

**BRIDGING NEWCASTLEGATESHEAD BOARD  
THURSDAY 18 SEPTEMBER 2008  
MINUTES**

**Present:**

Jim Coulter	Chair
Councillor Bill Shepherd	Newcastle City Council
Phil Joyce (rep David Slater)	Newcastle City Council
Councillor David Napier	Gateshead Council
Sheila Johnston	Gateshead Council
Tom Warburton	One NorthEast
Geraldine Wilcox	Independent
Steve Errington	Independent
Kehri Ellis	Newcastle LSP

**Observers:**

Diana Pearce	Government Office for the North East
Bill Carr (rep Julie Jacques)	Housing Corporation

**Officers in Attendance:**

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

**Action**

1. **APOLOGIES FOR ABSENCE**

Apologies were received from David Slater (Phil Joyce attending), Donald Urquhart, Andrea Proudlock, Gev Pringle, Julie Jacques (Bill Carr attending) and George Curry. It was noted that Gev's special leave of absence was now ended.

The Chair welcomed Kehri Ellis and Phil Joyce who is Director of Area Based Regeneration at NCC.

2. **CHAIR'S PERFORMANCE APPRAISAL REPORT**

The Chair, observers to the Board and members of staff other than the Director and Office Manager were not present for this item. The Board Members were given an update on the process and the Board agreed with the Panel's recommendation that Jim Coulter be re-appointed as Chair for a further 3 year term from 1 December 2008. The Director will de-brief the Chair on the detail.

AM

### 3. **DECLARATIONS OF INTEREST**

Jim Coulter – Audit Commission: personal but non-prejudicial.

### 4. **MINUTES OF THE 11 JULY 2008 MEETING AND MATTERS ARISING**

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

### 5. **DIRECTOR'S REPORT**

#### **New Growth Point**

- A confidential appendix was tabled.
- Karen Anderson has been seconded to Growth Points for 4 days per week and Andrew Marshall from Gateshead Council is supporting Karen in this role.
- Community Infrastructure Fund (CIF) 2 bid has just been submitted. BNG are leading in co-ordinating activities. Full details of the proposals are contained in the confidential appendix.
- There are two different submissions; Community Infrastructure Fund (CIF) and Programme of Development (POD).
- BNG's proposals for CIF have been developed around 3 separate themes; sustainable links, links between areas and strategic sites, ie key sites within the urban core. Full copies of the bids are available if any of the Board would like to read them.
- The next submission will be the Programme of Delivery (POD) which needs to be submitted by 27 October. This submission will cover more infrastructure works on a wider basis than CIF.
- Not likely to receive a response until the turn of the calendar year. CIF needs to be spent by March 2011. POD relates to 2009/11 programme but is a continuous bidding process.
- It is important that the Governance framework is in place to deliver the Growth Agenda. The Growth Point Executive Team will receive detailed recommendations at its meeting on 3 October. A detailed proposal will come back to November Board.
- One NorthEast and NEA are asked by Government to give views on Growth Points and CIF bids and have two weeks to respond.
- The Board gave delegated authority for the Chair and Director to sign off the Programme of Delivery since there is not a Board meeting scheduled before 27 October.

KA/AM

#### **Audit Commission Scrutiny**

- Performance Review took place 1-5 September. The draft report will not be received by BNG until around 29 September.
- Use of Resources Review will take place 24-26 September. The timetable is in place and BNG has completed a process of self-assessment, assisted by both Local Authorities as critical friends.

- At the last Performance Review Audit Commission produced an assessment for need for investment in each of the Pathfinder areas based on current market situation. The report for this Review will be an update to that report.
- The reports for all of the Pathfinders will be completed by the end of November and a decision will be taken in January on the increase or decrease in the 2009/10 programme. The decision will cover both years of the programme, as a result of lobbying from Pathfinder Directors. The Directors are meeting with Sir Bob Kerslake tomorrow.

### **Gateshead and Newcastle Partnership**

- Anne Mulroy and Jim Coulter attended a recent meeting of the Partnership and gave a presentation on BNG achievements and future.

### **Regional Funding Advice**

- This is being discussed at North East Housing Board Executive this morning. It will be important for BNG to consider how it will respond and put forward a case for funding within the overall process. Need to make the point in the North East submission that Growth and Renewal are complementary to each other and aren't different. AM
- BNG has a considerable amount of match funding and private sector investment and need to ensure that goes into consideration. Work to update 2006 Review would be useful. AM/IM

### **Private Sector Renewal Policy**

- The revised Policy was approved by Project Appraisal Panel on 27 June.

