

**BRIDGING NEWCASTLE GATESHEAD BOARD
FRIDAY 13 MARCH 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
Andrea Proudlock	Independent
Geraldine Wilcox	Independent
Steve Errington	Independent
Charlie Hughes	Newcastle LSP

Observers:

Diana Pearce (rep Fiona Gough)	Government Office for the North East
George Curry	New Deal for Communities

Officers in Attendance:

Anne Mulroy	BNG
Karen Anderson	BNG
Ian Mackintosh	BNG
Jonathan Dunk	BNG
John Sparkes	BNG
Linden Watson	Gateshead Council
Julia McAweaney	BNG (minutes)

Action

1. APOLOGIES FOR ABSENCE

Apologies were received from Tom Warburton, Gev Pringle and Fiona Gough (Diana Pearce attending).

2. DECLARATIONS OF INTEREST

Councillor Bill Shepherd as CDC Board Member.
Sheila Johnston – Freight Depot – personal non prejudicial.
Donald Urquhart – Homes and Communities Agency.

3. MINUTES OF 23 JANUARY MEETING AND MATTERS ARISING PLUS ACTION NOTES

- The minutes were agreed as a correct record and signed by the Chair.

4. **DIRECTOR'S REPORT**

HMR Allocation 2009/10 and 2010/11

- A supplemental report on the funding announcement was tabled and cross-referenced to items 7 and 8 (Finance and Programme reports).
- The Chair gave some background to the position with regard to the allocation of funds. There is a 90 per cent baseline allocation across all the HMR Pathfinders and the Performance Review carried out by the Audit Commission has not been taken into account. The allocation of funding might increase further, up to the previously assumed 100 per cent level, if a housing market recovery plan was prepared and additional HCA funding agreed. Without this, NewcastleGateshead would have some £6M less to invest than had been the assumed budget over the next two years. Sir Bob Kerslake has invited Pathfinder Chairs to meet him and Iain Wright MP.
- Anne Mulroy has had discussions with Pat Ritchie and started discussions with Sheila Johnston and David Slater and looking at an Action Plan for Housing Market Recovery as a way of getting to 100 per cent allocation. AM/SJ/DS
- The Action Plan will focus on presentation of work BNG is already doing and is about demonstrating that BNG is already moving along this route. HCA have suggested we get together regionally to discuss issues.
- It will show our Housing Options work, the need to make more of capacity BNG has now to de-risk sites and link what it is doing now with economic masterplan for NewcastleGateshead and work with CABE on strategic urban design.
- Discussions need to be held with HCA about how capital receipts can be brought forward and how that funding can be used to supplement work being done now. Need to work in more detail on the savings and efficiencies to be found in the programme to fund existing activity. IM
- The HCA centrally had not established criteria or timescales for additional resource bids. The detailed planning work for 2009/10 will identify any specific programme risks and a meeting in early April will review the detail of the programme will be for 2009/10.
- There will be a business plan for a 2 year programme so risk can be mitigated at an early stage. Action is in hand to smooth out cash profile and a level of over programming to cope with economic downturn. Need to explore aligned and match funding.
- The current market recovery programme does not take account of the wider geographic area BNG now operates in. Important to map where outputs are being achieved. This may impact on capital receipts as well.

Resources Review

- A draft brief is being finalised and the aim is to ensure that resources are deployed in the best way. AM
- Audit Commission has been engaged to follow up some of the issues raised in the Performance Review and will be working in a critical friend capacity. AM/IM
- Evaluating impact work has started and reviewing approach to efficiency. IM

- BNG has responded to the recommendation that it finds out more about where people are moving from.
- Audit Commission advice will be complete by the end of this month as there must be a 6 month gap between advice and the subsequent Performance Review.

Gateshead Joint Venture

- Describes how the Joint Venture will move forward and the process to completion by October 2010. It will be central to the work being undertaken on getting sites ready and de-risking.

Freight Depot Site – Gateshead

- Visioning event went well. Final document will be circulated to Board as soon as available. Site acquisition continues.
- Small amendment to the report in that the two further elements of the site being acquired are Network Rail and Kings Brothers, not Rolls Royce.

