

Meeting:	BNG Board
Date:	18 September 2009
Contact:	Anne Mulroy
Board Action:	For Discussion
Sensitivity/FOI:	Public

Item 4 – Director’s Report

Summary Report:

Items covered in this report are:-

- Audit Commission:
 - Innovation and Market Response
 - Annual Performance Review
- Major Projects:
 - Riverside Dene (confidential)
 - Gateshead Joint Venture Vehicle
- Byker Investment Task Group
- HCA – Visit by Chair, Robert Napier
- Inside Housing
- Practical, Affordable Housing Solutions (confidential)
- Regeneration Momentum
- Local Investment Plan
- Board Membership

Recommendations:

The Board are asked to note this report.

Implications:

Financial:

Equality:

Sustainability:

Consultation:

Risk:

Strategic:

Financial:

Development:

Operational:

Reputational:

Report to: BNG Board – 18 September 2009

Subject: Director's Report

Agenda Item: 4

1. **AUDIT COMMISSION**

Innovation and Market Response

We have now received a draft of the Audit Commission report in Innovation and Market Response in BNG. Comments on the draft have been forwarded to the Commission.

Annual Performance Review

The Annual Review will take place on 6-8 October. Documentation has now been submitted to show progress against last year's review and information on current progress.

2. **MAJOR PROJECTS**

Riverside Dene

See confidential Appendix 1 sent separately.

Gateshead Joint Venture Vehicle

Gateshead Council and its public sector partners are seeking to establish a Joint Venture Vehicle (JVV) with private sector partners who will share in the ambition and commitment to deliver successful and sustainable housing-led regeneration with a focus on urban areas. The vision is to set a new benchmark in terms of neighbourhood planning, housing design and build performance.

The Council commenced the OJEU Procurement Process in November 2008 and of the 19 parties who registered interest at the Pre-Qualification Questionnaire Stage, a shortlist of 4 companies have been invited to continue in the competitive dialogue process which will conclude by December 2009. Further evaluation and dialogue is scheduled for the first half of 2010 with the selection of a preferred bidder by July 2010. Following this, the final approvals and the establishment of the Joint Venture is scheduled for completion by October 2010.

The four companies / consortia are:

- Barrat / Keepmoat
- McInerney Homes North East
- Home Group and Galliford Try
- Compendium Group comprising Riverside Group and Lovell partnership

For reference, the JVV includes 19 sites (majority in Council ownership) which cover approximately 70 hectares. They range in size from 0.3ha – 12 ha and represent a wide range of development opportunities. It is envisaged that the JVV will operate over a 15-20 year period commencing in 2011 and is one of the largest regeneration opportunities in the country providing circa 3000 new homes.

Current activities have centred around the preparation of an Outline Business Case and HCA Gateway approvals. The financial model is also being scrutinised to ensure its robustness and to identify the likely levels of external funding required to enable it to perform as anticipated and achieve the regeneration objectives. A further update will be provided to the Board in November 2010.

3. **BYKER INVESTMENT TASK GROUP**

The Byker Investment Task Group has been established and will report to the Housing Minister, John Healey, by the end of January 2010. Newcastle City Council submitted a bid during the last round for PFI to refurbish the Byker Estate. This bid was not successful and subsequently the Minister asked NCC and the HCA to jointly establish a task group to establish an alternative means of achieving investment in the estate. Membership of the Group is currently as follows:-

Professor Peter Roberts (Chair)
Barry Rowland
Pat Ritchie
David Slater
Steve Murphy
Nick Kemp
English Heritage

In addition, an Officer Working Group has been established. Members are:-

Pat Ritchie
David Slater
Brian Peel
Phil Joyce
Anne Mulroy
John Lee

This group will be supplemented by secondees from each organisation. The remit of the Task Group is to review the options for future investment in the Byker Estate. The Group are to identify innovative approaches that, in addition to public sector sources, lever additional funding from other sources.

The final report will include a high level investment plan, a set of recommendations relating to priorities and phasing and an outline plan for community involvement.

Board will receive update reports on the progress of the Task Group.

4. **HCA – VISIT BY CHAIR, ROBERT NAPIER**

A visit by the HCA Chair had been arranged for 10 September but unfortunately had to be postponed. A new date is now being arranged during October. A presentation on the work of BNG and a tour of key investments in Walker, Felling and Bensham will be made on the day. The visit is part of the Chair visiting each of the 10 Pathfinders nationally to understand the progress of the programme and the principles of cross boundary working between local authorities.

5. **INSIDE HOUSING**

A briefing meeting was held on 11 September with Isabelle Hardman, journalist from Inside Housing magazine, on the work of BNG. We have forwarded some photographs and notes for potential inclusion in future editions of the magazine.

6. **PRACTICAL, AFFORDABLE HOUSING SOLUTIONS**

See confidential Appendix 2 sent separately.

7. **REGENERATION MOMENTUM**

The Northern Way has recently announced its Regeneration Momentum Programme and is inviting ideas and proposals from partners to its Research Programme; £100,000 is available to support institutions or partnerships requiring additional funding to fully contribute analysis. Professor Michael Parkinson is to undertake a follow-up report on his previous study on the impact of the credit crunch; this time, one year on, focussing on the North and what barriers, opportunities and practical options exist to develop new models of delivery in the future.

BNG will draft a note of actions about the initiatives it is trying to implement and the barriers to delivery and send to Professor Parkinson and The Northern Way. Potential areas of investigation include:

1. Practical, Affordable Housing Solutions – and how, despite extensive work with developers and lenders on products, the development of criteria to procure a loan provider and criteria on how we can support development, we are getting tied up in legal (LA powers) and State Aid issues which show why this kind of needed and innovative approach has not been achieved before.

Hopefully we will find a way through this but it may be that the Regeneration Momentum work could look at an agreed approach from the government or even some fundamental changes needed to be able to support organisations, including local authorities to be able to deliver this kind of intervention that tackles the issues in the market without throwing obstacles in the way.

2. Valuations by lenders for new build – a major issue in regeneration areas and needs to be tackled if the programmes are not to be substantially slowed down.

8. **LOCAL INVESTMENT PLAN**

Following the Renewal and Growth Executive Team meeting on 19 August, BNG has been charged with producing a document that brings together the 2 draft Local Investment Plans within the context of the Story of Growth and Renewal. This will help to inform the single conversation with the Homes and Communities Agency, that demonstrates how current sites and potential opportunities eg. Housing Pledge, fit with the strategy of Renewal and Growth – and also Need.

The draft framework was fed into the Gateshead and Newcastle Partnership on 27 August and then the HCA meeting with the Leader(s) in September.

A fuller draft needs to be developed for the 5 October Gateshead and Newcastle Partnership Board; BNG's Head of Research and Strategy is leading on co-ordinating the initial strategy document which is likely to be supported with more detailed Plans.

9. **BOARD MEMBERSHIP**

Pat Ritchie, Regional Director of the HCA is replacing Donald Urquhart as the nominee to the Board. Pat was previously a founder Board Member when at One North East. A note of thanks for his service and contribution has been sent to Donald. Donald was also Chair of the Advisory group and the Chair has asked Charlie Hughes to take on this role.

The Board is asked to note and approve these changes.