### **Community Engagement**

- BNG is moving ahead with recruitment to the Residents' Panel. Applications are being received and these will be evaluated shortly.
- Community Engagement Event 'Overcoming Barriers' was successful with over 50 attendees. Feedback has been good and comments will be taken on board.
- Marketing and Communications Groups – the first meeting of the Gateshead and Newcastle Partnership Marketing and Communication Group has been held. The first task of the Group will be to review communications activity across the BNG area.
- At the Gateshead and Newcastle Partnership meeting the importance of detailed communication to individual communities was discussed. BNG needs to ensure that it is being descriptive of progress and that individual targeted information is communicated on what is happening on the ground and progress being made. This is particularly important in light of the credit crunch.

## **6. REVIEW OF TOUR**

- The review of the tour to be covered under Item 7.

7. **BNG 2008-11 MARKET CONDITIONS AND THE INVESTMENT PROGRAMME (CREDIT CRUNCH AND MARKET IMPACT ON BNG PROGRAMME)**

The Director introduced a substantial discussion and review by the Board on current market conditions and the credit crunch. The discussion also took account of the recommendations of the Appraisal Panel, the observations on home improvements arising from the tour and the information in the HMI update (item 8)

- BNG has been looking at how to keep major schemes moving/starting in light of the credit crunch using intelligence on what is happening in the area.
- Looking to maintain the same Vision and BNG is supported by Housing Corporation in taking this view as there is a danger of knee jerk reaction. It is about considering places in the short and medium term and also maintaining the trust of people.
- NCC has established a high level Working Group and BNG has been involved in this and in discussions with NCC and lenders and developers.
- BNG has reviewed different new build schemes and this is an ongoing process. Particular interest in Home Buy Direct which is 70% equity share scheme but don't have details on that at present. Trying to work on new products to ensure that even if there is a move to rental in the interim can still move towards ownership. Maintaining flexibility is important.
- A report went to Project Appraisal Panel on 12 September to take account of what is happening and listing 3 options. BNG will continue to try and maintain new build sites but also may need to move funding to bring forward sites quickly should the credit crunch situation ease. Also need to monitor other sites going through as potentially more gap funding may be required, eg Expo and Joint Venture Company.
- In addition to efforts locally, Pathfinders have contributed to Professor Michael Parkinson's research formally and the Directors met with him on 11 September. The main message is seeing this as an issue for strong leadership and confidence and not over-reacting to what is going on.
- BNG also contributed to NEA collecting information for North East Housing Market Action Plan.
- It is important that impacts are structured so they don't fall foul in valuation process. Assistance to be in the form of a loan rather than grant. Need to be supportive to people in relation to mortgage repossession. A lot of work is being done in terms of mortgage rescue. Lenders need to relax policies and procedures.
- BNG needs to start negotiating with lenders direct on individual schemes. BNG
- Anne Mulroy to speak to Sheila Johnston and David Slater regarding delivery chain process. AM
- Jonathan Dunk to send a thank you note to Stuart Timmiss and Debbie McKenna to for guidance on the tour. JD

## 8. HOUSING MARKET INTELLIGENCE

- This confidential report was discussed in more detail and Sarah Ledger from NCC was present to respond to queries.
- Karen Anderson to look at supplementary data and maintaining a level of information as up to date as possible in the light of market developments. Being able to monitor change over time will be hugely useful and was picked up by Audit Commission in terms of how impact can be monitored across the BNG area.
- Report noted.

KA

## 9. NEW DELIVERY VEHICLES

- Presentations were given by George Mansbridge, NCC and Andrew Marshall, Gateshead Council. A copy of the NCC presentation is attached with the minutes. The Gateshead presentation was circulated at the meeting.
- A question was asked in relation to how risk is judged in the present market climate and how you ensure you don't lose opportunities that present themselves.
- This is why masterplanning is important. Some of the smaller sites are critical to future relocations. The whole rationale of Gateshead's approach is to ensure sites that would not be brought forward will be brought forward by JV. They are prioritising sites at present.
- A question was asked with regard to how you ensure innovation and area design with a single developer.
- This will be decided during Gateshead's competitive dialogue process and gives the opportunity to compare different approaches. There may be a 'super developer' which can look for innovation through different builders on the ground.
- With regard to Newcastle, Expo designs have proved that this is not the case. Need to think about the nature of the investment partner which would provide scope for more of an individual approach or take a developer panel approach - incentivise development.
- HCA will have a big interest in working alongside procurement vehicles of this size and nature. Internal debate is taking place. Sir Bob Kerslake has given a presentation on how EP and HCA will work together. Will be more investment rather than grant. HCA will 'programme manage' rather than 'project manage'. Housing Corporation are working with Gateshead and Newcastle Councils to identify the likelihood of the opportunity for Housing Corporation grant being invested pre March 2011.
- The challenge in Newcastle and Gateshead is such that a range of delivery mechanisms will be required. Sites will not be held back for when a LHC might be ready. More a systematic approach is being taken. This links to the delivery chain issue.
- There was some concern at the length of time the critical path of procurement process takes.

