

BRIDGING NEWCASTLEGATESHEAD BOARD
FRIDAY 14 MARCH 2008
MINUTES

Present:

Jim Coulter	Chair
Douglas Taylor (rep Kehri Ellis)	Newcastle Partnership
Councillor Mike Cookson	Newcastle City Council
Sheila Johnston	Gateshead Council
Barry Rowland	Newcastle City Council
Geraldine Wilcox	Independent
Jim Darlington (rep Tom Warburton)	One NorthEast
Councillor David Napier	Gateshead Council

Observers:

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

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 (Jim Darlington attending), Donald Urquhart, Steve Errington, Kehri Ellis (Douglas Taylor attending), Gev Pringle and Julie Jacques.

2. DECLARATIONS OF INTEREST

Sheila Johnston – Gateshead Site: personal but non-prejudicial.
Jim Coulter – Audit Commission Performance Review item within Director's Report – as a member of the Audit Commission Board.

The Chair welcomed Councillor George Curry as Board Observer from New Deal for Communities, Jim Darlington (representing Tom Warburton), Barry Rowland pending the recruitment of the new Executive Director and Bill Carr (representing Julie Jacques).

3. **MINUTES OF THE PREVIOUS MEETING AND MATTERS ARISING**

- Julie Jacques apologies for 25 January meeting to be included.
- The minutes were then signed by the Chair as a correct record.

The Operational Plan was tabled and copies of the Risk Register were available.

4. **DIRECTOR'S REPORT**

Funding Announcement

- £95 million for 2008/11 - good news. The allocation for years 2 and 3 is subject to change of up to plus or minus 10% subject to performance in the following areas:-
 - Working with the new Homes and Communities Agency
 - Making links with Growth initiatives.
 - Involving the private sector and taking advantage of some of the new approaches English Partnerships and the Agency are developing.

BNG will be working hard to achieve 10% or more if possible.

- The revenue allocation within the overall programme has been fixed at £2.5million per annum which is around the same level as at present. Will be looking at ways of dealing with that at source.

Audit Commission Performance Review

- The Review document has been published on the Audit Commission website and BNG has completed an analysis which is attached as an Appendix to the report showing funding across the Pathfinders. An analysis of comparative performance will be made to pick out good practice which BNG can use. A report will be presented to July Board.

AM/IM

Growth Points Submission Announcement

- Now expected week of 25 March. The announcement will confirm which Growth Points go forward and also initial funding.

Progress on Newcastle and Gateshead LAAs

- Anne Mulroy is now a member of the Gateshead Strategic Partnership Steering Group and also the Newcastle Partnership Innovation Group.

BNG Sounding Panel (working title)

- Draft proposals were taken to the last Community Engagement Workstream and the issues raised by the Board in the report were highlighted. It is anticipated that recruitment of members will begin in June/July with the first meeting in the Autumn to allow time to work with the Community Empowerment Network in Gateshead and its equivalent in Newcastle to identify potential members. Newcastle Partnership are undertaking a review of community empowerment and voluntary sector

DT/KE

engagement which may result in changes. They will link up with Karen Anderson on that.

Gateshead Site

- An update on progress was given.

Service Level Agreement

- An extensive piece of work is being undertaken in relation to current working arrangements in the Partnership including capacity costs and a report will come back to the May Board. A draft is currently being considered by officers. It will be important to review and monitor these commitments.
- Budget implications of revenue capital split – £2.5million revenue allocation. BNG can set a budget target for the SLA. There is scope to look at capacity costs SLA covers and the revenue costs in the programme. There will be no impact in relation to third party project funding.

JD/AM

5. PROGRAMME AND FINANCIAL UPDATE 2007/8

- Confident that spend will meet the year end target. Cashflow is almost as forecast. BNG is working hard to flatline the cashflow profile over the coming years. 3 year allocation provides the opportunity to do that.
- In relation to output targets, acquisitions are highlighted as a risk. 130 properties have been acquired and there are a further 42 with Legal. Land acquisitions as predicted at Gateshead site. Working with partners to complete ownership. Confident of completing outputs including new build targets.
- The Team were congratulated on this achievement and the fact that savings are being made due to reduced unit costs etc.

6. BNG RESOURCES 2008/11: INVESTMENT ALLOCATION AND PROGRAMME

- Whilst the targets detailed in the report are those agreed with CLG, BNG is working towards higher targets.
- BNG is clear of the risks and how they will be mitigated. Detailed discussions have been held recently about the alignment with SHIP given the allocation for 2008/09, however the remainder of the 2 years is not allocated. North East Assembly is undertaking an exercise to look at the ways in which Years 2 and 3 are allocated. There is a small risk to BNG but because of the overall level of the programme this risk can be managed within the programme.

