event was well attended. Currently awaiting a final report and will be passing that to GONE to try to include Freight Depot as an eco exemplar site within Growth Point.
- HCA should complete acquisition on the deal for part of the site as well.
- Also opportunity to bring forward purchase of Rolls Royce part of site.

Scotswood Expo

- Consolidation documents are being reviewed.
- BNG is likely to be investing in site assembly rather than having investor status in the Scotswood Vehicle.

Value in Design Research

- Now complete. Research on design standards and Value in Design carried out with PFP and five other Pathfinders. Will be launched by CABE at their next Design Review meeting on 12 March. Report will be brought back to next Board. These research findings will be shared with Tom Warburton and Donald Urquhart.

JS

Cruddas Park

- Start on site has now been made. Still in negotiations with development partner. Funding identified to try to take forward shopping centre site and area around that. Board will be updated when more information is available. It was confirmed that following the reassessment of revenue projects in the scheme it is still viable.

5. HMI UPDATE AND AUDIT COMMISSION MARKETS REPORT (Confidential Item)

- Karen Anderson gave a presentation which was followed by a discussion.
- Refurbishments are up on the projected number.
- 'New Build Buyers' study and 'Work Here Like to Live Here' captured what people thought of the area and from that it was clear that it is about 'Place' as well as housing offer.
- In order to maintain a stability of population and growth need to understand the economic situation.

- It is vital to ensure work continues and is aligned with other agencies. Creation of Joint Investment Plan is an important step and the Single Conversation is an important bridge between that and RDA economic led investment.
- Further information on where people migrate to and why would be useful.
- BNG are talking to Professor Glen Bramley about work in relation to the impact of other growth points on our new growth point.
- BNG to update strategic commission reviews – will clarify whether BNG needs to revisit where it puts its revenue resources.
- Void levels are not a concern and relate to work being undertaken in that particular area. Will further explore vacancies during reviews.
- Need to start thinking about where to put money into infrastructure for the foreseeable future, particularly to protect what work has been done so far, and to prepare the way to deliver more houses when the market picks up.
- It was reiterated that BNG is keeping its strategic intent whilst having tactics to operate in the current economic climate.
- BNG to reinforce its strategic alignment and move forward relationship between Joint Investment Programme, HCA, Single Conversation and its role in that.

6. **ACTION PLAN ON EFFICIENCY**

- Programme Management Group are looking at this and the quantifying of elements, particularly in relation to staffing costs. Looking at freezing staffing levels at 2007/08 figures.
- Looked at impact of reducing unit costs in terms of private rented improvements from £25k to £13k.
- Programme Management Group Away Day will take place on 30 January and Efficiency Plan is on the agenda.
- A mini version of the Value Chain Analysis work KPMG are undertaking for NCC could assist.
- Will be picked up in resources review by Exec Team. Important that efficiency review is linked to what is happening in NewcastleGateshead.
- Programme and Financial Report to have a section on this activity in the future.
- Model needs to have measurable targets in place and a clearer risk assessment. Steve Errington was invited to join the Programme Management Away Day on 30 January.

Exec
Team
IM
IM

7. **COMMITMENT TO EQUALITY AND DIVERSITY**

- The Board were happy to adopt this. It will appear on the BNG Website in published policies.

8. **REVIEW OF GOVERNANCE ARRANGEMENTS**

- A review of the Governance framework is in progress and the report highlighted core principles for the Board's adoption.
- The managerial and process elements of the present Governance Structure will be separated out, for example Standing Orders and Delegations.
- The principles suggested were agreed and a draft proposal will come to the March meeting. AM

9. **PROGRAMME AND FINANCE UPDATE**

- Report to be read in conjunction with the Project Appraisal Panel minutes to ensure match revenue and capital requirements.
- PMG meeting 30 January will produce recommendations to Exec Team focussed on improving the efficiency of delivery chains and effectiveness of programme management in the light of the three year funding to march 2011.
- Steve Errington to look at report - no detail on the risks to non achievement and there was concern around how accurate cashflow can be for November, particularly in the current economic climate. Financial report needs to contain a risk assessment as opposed to narrative. SE/IM
- Backloading of cashflow needs to be looked at. Testing of cashflow needs to be a partnership activity. Management and programme level need to be aligned. IM
- A report will go to Executive Team in relation to the issues that have been raised above. IM/JD

10. **Q3 OPERATIONAL PERFORMANCE**

- Quality and format of reporting will be discussed at the Board one-to-one meetings and whether reports are helpful to Board Members in their current format.
- Operational Plan noted.

