

Meeting:	BNG Board
Date:	14 <sup>th</sup> March 2008
Contact:	Jonathan Dunk
Board Action:	For Information
Sensitivity:	Public

**Subject: Item 6 – BNG Resources 2008 – 11 Investment Allocation and Programme**

**Link to BNG Vision and Objectives:**

The programme will deliver the BNG Vision and Objectives in 2008-11.

**Recommendation:**

That Board note the content of this paper.

**Executive Summary:**

This paper outlines the HMR and matched Single Housing Investment Programme (SHIP) resources for 2008 – 11.

BNG has received an HMR allocation of:

- £ 34m in 2008/09
- An indicative allocation of £ 32m in 2009/10
- An indicative allocation of £ 29m in 2010/11

<b>Implications</b>	
Financial:	BNG has received a settlement figure of £ 95m for the period 2008-11.
Equality:	All projects within the investment programme consider the impact on equalities during the appraisal process
Sustainability:	All projects within the programme consider the impact on sustainability during the appraisal process
Freedom of Information:	The report is a public document
Report Status:	Open

<b>Risk:</b>			
Risk Map Element	Brief description of any material risks, including of not proceeding.	Impact	Probability
Strategic:	The outcome of the programme may not have the desired effect on the strategic objectives	H	L

Financial:	The amount of HMR investment in years 2 and 3 is subject to performance.	H	M
Development:	Projects must be approved in sufficient time to allow development to take place in accordance with the programme	H	M
Operational:	Failure to achieve the contracted outputs could have an adverse effect on funding in years 2 and 3.	H	M
Reputation:	Failure to deliver the programme spend and outputs would cause BNG to lose credibility with the Department for Communities and Local Government and residents and stakeholders	H	L

**Paper Type:**  
For Information.



**Author:**  
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14<sup>th</sup> March 2008

**BNG BOARD**

**Agenda Item: 6**

**BNG Resources 2008 – 11 Investment Allocation and Programme**

**1. Summary**

Bridging Newcastle Gateshead is being awarded a total of £95 million, divided as £34m for 2008/09 and an indicative allocation at this stage of £32m for 2009/10 and £29m for 2010/11.

The allocations for 2009/10 and 2010/11 are indicative and may be subject to a change of up to plus or minus 10%. BNG will plan for this 10% (£ 6.1 m) of funding in years 2 and 3. This opportunity to attract more funding will also mean a higher degree of confidence to deliver BNG strategic objectives. Final numbers will be confirmed in the January of each year and these will be subject to progress in a number of areas:

- work with the new Homes and Communities Agency
- making links (where relevant) with growth initiatives
- involving the private sector

The output targets set out in the Business Plan for 2008/09 were based on an allocation of £ 35m. The impact of this £ 1m reduction is to reduce the property acquired target from 125 to 110 – a reduction of 15 in year 1. However current changes in the housing market may mean that we will achieve more. No changes have been made to numbers in years 2 and 3 at this stage.

Please refer to Appendix 1 for a funding breakdown of HMR Activity and Appendix 2 for output targets based on a £34 m funding allocation for 2008/09.

**2. Revenue Activity**

In the current year £3.25m of the investment programme has been made available as revenue support.

For the 2008 – 11 period CLG have requested that BNG make proposals for a split between capital and revenue in each year, and provide a separate note to indicate, under broad headings, what the revenue funding would support. Once CLG have received proposals from all pathfinders they will provide further

advice as to the amount of revenue support available. During the business planning process CLG advice was to plan for 10% revenue.

### **Revenue Funding 2008 - 11**

	<b>Programme Requirement</b>	<b>10% of Programme</b>	<b>Gap</b>
<b>2008 - 09</b>	£ 4.040 m	£ 3.4m	- £ 0.640m
<b>2009 - 10</b>	£ 3.886 m	£ 3.2m	- £ 0.686m
<b>2010 - 11</b>	£ 3.648 m	£ 2.9m	- £ 0.748m

The draft revenue programme will be reviewed when details of the revenue allocation have been received. It is anticipated that this will be received by the end of March.