- Anne Mulroy updated the Board on deliberations with CLG around Scotswood and use of BNG funding as investment. A Clause will be included in the Deed of Variation indicating that BNG can invest in delivery vehicles.

## 10. **AFFORDABLE HOUSING TASK GROUP : INTERIM REPORT**

- This confidential draft report was discussed. It was clear that there were substantial policy and practice implications of the emerging findings. The full report is due next Spring.
- The consultants will be invited to lead discussion at the January Board meeting.

KA

## 11. **BNG SUSTAINABILITY STRATEGY**

- John Sparkes introduced the report and emphasized that the strategy is consistent with and complementary to a range of activities already being carried out within the Partnership. There is an over-arching Regional Integrated Framework for the North East and this is 'trickled down'. From an operational stand there are 3 key themes and 10 topic areas. These themes will be embedded as part of the appraisal process and are listed below:-

### THEME 1 - OUR ENVIRONMENT

- 1: Live within environmental limits, both locally and globally
- 2: Protect, enhance and respect cultural heritage and diversity
- 3: Protect and enhance environmental assets and infrastructure
- 4: Reduce the impacts of climate change and our contribution to its causes

### THEME 2 - OUR COMMUNITIES

- 5: Promote strong and inclusive communities
- 6: Raise educational achievement and improve skill levels across BNG
- 7: Improving health and well-being and reduce inequalities in health
- 8: Ensure good accessibility for all to jobs, facilities, goods and services

### THEME 3 - OUR ECONOMY

- 9: Strengthen our economy
- 10: Improve access to a stable and sustainable employment market

- Some work will be carried out around exploring BNG's carbon footprint.
- The Strategy will be amended to incorporate the sustainability aims of the Gateshead and Newcastle LAAs .
- Tom Warburton to provide the link to the checklist system of land for Single Programme applications.
- Design Standards incorporate and use CABE 12 points of what makes Design for Life.

JS

JS

TW

- Subject to amendments the Board approved the strategy and for Anne Mulroy and John Sparkes to sign off.

## 12. **BNG RESPONSE TO THE CONSULTATION ON FRAMEWORK FOR REGENERATION**

- The Board was asked to forward any comments on BNG's response to Anne Mulroy by Friday 17 October for BNG to make their response by Friday 31 October. All
- The document sets out how CLG want regeneration to be different in the future, learning lessons from the past. It addresses the link between regeneration, worklessness and the economy and is seeking for region to tackle deprivation in a different way.
- The Board agreed that Jim Coulter and Anne Mulroy sign off BNG's response. AM/JC

## 13. **PROGRAMME AND FINANCIAL UPDATE**

- The Officer Meeting on 16 October will look in detail at the output requirements and also the delivery chain process is being reviewed to get a more of a smooth spend and avoid back-loading.
- The Deed of Variation will be signed off imminently.
- The report was received.

## 14. **EQUALITY AND DIVERSITY STATEMENT**

- The issue of not having a formal Equality and Diversity Statement arose from the Audit Commission Review. BNG continues to rely on the Equality and Diversity policies of both partner organizations and have responded to the Audit Commission highlighting a number of ways these policies are followed in internal procedures and processes included in appraisals etc. and is linked to the Strategic Commission Review process.
- BNG has acknowledged that there should be a commitment statement embodied and also have a process of annual review of BNG's performance against Equality and Diversity. A statement will come back to the November Board meeting. AM

## 15. **PARTNERSHIP AGREEMENT**

- A final version of the Partnership Agreement was circulated with the papers for information.

## 16. **ADVISORY GROUP**

- A copy of the minutes from 9 September meeting will follow.

### **PROJECT APPRAISAL PANEL**

- The minutes of 12 September were circulated with the papers.

17. **BOARD MEETINGS SCHEDULE 2009**

- Noted.

18. **ANY OTHER BUSINESS**

- At the last meeting there was some discussion about the possibility of engaging someone to be an independent member of the Appraisal Panel as a Design Champion. The Board were happy with this in principle and that Cyril Winskell be approached with a view to becoming the Design Champion.
- The Board will record their thanks to David Clelland MP and the two Ministers involved with the Gateshead site. Sheila Johnston and the whole team involved were also thanked for all of their effort during the process.
- The Partnership Marketing Group will think about how the message that development is taking place across the area is conveyed.

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

10.30am, Friday 21 November 2008 in a Committee Room, Newcastle Civic Centre.