

Meeting:	BNG Board
Date:	25 January 2008
Contact:	Anne Mulroy
Board Action:	For Discussion
Sensitivity:	Public

**Report to: BNG Board – 25 January 2008**

**Subject: Item 5 - Director's Report**

1. Issues covered in this report are:-

- BNG Programme 2008/11 (including scenario planning)
- Gateshead and Newcastle Partnership
- Growth Point Submission
- Gateshead Site
- Communication
- Research Programme 2008/9
- One NorthEast Corporate Plan Consultation Response
- Strategic Review Updates
- Audit Commission Respect Review
- HMI Update
- Board Matters (including future legal status)

2. **BNG PROGRAMME 2008/11**

A further update will be made at the meeting on the timing of the announcement on the allocation of funds for 2008/11 from CLG. It is anticipated that the January deadline will slip to early February. Officers across BNG are currently engaged in scenario planning across a range of potential levels of funding.

The approach taken in this planning reflects:-

- Agreed strategic priorities as highlighted in the Business Plan;
- Maximising value for money in procurement and optimising the use of our resources;
- Capturing value growth, recognising that current market conditions create uncertainty;
- Generating capital receipts from past investment including funding swaps where necessary;
- Reviewing direct and indirect revenue requirements to deliver the programme.

The recent announcements of the SHIP allocation and NAHP and the level of funding available to Newcastle and Gateshead will also be taken into account. To achieve alignment both partner Local Authorities will need to maintain the priority for BNG for 2008/11. Depending on the level of allocation, significant choices may have to be made and it may be necessary to hold a Special Meeting of the Board to consider these choices when an assessment has been made.

As part of the submission for the 2008/11 programme the Expo in Scotswood was put forward as a scheme for BNG to become an investor. Further consideration is now being given to the implications of an investment role and the need to respond to our external environment in a way which will secure the aspirations of the organisation for BNG places in the future.

A scoping exercise is being carried out and an initial report will be presented to the Board in March to explore the potential for new ways of working and the current partnership legal status.

### 3. **GATESHEAD AND NEWCASTLE PARTNERSHIP**

As part of the Partnership structure, BNG, NGI and the newly formed City Development Company (CDC) are to align as sister companies. Very positive discussions have begun between each of the companies to scope common areas of interest and the relationships between the companies and how we can work together. A report is to be prepared jointly by the three companies for presentation to a future Partnership meeting which will outline progress.

### 4. **GROWTH POINT SUBMISSION**

Following the New Growth NewcastleGateshead expression of interest to the government in October 2007, CLG have requested supplementary information in preparation for shortlisting in February 2008. There have been 28 expressions of interest for the North; five of these are within the North East.

A Technical Group has been established to provide any information requested and to develop the proposals further.

### 5. **GATESHEAD SITE**

An update will be given at the meeting.

### 6. **COMMUNICATION**

#### **Iain Wright MP**

Iain Wright MP, Minister for Communities, visited BNG on 17 December 2007. During his visit, the Minister was given a tour of the BoKlok site in St James Village and met with residents in Scotswood to hear first-hand about the improvements to their community. The visit also provided an opportunity to update the Minister on BNG's progress to date and plans for the future ahead of the upcoming announcement on the next round of funding.

#### **Sounding Panel**

On 11 December 2007, the community engagement workstream held a workshop which considered how to set up a BNG sounding panel. The session provoked a lively debate, with consideration being given to the objectives of a sounding panel, the issues members would be tasked with discussing and how to ensure diversity of membership. All of the views and comments from the event were collated and will be discussed at an internal team meeting. Draft sounding panel proposals will then be produced which will be

circulated to the community engagement workstream for feedback. These will then be presented at the March or May Board for comment before being implemented.

### **Communications & Marketing Group**

BNG is to set up a Communications & Marketing Group which will oversee a joined-up approach to communications in the BNG area. The Group will be chaired by Newcastle City Council Director of Communications & Marketing Peter Holt and membership will include representatives from both local authorities/delivery partners, the ALMOs, NDC, NewcastleGateshead Initiative and One North East. The Group's terms of reference are to be determined, but will include identifying any gaps and opportunities in local communications (residents and stakeholders); identifying the need for national communications activity, developing the approach to marketing of different places and sharing best practice. The first meeting of the Group will take place on 19 February.

