

**BRIDGING NEWCASTLEGATESHEAD BOARD
FRIDAY 11 JULY 2008
MINUTES**

Present:

Jim Coulter	Chair
Donald Urquhart	English Partnerships
Councillor Bill Shepherd	Newcastle City Council
David Slater	Newcastle City Council
Councillor David Napier	Gateshead Council
Sheila Johnston	Gateshead Council
Tom Warburton	One NorthEast
Geraldine Wilcox	Independent
Steve Errington	Independent

Observers:

Tom Smyth (rep Diana Pearce)	Government Office for the North East
George Curry	New Deal for Communities
Bill Carr (rep Julie Jacques)	Housing Corporation

Officers in Attendance:

Anne Mulroy	BNG
Ian Mackintosh	BNG
Jonathan Dunk	BNG
John Sparkes	BNG
Katherine Robbie	Newcastle City Council (for item 4)
Julia McAweaney	BNG (minutes)

Action

1. APOLOGIES FOR ABSENCE

Apologies were received from Kehri Ellis, Diana Pearce (Tom Smyth attending), Julie Jacques (Bill Carr attending) and Linden Watson.

2. DECLARATIONS OF INTEREST

Jim Coulter – Audit Commission: personal but non-prejudicial.
David Slater and Cllr Bill Shepherd – Cruddas Park: personal but non-prejudicial.
Sheila Johnston – Gateshead Site: personal but non-prejudicial.

3. MINUTES OF THE 16 MAY 2008 MEETING AND MATTERS ARISING

- Page 5-6 – the end date of the Housing Options and Affordability work being undertaken by Arc4 will be confirmed.
- The minutes were then signed by the Chair as a correct record.

KA/AM

4. **CRUDDAS PARK GATEWAY REVIEW**

- Copies of David Slater's presentation were circulated.
- The re-branding exercise is ongoing.
- More sensitivity analysis needed on costings of outright sale units. Prices are significantly below the assumption for apartment type developments.
- In response to a question about the commercial viability of each phase of the development, the risk is recognized. DTZ think it is a viable market and there is the support of Bellway and Gentoo but need to have a Plan B.
- Financial information is robust but will continue to be reviewed on a regular basis. There is an exit strategy built in to different phases of the strategy.
- The importance of linking the retail offer to the branding exercise was highlighted.
- Need to be clear about the costs in relation to management packages and service charges. There is still work to do on that for owner occupiers particularly. Gentoo are clear about what they feel is viable as a service charge and negotiations are ongoing. Will be included as part of the critical path.
- There was some discussion about value uplift coming back into blocks for maintenance costs.
- It was confirmed that the scheme could not go ahead without the gap funding BNG is putting in. It is important that it is recognized as part of BNG's contribution to the wider region.
- The importance of engaging with lenders was stressed. A meeting is taking place 16 July.
- The Board agreed the funding and endorsed the conditions of funding in the Appraisal Panel notes of 27 June.

KR/DS

5. **DIRECTOR'S REPORT**

Proposals for Allocation of Funding Years 2 and 3

- CLG have confirmed the assessment arrangements. BNG's initial Performance Review will take place 1-5 September and preparations are underway now for that. There will be an informal visit from Rob Hack, the Inspector who has taken over from Yvonne Taylor, on 1 August.

Housing Targets and Growth Point Bid

- Growth Point announcement is expected next Wednesday. No indication yet of the outcome.

New Delivery Vehicles

- Being established by both Local Authorities. There will be a presentation at September Board from the Local Authorities on their progress.

LAs

Partnership Agreement

- Final comments have been incorporated into the document. Will form part of the Cabinet and Executive Reports on the Deed of Variation.

Deed of Variation – Progress on Investment with CLG

- Although the Business Plan was approved by CLG there are issues in relation to how the investment proposals can be put into practice. There is a meeting at CLG on 25 July and Henry Cleary will be attending. Meetings are taking place over the next week regarding how the information will be presented to CLG.
- The Board expectation of CLG is that they endorse Board's view contained in the Business Plan that a more innovative approach of attracting private sector investment is needed and agree the process for BNG to take this innovative approach.

One and Northern Way Research – Residential Futures in Tyne and Wear

- The work is likely to complete in the Autumn. Karen Anderson is on the Steering Group.

Board Awayday 2 July

- The paper on Future Challenges and Opportunities raising a number of questions for further consideration, along with Professor Cole's slides were appended to the report.
- The Awayday was a useful and successful event.
- A stocktake of the Business Plan in Quarter 4 is required in light of market change.
- In relation to adding value, a Board Member was uncertain about the focus on 'place' instead of 'project' and felt that real added value is focus of 'market' rather than 'place' as there is a risk that they don't join up. See key linkage as it develops with economic masterplan.
- It is important that the wider economic context is seen; not just CDC boundary but urban core and wider city region can help shape thinking about how we integrate housing economics and markets with labour markets. BNG to play a lead role in shaping that link with economic development and city region.
- Centre for Cities Report referred to BNG and Iain Wright MP speech at the CABE Design Task Group yesterday referred positively to BNG.
- There is likely to be particular emphasis of HCA funding and linkage with economic strategy as a whole. The link is about delivery chain.
- HCA will inherit a lot of commitments initially. There should be more aligned strategic documents after the development of Integrated Regional Strategy. Movement of funds won't happen for another 2/3 years.
- Sheila Johnston, David Slater and Anne Mulroy to start discussions on how to take forward the future challenges and opportunities paper with LAs in their regular meetings. There is an opportunity to develop a narrative that describes NewcastleGateshead and how that links with housing growth, economic growth and how it links with the economic masterplan of CDC.
- BNG Management Team to produce a paper on where they see the future of BNG in terms of what BNG could offer. This would be used as a discussion paper for the Chair and Anne Mulroy to take forward with LA