11. **ASSET MANAGEMENT PLAN AND CAPITAL RECEIPTS POLICY (Confidential Item)**

- This report deals with adjustments in two places arising from the fact that BNG will have investment status for some of its activities.
- The Policy will now be revised by IM. The Board agreed the final document will be cleared by Anne Mulroy and the Chair by the end of January. IM
AM/JC

12. **AFFORDABILITY RESEARCH – ARC4 PRESENTATION AND DISCUSSION**

- David Cumberland gave a presentation on the findings of the Housing Options and Affordability Research commissioned by BNG.
- This research briefing was also used to update on actions taken in the light of the credit crunch.
- BNG has had useful discussions with independent financial advisers. However Financial Institutions do not have a geographical focus and BNG needs to consider how to triangulate development funding between housebuilders, funders and purchasers.
- Generally positive views from Developers towards proposals from Newcastle and Gateshead for large scale delivery vehicles and long term partnerships. They liked idea of not having to get into land banks. However, there is a lot of anxiety about commitments with organisations and deals involved with the land value.
- It would be useful to get information in relation to where people are moving from and to and reasons why.
- In terms of the balance between marginal and non marginal owners, marginally is where they have equity and resources.
- There was some discussion about Derwentside Homes Prince Bishop Subsidiary Right to Buy Scheme, which is working well.
- Where there is a significant amount of already publicly owned land a choice can be made about where the economic return is achieved and potential of an agency like BNG to be gap funding through a different route.
- The presentation is in line with HCA thinking internally. Agree that there will be longer term relationships and will almost certainly have to put money into Infrastructure in order to succeed. It was stressed, however, that money for Homebuy is an allocation and still a lot of work to be done and needs to be a marketing exercise. Marketing clearly has to be discussed in dialogue with developers.
- There appear to be three main issues:-
 - Deposits – how do you facilitate deposit funded schemes
 - Cashflow
 - Developers looking at re-planning existing sites to get a better product mix and reduce risk.
- May be useful for BNG to look at areas as with New Mills, for example private sector properties on the fringe of BNG area and potential of gap funding some elements in order to release stock to be refurbished.
- Need a discussion with YHN about potential planning across the wider area around general mix of use of land – being more 'Place' rather than 'project' focussed.
- In discussion, Councillor Shepherd reiterated the importance of sustaining the original BNG vision. The Chair advised that there was no question of deviating from the organisation's mission, despite the current market difficulties. It was, however, incumbent on BNG to be flexible in sustaining momentum in order to fulfil undertakings to communities. The Board endorsed this view.

- The Board also confirmed the importance of improving choice and opportunities in the existing stock, especially where there are significant concentrations of social housing.
- The next stage of the Housing Options and Affordability Research will be to look across the area at where regeneration interventions may be most cost effective.
- There is an issue about how deeply BNG goes into that work and bottoms out risk - considered judgement needed about how that would work out for different areas. Strategic Commission Reviews will assist with this.
- People may be confused about the range of affordability products and it is important the products are sold in the correct way.
- BNG needs to work with lenders and independent financial advisors. HCA involvement is crucial.
- Final report in April. Builders will receive a mini report so that they have some feedback.
- BNG needs to continue to review what work is needed and look at what time imperatives are and how this fits with HCA planning.
- Need to take stock at next Board of what the spend profile is going to be for 2009/10 and 2010/11 and re-profiling and what the margin would be in terms of achieving that.

13. **ADVISORY GROUP – 9 JANUARY MINUTES**

- Copies of the minutes were tabled.
- There are a series of meetings at HCA next week with a national provider of training and employment to start to look at the potential of HCA leading a pilot project which might help to tackle worklessness.
- The Advisory Group starts the reviews of the Strategic Commission areas on 6 February, to ensure the strategic review is kept on track and keep the Vision.

PROJECT APPRAISAL PANEL – 16 JANUARY MINUTES

- Expenditure decisions have been implemented subject to Board approval. Range of programme variations, funding swaps and additional expenditure approved to ensure spend target is hit and increase impact of the area investment over time. All of it has a strategic focus.
- Endorsed by Board.

14. **ANY OTHER BUSINESS**

- No items.

15. **DATE AND TIME OF NEXT MEETING**

- 10.30am, Friday 13 March in a Committee Room, Newcastle Civic Centre.