- 3 year indicative amounts for SHIP are on the rise but unlikely that the individual allocations would be set until middle of next financial year (Sept/Oct). Would be useful if there was a a pro rata balance between Tees Valley and Tyne and Wear on housing and population basis. There is a question about how CLG can be involved. Diana Pearce will feed back that this is unhelpful to BNG. DP
- National Affordable Housing Programme element – Housing Corporation are encouraging bids from Tyne and Wear (opening date for bids 14 April, closing 9 May). There will be a further bidding round in October.
- An update on the Chairs’ meeting with Sir Bob Kerslake was given. It was a positive meeting and support and commitment were there. He was willing to set up meetings with the Chairs on a biannual basis and for Directors to meet regularly.
- There have also been positive discussions between Sir Bob Kerslake and RDA Chief Executives. He is interested in the inter-relationship between funding and regional priorities, funding allocation process etc. and there was agreement to look in more detail about how arrangements might work on a regional level – possibly piloting a mechanism to see how this might work in more detail. At Regional Housing Board there is a consultation document that is part of the national review about how that might work in future – due out end of this month/early next month.

7. **DRAFT OPERATIONAL PLAN (TABLED)**

- Comments on content and format to be sent to Anne Mulroy by Friday 28 March and further version to be circulated on 9 April. ALL
- The format of the Plan has been changed to be able to report in a more narrative way on individual activities. The Plan will still include a Traffic Light Diagnostic.
- Invitation to Board Members on defining outcomes as clearly as we can rather than reporting on the process element. ALL

8. **STRATEGIC RISK REGISTER REVIEW**

- Reviewed on a 6 monthly basis by the Board.
- 23 key strategic risks, 15 red, 7 amber/green, 3 major risks (detailed below).
 - **Risk log: 32**
‘Impact of interest rate fluctuations etc. on scheme viability due to the money markets causing a reduction in the demand for houses to buy. Developers could become unwilling to progress schemes.’ This could become an issue on several current schemes in particular the new developments on Walker Riverside.
 - **Risk log: 44**
‘Failure to deliver key projects and the effect this may have on the programme as a whole.’

The 2008-11 programme includes several high cost, potentially high risk, projects including Cruddas Park, Scotswood Expo, Bensham and Saltwell etc. In addition the work in relation to developer procurement in Gateshead could have a significant impact on the programme.

○ **Risk log: 43**

‘Failure to optimise Private Sector Investment’

Involvement of the private sector is a key performance indicator in terms of BNG continuing to be assessed as performing strongly.

Significant leverage from the private sector is anticipated over the next three years and it is essential that this materialises.

- These risks will be monitored closely and the impact they are having will need to be managed. Will report back to the Board. IM
- The register has been prioritised by Programme Management Group and Project Appraisal Panel.
- The Chair highlighted various issues:-
 - Political risk – next CSR happens around the year of the General Election and there is a risk about change in Government to the HMR programme.
 - Creation of Homes and Communities Agency creates a risk for BNG which should be highlighted.
 - Housing and spatial strategy – if the wrong Growth Point decision is taken continued risk of out-migration.
 - Governance arrangements – Given the change in circumstances of our structure and governance target should be green not amber as BNG would not continue to perform strongly if it had ineffective governance and leadership.
- Report received.

9. **BOARD REVIEW: CHAIR’S REPORT ON APPRAISAL DOCUMENTS**

- The Chair has completed meetings with Board Members and held separate discussions with the two new members about their perceptions and the induction process including how we might make better use of materials we have got. The Board’s collective view of ourselves is positive. The areas which are ‘average’ in their score indicate relative weakness in some areas:-
 - Board training: while few specific problems were identified, we have only just developed an induction programme for new Board Members in conjunction with our recent recruitment. Perhaps we also need to ensure we provide ‘refresher opportunities’ for all;
 - Board relationships are good but questions were raised about the need for more informal opportunities to mix as well as ensuring all Members feel fully involved;
 - The focus on BNG performance management is strong (and

recognised by scrutiny bodies) but we have little input into the performance of partner bodies (largely the two local authorities).

- Specific thing coming from induction is to have a master cd rom of key documents. Could possibly use one of future Board meetings as an Away Day at a less formal setting – possibly mid year / early Autumn.
- Jonathan Dunk reported that a full evaluation of performance for 2007/08 has been put in place and there would be a potential opportunity for help from the Board there.
- Gev Pringle suggested that we test community engagement work by having a resident inspection activity and perhaps could be done through the Sounding Panel. Councillor Napier report that Gateshead have had a housing inspection of estates by Gateshead Housing Company and could ask that comments on BNG also be included.