### **Community Radio**

There was an overwhelming response to our request for residents wanting to get involved in presenting, editing and producing our radio show *Great Places*. Twelve residents were selected to participate, which includes six residents from Gateshead and six from Newcastle. The residents have varied backgrounds and experience and vary in age between 16 and 81. A number of the residents came into BNG for a day of training in December, visiting the CBIT radio studios and learning more about BNG. Roles and responsibilities were then allocated to each of the residents and we are now working on producing our next show which is due to air in February. Further information will follow on the BNG Bulletin.

### **Media**

Following the release of the National Audit Office report on HMR, Karen Anderson gave an interview on 9 November 2007 to BBC Radio Newcastle, responding to questions about demolition, affordability and community engagement. Tyne Tees' regional politics show 'Around the House' is focussing on housing market renewal. On 24 January, Jonathan Dunk gave an interview for the programme at Walker Riverside, responding to questions about demolition, particularly in Bensham and Saltwell, community engagement, relocation and affordability. It is understood that the show will also feature interviews with residents and possibly an interview with Iain Wright MP.

### **Forthcoming events**

On Wednesday 20 February, a joint learning event for officers from BNG and Newcastle and Gateshead Councils will take place. The event will include visits to the BoKlok site in St James Village and the River's Gate site in Walker Riverside and will be followed by presentations about both developments.

On Thursday 20 March 2008 (provisional) , a research event entitled 'Evidenced-Based Housing Market Renewal' will take place. The event will be chaired by Professor Ian Cole of Sheffield Hallam University and will look at modelling future housing markets, housing market renewal and the creative sector , promoting community cohesion through housing market renewal and the results of the 'Work here, Like to live here' study.

We are also planning to hold an event entitled the 'Changing Place' (provisionally 22 April) focusing on the Business Plan for 2008-2011 as well as including workshops on a number of relevant themes and places.

Board members have been asked to contact the BNG Office Manager if they want to attend any of the events; several responses have been received to date.

**The Board is asked to note communications activity.**

## 7. RESEARCH PROGRAMME 2008/9

Advisory Group considered the proposed research programme 2008/9 at its meeting on 11 January. The programme will require up to £100,000, depending on the allocation 2008-11 from government.

A summary of the programme is included for information at Appendix 1; it will include:

- **Sustainability and housing markets**

- The strategic reviews highlighted, that as well as mixed tenure new developments, opportunities need to be examined for more 'balanced' existing estates for them to be sustainable. Work on how we can provide people with housing options to meet different circumstances, including affordable housing will pick up these issues and seek practical solutions to improve housing choice and affordability in the pathfinder area. The work will be kick-started with a 'Rebalancing Communities' workshop on 28 January 2008 involving the ALMO Chief Executives, Directors of Regeneration and Heads of Housing Strategy from both local authorities, facilitated by Graham Martin, who has recently completed relevant work for the Joseph Rowntree Foundation.
- The market appears to be in a state of flux at present and we need to consider the outcome of different scenarios building on Glen Bramley's work; Advisory Group identified the impact of the North East's Growth Points (to be confirmed in February 2008) and the 'credit crunch'.
- We will seek to gain more information on who is moving into new homes in BNG – it is anticipated that the developers can assist with this work.
- An update to the estate and lettings agents' surveys will ensure we support this analytical approach with a more qualitative methodology.

- **Development and assisting delivery**

- The value in design work will highlight where HMR investment should be targeted in terms of different design standards.
- A local consultant will be procured to assist the local authorities in evidencing CPOs.

Several other projects were discussed at Advisory Group; some of these were considered to be programme issues rather than research and others require further development within the partnership.

The relative priority of the projects identified may change/be omitted and replaced with work to investigate emerging issues as the year progresses.

Where possible, opportunities to carry out projects with other pathfinders will be pursued; this is already the case for the Value in Design work.

In terms of the 2007/8 programme, most projects are now complete and 'results' papers will be available at the meeting for the 'Estate and Lettings Agents', 'Work here; Like to live here?' and 'Private Landlord Perceptions' studies.

Professor Glen Bramley's work is also complete on modelling future housing markets. Advisory Group considered the findings at its meeting on 11 January and IPPR North offered to coordinate a meeting/event to disseminate the results and to encourage similar work region-wide. The Group also agreed that an update reflecting the 'credit crunch' and any growth points approved for the North East should be modelled as part of next year's research programme.