JS/JMc

Housing Options Research

- Currently modelling options which could be used on specific sites. One site modelled to date. Looking at other sites at present including Sunderland Road. Cruddas Park may be brought forward to test model.
- Meeting later today with LA Treasurers to get their views before discussions with lenders and get an update on discussions Treasurers have had with lenders in the area.
- Advisory Group on 30 April will look at Housing Options.

KA

KA

Housing Market Update

- Details most recent information available on the housing market.
- End of year report will be presented to May Board.

Residents' Panel

- First meeting will take place 23 March.
- Karen Anderson to follow up on a query raised by Cllr Napier and ensure he is aware of the outcome.
- Newcastle is not as well represented at present but that will be followed up. More representation in East than West.

KA

Confidential Item: Scotswood Housing Expo

- Noted.

Chair and Board Member Review Meetings

- The Chair updated the Board on the outcomes of the reviews.
- Board to ensure BNG continues to perform strongly as an organisation.
- Some report writing improvements were recommended and some of these are reflected in today's reports.

- Discussion took place at the review meetings about how BNG as an organisation is moving forward. It was agreed that an Away Day take place, using an existing Board date in the Summer or Autumn, to debate this further. The Chair will suggest a date.
- Governance of performance management was also discussed. It was felt that the Appraisal Panel process could be improved so that decisions about projects can be made earlier. Possibly a Strategic Appraisal Panel that looks at options at the start of the process. If this is taken forward it is likely that more external experts would need invited to join the Panel. The Chair will discuss with Anne Mulroy and the Executive Team will look in more depth at this.

JC

JC/AM
Exec Team

5. THE CREDIT CRUNCH AND REGENERATION IMPLICATIONS

- The report sets out what is happening in the current market and interprets the challenges for BNG. It is an update on what BNG is doing about adjusting the programme and preparing for an upturn in the market, effectively planning to be resilient for the future. Looking at how the research programme can be structured to give practical advice. Need to ensure there is a good masterplan, design is enhanced and long term sustainability. BNG is also responding to the work on Residential Futures which has been brought forward by the Northern Way. Need to think about ways in which to keep priority areas under review and may need to move funding around between areas. Gateshead and Newcastle Partnership will be a fundamental part of BNG's future.
- The paper was prepared for the Gateshead and Newcastle Partnership for their last meeting. CDC and NGI also asked to produce a report about how changing Business Plan to cope with changing environment.
- BNG's contribution to this is valued by partners. If the market is starting to change need to reflect the wider social and economic impact, ie if more demand for rental. The aim to balance sustainable and mixed communities hasn't changed. Underlying that is the extent to which the economic downturn is changing aspirations fundamentally or temporarily.
- In terms of aspirations some of the housing options work shows people do have aspirations to home ownership and there needs to be a balance to that, ie how to assist people in the intermediate market who can rent to purchase.
- BNG's challenge is, as the Audit Commission Housing Market report demonstrated, as well as social challenge and importance of partnership, it goes beyond housing and is about the environment and public realm that contribute to perceptions.
- It was highlighted that HCA have allocated additional cash to the Homebuy Scheme. £38m allocated to North East and a lot of that is targeted in Pathfinder area. BNG see Homebuy as being a crucial part of the Housing Options work.
- Challenge is to try to widen the choice in renewal area and prevent drift.
- BNG is working with the ALMOs to plan across the wider spatial area.

- We look at turnover annually and this shows a quarter of the stock turns over in the Pathfinder area.
- Gateshead and Newcastle Partnership work to be included to show the clear role played by BNG. AM

6. REVISED SCHEME OF GOVERNANCE PROPOSALS

- In response to BNG delivering Growth and Renewal it is proposed to expand the Board to include nominations from the 2 LSPs to broaden experience and also in the context of community strategies that LSPs have responsibility for. Also to increase number of independent members from 4 to 5.
- Because of the employment relationship with NCC we still need to have a reference to employment in the Scheme of Governance.
- There was some discussion about the recruitment of LSP and independent members and the Board recommended an approach to be taken.
- Both Legal Teams in both Local Authorities will be consulted on the document. Martin Harrison from Gateshead Council will lead on the consultation.
- The structure chart appendix will be amended to include the link between BNG, NGI and CDC. AM
- Board Members to comment to Anne Mulroy within a week, ie by Friday 20 March and w/c 23 March a draft will be issued for consultation through the partnership for a month so that by 27 April there is a revised document which will be dealt with formally at 15 May Board. All present