JC/AM

Cllr Napier

10. **DRAFT BNG RESPONSE TO NORTH EAST OF ENGLAND REGIONAL SPATIAL STRATEGY**

- Karen Anderson picked out the main messages.
- Risk to BNG if there is growth elsewhere.
- Text is still supportive of focussing on core areas but some key issues have been removed from policy areas, eg requirement for settlements to meet local need has been removed.
- Figures for Tyne and Wear are guideline figures and do not represent a ceiling.
- Appendix 10.1 shows the latest numbers and gives an initial indication of what the Growth Point bid is suggesting. Policies within the RSS and sequential locational policies ensure the focus is on the core and build out from there. Gateshead Town Centre is not mentioned at all.
- Reference to further crossing to River Tyne has been removed.
- The RSS will be finalized in the Summer and this be considered to be final for this phase of RSS in recognition that by then Growth Points will have been announced. There may then be a need for a quick focussed review just to look at the housing elements before the new arrangements for the Integrated Regional Strategy come in.
- The key factor will be advice to Government from the Housing Planning Advice Unit on a range of Growth that each region should be considering in the context of the Housing Green Paper and their contribution to the Growth target. A number of models are being used to assess what that range should be and likely to produce a detailed assessment of this in their advice to Government. It is likely that there will be a need for partial review. BNG needs to work closely to give a clear inter relationship between housing, economic growth and transport. Housing Planning Advice Unit will be taking their figures to the Board next week but nothing will be publicly available until mid May.
- With reference to Appendix 10.1(c), a question was asked about why the highest number of houses is being funded in the period 2016-21. This relates to demographic forecasts. Because of outstanding planning permissions some of the more peripheral areas would catch more allocation earlier on.

- There was some discussion about the Community Investment Fund (CIF) and the potential of making bids against that. Regional Assemblies and RDAs have been asked to prioritise bids.
- If the NewcastleGateshead Growth Point bid is successful discussions with other Growth Points areas needs to take place about how to work together. BNG has picked up on the CIF and the parameters of that have not been made clear. It has been suggested that BNG provides information on HMR. CIF is geared towards infrastructure, ie transport and is for capital not revenue. Local Authorities should look at current transport schemes they could bid for funding to bring forward. Need to be buildable before 2011. CIF would also include open spaces.
- BNG is moving ahead positively on the Growth Point submission and have an Action Plan about what we do if we get the go ahead on 25 March. Delivery Plans expected to be brought forward August.
- **AGREED:** that response be submitted as per the draft.

11. **OUR CHANGING ENVIRONMENT – REVIEWING THE BNG STRUCTURE**

- Anne Mulroy gave a presentation about BNG's challenges and opportunities and moving forward with the Gateshead and Newcastle Partnership.
- The report is a summary of dialogue with Eversheds who have suggested that BNG can continue to operate how we are for now but the structure should be kept under review.
- There needs to be some debate about investment and what delivery vehicles are put in place behind the CDC, eg LABV, LHC. It is important that flexibility is built into the structure.
- RSS work is about strengthening our evidence base, looking at housing issues generally and their inter relationship. It is also about research experience there is in BNG which could fit with not only what has happened more locally but on a broader strategic basis and One NorthEast would be looking to tap into that experience and the process of getting a clear indication of what the priorities are for the area.
- Perceptions of separation is a risk that BNG is managing very well at present.
- A summary of the Glen Bramley work was then distributed.

12. **SHARING LEARNING**

- The Research Event will take place 20 March to disseminate BNG's research findings. The Event will be Chaired by Professor Ian Cole. 130 people have confirmed from across the region and Diana Pearce was thanked for her input in relation to invitees. Attendees include other Pathfinders and Local Authority partners. Glen Bramley will present on the day and will be running a workshop. There has also been interest in the Work Here Like to Live Here study, creative sector and community cohesion work. There will be feedback on the event at the next meeting.

KA

13. **CONSULTATION RESPONSES**

- Received.

14. **FORWARD PLAN**

- Received.

15. **PROJECT APPRAISAL PANEL**

- Minutes of 7 March received.

ADVISORY GROUP

- Minutes of 11 January and 29 February received and revised Terms of Reference approved.

16. **ANY OTHER BUSINESS**

- No discussion.

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

- Friday 16 May, 9.30am tour followed by 10.30am meeting at Ouseburn Regeneration Centre.