SJ/DS/AM

Leaders and Chief Executive's so that there can be an open discussion about how elements of this might develop.

- There was a suggestion that BNG Board Membership may need to be reviewed and the possibility of co-options with CDC and NGI members.
- The Board confirmed that they are happy with the proposed way forward.

Board Membership Matters

- Andrea Proudlock's appointment to the Board as an independent member was approved with effect from 1 September.
- Appointment of Chair – The Board were happy with the process suggested and Donald Urquhart and Tom Warburton will form the small panel, supported by the Director, on taking the performance appraisal forward and will come back to the September Board.

DU/TW/AM

6. HOUSING MARKET INTELLIGENCE UPDATE AND CREDIT CRUNCH

- Anne Mulroy introduced this confidential report and gave an overview of what BNG is doing to assist in relation to the current climate.
- Steve Errington then gave a presentation on the Credit Crunch which was followed by further discussion.

7. VALUE FOR MONEY: IMPROVING EFFICIENCY AND EFFECTIVENESS

- Ian Mackintosh gave a short presentation.
- David Slater and Sheila Johnston offered to assist in the Use of Resources review, in particular in relation to the evidence base.
- Objectives should be challenged – Private Sector Renewal Policy challenges the grants to loans process.
- Key to the whole process is the preparation of the documents in advance.
- Need to update the appendix – Ian Mackintosh will review at Management Team. IM
- **Managing Finances:-**
 - 3 year cashflow needs to be brought forward IM
 - Reference to Governance needs to be strengthened IM
 - Design standards element IM
 - Procurement references IM
 - To demonstrate that BNG is active in looking at the way the market is changing IM
- Use of Resources is no longer at consultation stage and need to work with LA officers through understanding of the framework. IM

8. AUDIT COMMISSION RESPECT REPORT

- The report was received and noted.
- Anne Mulroy to write to partners to give recognition for the 'performing strongly' mark. AM

9. DESIGN STANDARDS AND PRINCIPLES FOR NEW DEVELOPMENTS

- John Sparkes introduced the report.
- A CABE Event, at which Iain Wright MP was a speaker, took place yesterday to launch the HMR Action Plan which has a series of recommendations to Pathfinders.
- BNG's design standards and principles embody CABE's documents and principles. These relate to new build and if this is signed off will move on to refurbishment.
- Proposal is to have a design review process which looks at how to enhance its schemes and quality.
- Four principles to promote taking into account design quality when assessing how much land disposed of.
 - Best consideration for land will include quality assessments;
 - Encourage positive management regimes;
 - Complement local standards;
 - Reject poor design through appraisal process.
- There are issues about the cost of good design, quality and flexibility through the appraisal process. A degree of flexibility should be used so that the standards don't act as a barrier.
- There was concern that the standards may increase the risk to developers, ie may want increased financial returns to take the risk on, which would mean a bigger funding package would be needed to make it work.
- BNG is currently undertaking research on the value of good design. The first stage is completed and second stage looks at what gives payback in terms of value, which will assist both developers and BNG.
- NCC are having discussions with Health and would like to see reference in the document in relation to how BNG helps to promote the psychological and physical health of communities. JS
- The Board felt that the Design Principles and Protcols document was a piece of good work.
- Anne Mulroy and John Sparkes to finalise the document to give more of a positive approach. AM/JS
- It was suggested that the Board may wish to consider whether there should be a design champion. This would be more appropriate for the Appraisal Panel and will be given some further thought by BNG. AM/JC/JS
- Approved.

10. BUSINESS PLAN 2008-9 QUARTER 1 REPORT

- Only red is new build outputs but will be covered as part of stocktake of Business Plan.

11. **FINANCE AND PROGRAMME REPORT**

- Received.

12. **NATIONAL HOUSING AND PLANNING ADVICE (NHPAU) UPDATE**

- Report is latest data on numbers and correlate with RSS figures.
- Noted.

13. **ADVISORY GROUP**

- No meetings have taken place since the last Board (20 June meeting cancelled).

PROJECT APPRAISAL PANEL

- Notes of the meeting held on 27 June were circulated with the papers.
- Received.

14. **ANY OTHER BUSINESS**

- No discussion.

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

- Friday 19 September – 9.00am tour of Gateshead East, 10.30am Board Meeting at Design Works, Felling.