### **3. Alignment with SHIP Investment**

SHIP funding is aligned with BNG investment in four projects during 2008 – 11:

- Cruddas Park, the refurbishment of the Cruddas Park tower blocks
- High Cross, continued investment in property refurbishment and social infrastructure
- Pottery Bank, masterplanning and then subsequent delivery of works on this largely social estate in Walker
- Gateshead housing improvements, funding to enhance the HMR funded refurbishment activity in Bensham and Saltwell.

SHIP funding for these projects is in place for year 1, however the North East Housing Board is currently commissioning a piece of work to determine the methodology to be adopted for the allocation of SHIP funding in years 2 and 3.

Early indications suggest that the allocations for years 2 and 3 are rising, it is therefore anticipated that delivery partners see this issue as a moderate rather than high risk.

This means a period of uncertainty for these projects where match funding from SHIP is a risk.

This situation will be monitored and managed so that these projects continue to deliver despite the uncertainty over future funding.

### **4. Recommendations**

That Board note the content of this paper.

## Appendix 1 – Breakdown of HMR Funded Activity

Project Ref	SC	Project Title	Project Officer	2008/09 Draft Programme	2009/10 Draft Programme	2010/11 Draft Programme
	Core	Staffing, Accommodation and Specialist Support (NCC)		880,000	880,000	880,000
	Core	Research and Evaluation		100,000	100,000	100,000
	Core	Marketing and Consultation		170,000	170,000	170,000
	LA	Capacity Increase - Ncle		1,950,000	1,950,000	1,950,000
	LA	Programme and Project Co-ordination & Support - Ghd		540,000	515,000	515,000
	BY	St Lawrence Square			250,000	500,000
	ED	Brewery Site		32,750		
	ED	Inner West Renewal Area		1,800,000	1,100,000	2,500,000
	ED	Cruddas Park Regeneration		2,600,000	3,000,000	3,400,000
	SB	Scotswood and Benwell Land Assembly		2,500,000	2,500,000	2,405,000
	SB	Housing Expo		4,000,000	4,000,000	4,000,000
	SB	Scotswood Village NIA		22,000		
	SB	Bishops Road NIA		6,000		
	SB	Greater High Cross Renewal Area		1,181,100	1,181,100	1,225,000
	SB	Neighbourhood in Transition, Scotswood Benwell		258,680	205,530	102,760
	SB	Neighbourhood Manager post				
	SB	Operational Budget				
	SB	Wardens				
	SB	Benwell Neighbourhood Management Initiative		250,000	200,000	100,000
	SB	Newcastle Private Rented Project		300,000	300,000	300,000
	SB	Communications in West Newcastle		50,000	50,000	50,000
	WR	Walker Riverside Site Assembly Phase 1 and Phase 2		2,488,120	2,026,440	1,156,220
	WR	Walker Riverside New Build				

	WR	Cambrian		1,107,000	1,885,950	
	WR	The Stack		630,000	252,000	
	WR	Riversgate		1,460,400	1,293,750	
		Allotments			665,100	1,198,980
		Dovercourt Road / Church Street				599,490
		Riverside South				1,498,725
	WR	Strategic Marketing and Promotion		160,000	120,000	90,000
	WR	Pottery Bank Neighbourhood Improvement		150,000	425,000	457,960
	WR	Enslin Street, Caldbeck Close, Gaughan Close Corridor		250,000	250,000	
	WR	Transitional Neighbourhood Management, Walker Riverside		160,000	120,000	90,000
	BS	North West Quarter Clearance - Saltwell Road West		8,610,220	8,148,280	7,688,800
	BS	Gateshead West - Housing Improvements		2,067,000	2,657,000	3,360,000
	BS	HMR Delivery Team		650,000	650,000	650,000
	En	Gateshead Private Rented Sector Initiative		250,000	250,000	250,000
	En	Partner Procurement		220,000	10,000	
	FB	Freightliner - Land Acquisition & New Build		102,000	70,000	50,000
	FB	BoKlok Site		249,000		
		<b>TOTAL</b>		<b>35,194,270</b>	<b>35,225,150</b>	<b>35,287,935</b>
		<b>Allocation</b>		<b>34,000,000</b>	<b>32,000,000</b>	<b>29,000,000</b>
		<b>Overprogramming</b>		<b>1,194,270</b>	<b>3,225,150</b>	<b>6,287,935</b>