**The Board is asked to approve the general focus of the programme.**

#### 8. **ONE NORTHEAST CORPORATE PLAN CONSULTATION RESPONSE**

BNG responded to ONE North East's consultation on its Corporate Plan 2008-2011 on 20 December 2007. The full response is at Appendix 2. Key comments included suggestions for ONE's role in the 'place making' agenda to be clearer as well as the links between the economy and the residential offer. We also suggested that ONE consider John Hill's Review of Social Housing in its approach to increasing economic participation.

**The Board is asked to note the response to ONE NorthEast.**

#### 9. **STRATEGIC REVIEW UPDATES**

Advisory Group carried out very detailed reviews of the different places in BNG between March and September 2007. To ensure that these documents remain useful and timely, the Head of Research and Strategy has been holding 'review Update' meetings with relevant officers for each 'place'. This work includes updates/any changes in approach on HMR activity as well as around Respect, education, transport, shops and services, employment and skills development etc.

Future updates will be carried out in May and September each year. The update forms will be circulated to the BNG and local authority Directors of Regeneration and the Cross Partnership Management Group to be established before end March 2008, to ensure improved co-ordination of strategy/programme.

**The Board is asked to note progress on updating the strategic reviews.**

#### 10. **AUDIT COMMISSION RESPECT REVIEW**

The Audit Commission carried out a review of BNG's and its partners activity in relation to the government's Respect Agenda on 7 and 8 January 2008. Informal feedback from the Audit Commission is very positive, acknowledging BNG and its partners efforts to tackle anti-social behaviour, fear of crime, community cohesion and improve the perception of the area.

A 4-page summary of the findings will be published as part of a pathfinder-wide report at a similar time to the baseline review report that will influence the level of our future funding allocation.

The willingness to input into the review from BNG and partners' officers deserves a big 'thank you'.

## 11. HMI UPDATE

The average house price in the BNG area between April and June 2007, the most recent period for which we have data, was £119,400; this compares to £136,300 for the North East as a whole. Prices increased only marginally compared with 2006/7 for the majority of areas within BNG, the exceptions being Dunston and Benwell and Scotswood, where price increases were more marked, and Byker Ouseburn, which saw a notable fall in average prices, perhaps reflecting that most or all of the units in a large block of riverside flats in the area - which were comparatively highly priced - had been sold during 2006/7. It must be stressed that this house price data pre-dates more recent uncertainty in the housing market.

Although the overall vacancy rate for BNG is static, long term vacancy rates have increased across the BNG area, though the number and proportion of empty stock owned by Gateshead Council has fallen.

## 12. BOARD MATTERS

The Chair's 1:1 appraisal discussions are underway and a report on issues and themes raised by Board Members will be made to the March meeting.

The Register of Interests is being updated to ensure we have up to date information on the Register which is open to public scrutiny. Members will note that this is a requirement of our Code of Conduct incorporated into the Governance Scheme.

Geraldine Wilcox has joined the Advisory Group. Judith Ozcan, Director of Real Estate at Bank of Scotland has joined the Appraisal Panel and the Director has invited English Partnerships to nominate Steve Gawthorpe to join the Appraisal Panel. Diana Pearce will now replace Jim Darlington as the GONE Board observer and will also join the Advisory Group. The Board is asked to formally agree these appointments.

Malcolm Levi will be leaving the Board after the 25 January meeting and the Board will, no doubt, wish to record its thanks to him as one of the founder members.

Marie Fallon will also be leaving NCC on 31 January and this will be her last Board meeting. The Board will also wish to record their thanks to Marie for her contribution to the development of the Partnership.