7. FINANCE REPORT

- 2008/09 - as at end February final claim £24.1m (9% less than forecast). However, there is £3.3m in invoices awaiting payment or acquisitions in the legal process which would increase the final claim to around £27m. Programme Management Group are meeting weekly to assess the situation and the Head of Finance is confident that the spend target of £33.96m will be hit. Also confident that capital receipts target will be reached.
- Re 2009/10 £28.8m funding has been awarded with the potential to increase to £32m. Need to look at overprogramming and key risks perhaps a higher level of overprogramming – 25% over programmed at present, given 90% allocation.
- A revised 2 year profile will be produced. Also need milestones to ensure action between over programming and what is happening. The provision of real time information will be included in the resources review.
- There was some discussion about suggested efficiency targets appendix and its relationship to the overall Budget. It was agreed that Anne Mulroy to consult with Sheila Johnston and David Slater to finalise a budget that can be approved formally by the Board. This will be done as soon as possible and well before the next Board meeting. Formal agreement will be by email if there are no issues requiring a special meeting. AM/SJ/DS
- It was agreed that Steve Errington will become 'Efficiency Champion'. IM

8. PROGRAMME REPORT

- Outputs are in line with those agreed. Next year will follow broadly same direction.
- A commitment system has been established with delivery partners.
- Gateway reviews are being undertaken for all existing approved projects.
- Working on a 2 year project plan which will form an agreed programme baseline to report against so able to plan ahead, looking at risks at an early stage.
- £29m will be approved first week in April. Will be done in parallel with Strategic Commission Reviews.

JD

9. DRAFT OPERATIONAL PLAN 2009/10

- The plan has been updated to reflect where BNG is now in terms of activities. Report received as framework for 2009/10.
- Kept the same framework and process as it has been useful and easy to complete.
- Report received.

10. VALUE IN DESIGN REPORT AND PRESENTATION

- John Sparkes presented the finding of the research.
- There was some discussion about the term 'uniformity' within the guidance
- It was felt that there is a need for uniformity in things like Highways standards so there is a level playing field, however this should not stifle design and innovation. Important to maximise opportunities on sites.
- The message is coming across that there so much advice it is becoming incoherent.
- Safety issues featured as a major issue for residents – which also came up in Gateshead Forums.
- There was a discussion about design and costs. Need to negotiate with developer partners at an earlier stage to see whether costs could be minimised and value maximised. If volumes increased costs would come down.
- With regard to Lifetime Homes Standards, about how to unpick this to make decisions about standards of future developments.
- In relation to gap funding, there is an opportunity to look at where BNG is applying gap funding now and what would in future be considered as part of the regulatory planning process.
- BNG to discuss with partners how to identify to get something that is different but still affordable in terms of public and private investment. Already doing this in Scotswood to get something unique and affordable. This is timely given the credit crunch and also in terms of where Newcastle and Gateshead are with Local Development Frameworks. These elements will be incorporated into recommendations that give a degree of specificity in terms of the way forward.

JS

11. **RISK REPORT**

- New way of presenting the report to highlight major high level programme risks. Strategic risks are taken from the risk register. Full risk register still exists and is still available. Split into strategic risks, programme risks and major project risks.
- NCC Executive agreed this new framework for City wide and area based project management this week. They will be talking to BNG and other partners about how to populate these structures and protocols for operation.
- Discussion took place on the presentation of the traffic light system. Needs to be broken down to give more detail on the risk. Need a realistic assessment of value and level of risk in terms of value. Mitigation strategy will need to track risks, ie are risks getting better or worse?
- Steve Errington in his 'Efficiency Champion' role will assist with connecting the financial report, programme report and risk matrix.
- Board will conduct its comprehensive annual review of risk when the Quarter 1 Operational Plan is reported in July.

SE/IM/JD

12. **ADVISORY GROUP MINUTES 27 FEBRUARY 2009**

Received.

PROJECT APPRAISAL PANEL – 6 MARCH MINUTES

To be circulated when available and approved at 15 May Board.

13. **ANY OTHER BUSINESS**

No discussion.

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

10.30am, Friday 15 May, Gateshead Civic Centre.