## BNG Research Programme 2008/9

Theme and Topic	Proposal	Priority / fit	Estimated Cost
<b>HOUSING MARKETS &amp; SUSTAINABILITY</b> Housing options and affordability Housing tenure  Social housing	Housing Options Ladder  Rebalancing communities (including mixed tenure in existing neighbourhoods ) Social housing demand and supply (demand, access, under-occupation)	Crucial to deliver objective about improving housing choice and sustainable home ownership – potentially one piece of work	£ 40,000  (+ (potentially £5,000 in 2007/8)
Housing demand	Who is moving into new homes in BNG?	To understand our markets & the drivers of moving to the area	£ 5,000
Evolving housing market	Modelling future housing markets update (impact of credit crunch and housing market slow down etc.)	Market in state of flux - need to model different scenarios	£ 10,000
Evolving housing market	Estate and Letting agents study (4)	Market in state of flux - making best use of expertise	£ 10,000
Evolving housing market	Making better use of information on the private rented sector	Partnership working	In house
<b>DEVELOPMENT &amp; ASSISTING DELIVERY</b> Design	Value in Design	Ensuring the best of design and value for money	£ 10,000*
Programme delivery	Evidencing CPOs	To deliver a better choice of homes	£ 5,000
<b>FURTHER WORK REQUIRED</b> Impact evaluation	Measuring impact of the HMR programme to date (change, causality, links with other investment)	To determine if we are moving towards meeting our objectives	£ 15,000
Impact evaluation	Resident satisfaction with our changing places		£ 5,000
<b>TOTAL ESTIMATE</b>			<b>£ 100,000</b>

\*estimated will cost around £50,000 in total, with funding from other pathfinders

### Response to ONE NorthEast Corporate Plan 2008-2011 Consultation

I have set out Bridging NewcastleGateshead's (BNG) response to the above document below.

We appreciate One NorthEast membership of BNG's Board and look forward to this continuing in the future; there is however no recognition within the document of this important element of the agency's work – only activity at regional, city-regional and local authority levels. A recent visit by a Junior Minister in Communities and Local Government highlighted our close working relationship with the agency, and their presence at a crucial meeting leading into our future funding allocation as a real strength of our partnership.

The above should appear within the section on 'strategic and influencing role' as should some recognition of the importance of maximising the roles, opportunities and potential of different places within the North East for the benefit of the region as a whole. Your role in the **place making** agenda is not very clear but in relation to regeneration, we believe the agency has a role in ensuring economic 'fit' with renewal activity, to make sure the North East's residential offer in areas with significant future employment opportunities meets the aspirations of incoming workers, thus reducing commuting. Likewise, on page 23, in terms of how the agency will deliver on 'place', there is no mention of its contribution to place making, for example, as part of major regeneration through helping to source funding for local retail centres in housing market renewal neighbourhoods where the gap in resources for this crucial infrastructure could undermine the pathfinder programme.

We welcome your intention to consider the impact of a tightening housing market on consumer confidence and spending (page 9) and have recently carried out some innovative research looking at modelling future housing markets based on different economic, supply and renewal intervention scenarios with Professor Glen Bramley.

However, the **links between the economy and the residential offer** are not as clear elsewhere in the document; although The Northern Way have taken a lot of responsibility for this work to date, the agency will need to work with its regional partners to encourage complementary activity in the North East. For example, on page 16, 'Working with our public and private sector partners', there is no mention of linking the residential offer to an understanding of the economic geography dynamics.

**Creativity and enterprise** are promoted within the Plan but this is only related to the potential for **live-work** in relation to BOHO in Tees Valley (pages 24-35 and 42). The agency has a role in promoting such initiatives across the region as part of an approach to encouraging the expanding creative sector to act as a catalyst to regeneration.

**Manufacturing and productivity** are highlighted as important to the programme of activity around 'Business'. Marine technology is not mentioned in this section or anywhere else in the document yet the agency has worked with North Tyneside and Newcastle about the potential to support this key industry in Walker and Wallsend, as part of a holistic approach to regeneration, of the places and their people – we assume that this is included within the targeted support for manufacturing investment block?

In terms of **economic inclusion**, we welcome the intention to focus on areas where employment inactivity remains extremely high. We request that the agency shares the findings of the Easington Worklessness Pilot with a wider group of officers and agencies, including housing as well as economic development experts – as both sets of officers are engaged in tackling poverty.

We draw the agency's attention to John Hill's recent Review of Social Housing and Communities and Local Government's evolving response; there are implications for the suggested approach to **increasing economic participation** in relation to encouraging social rented tenants into employment. The agency may want to discuss a joint approach with the Regional Housing Board.

On page 58, in relation to 'City Regions and Rural', we understand that you can only provide limited examples of your approach but would suggest reference to 'The development and opportunities provided by Science City will link to the BNG and New Deal for Communities programmes to improve the sustainability of Elswick'. This would recognise BNG's 'stake' in the brewery site, alongside the 3 Science City partners.

If you have any queries about this response please contact Karen Anderson on telephone 0191 277 2663 or by e-mail at [Karen.anderson@bridgingng.org.uk](mailto:Karen.anderson@bridgingng.org.uk).