



## In-depth review of sustainable communities policy

Report on the Area Based Assessment of the  
Bridging NewcastleGateshead Housing Market  
Renewal Pathfinder

CAG CONSULTANTS

Gordon House

6 Lissenden Gardens

London NW5 1LX

Tel/fax 020 7482 8882

[hq@cagconsult.co.uk](mailto:hq@cagconsult.co.uk)

[www.cagconsultants.co.uk](http://www.cagconsultants.co.uk)

For direct enquiries about this report please contact:

Tim Maiden

Tel: 0191 224 1390

Email: [tm@cagconsult.co.uk](mailto:tm@cagconsult.co.uk)



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# Introduction

CAG Consultants were appointed by the Sustainable Development Commission to undertake an in-depth review of sustainable communities policy (the SCP and subsequent linked policy). The aims of the review were to: -

1. Investigate if and how the delivery of sustainable communities policy has helped to make communities more sustainable.
2. Learn lessons about how delivery of sustainable communities policy could better support the achievement of more sustainable communities.
3. Learn lessons about how to absorb the aims of the UK sustainable development strategy into government policy and practice more generally.

The review focuses on two proposals at the heart of the SCP – Housing Market Renewal Areas (HMRAs) and Growth Areas. It had two components:

1. A review of national policies on the Sustainable Communities Plan (SCP) and any existing performance assessments of sustainable communities policy by Government Departments and independent bodies.
2. Four area based assessments. Two in Growth Areas (Barking & Dagenham and South Cambridgeshire) and two in Housing Market Renewal Areas (East Lancashire and Newcastle / Gateshead).

This document is one of four reports on the area based assessments and presents our findings for the Bridging NewcastleGateshead Housing Market Renewal Pathfinder.

There is a separate report which draws together the conclusions from the area based assessments and national policy research.

# The area

The Pathfinder case studies were selected to represent, as best as possible, the diversity of the nine Pathfinders. Bridging NewcastleGateshead (BNG) was chosen to represent a Pathfinder which is:

- within a conurbation;
- at the bottom of the range of planned government funding for HMRA's;
- with a high proportion of social housing; and
- within the North East region.

In contrast, our HMRA case study of Elevate East Lancashire represents a Pathfinder centred on medium-sized non-metropolitan settlements, dominated by privately owned houses, and at the top of the range of planned government HMRA funding and within the North West region.

The Audit Commission provide the following description of the BNG area:

*The Newcastle Gateshead Pathfinder ('Bridging Newcastle Gateshead') covers the inner core of Newcastle and Gateshead in the North East of England. The BNG target area has a population of around 140,000 people living in 77,000 homes. These span the two neighbouring local authorities, either side of the River Tyne - 52, 000 properties in Newcastle, north of the river to the east and west of the city centre and 25,000 in Gateshead to the south.*

*The pathfinder target area has a large amount of social rented stock; too many flats and poor-quality terraced housing and not enough bungalows or larger family homes. Overall vacancy levels are high, more than 7 per cent. This and a generally poor environment, low educational attainment and high crime levels mean that the BNG area shows all the symptoms of multiple deprivation.*

*The sub-region has experienced substantial decline over the last 30 years. Initially associated with the decline in traditional industries, such as shipbuilding, more recently, large amounts of attractive new housing built in neighbouring areas, and a failure of the local housing market to respond sufficiently to changing demands of the workforce has undoubtedly contributed to continued outward migration. Over the period 1991 to 2001 the BNG area saw a net population loss of nearly 12,000 or 6 per cent. This is in addition to almost 8,800 over the previous decade. This general trend is still evident; with a further 3,000 people (2 per cent) leaving between 2001 and 2005.*

*In the 1990s, economic growth was a quarter of the national average, and recent figures indicate 1.3 per cent economic growth compared to 3.1 per cent nationally. There are though some signs that the regional economy is gathering strength, Newcastle and Gateshead has diversified from the former heavy industry base to encompass service and knowledge-based sectors and more recently begun to establish itself as the cultural and creative centre of Tyne and Wear.<sup>1</sup>*

As well as reviewing BNG as a whole, the case study also includes a more detailed review of the Walker Riverside sub-area in Newcastle. Walker Riverside was selected as it has been a major focus of BNG's work to date and it has also been the subject of a detailed Audit Commission review which has provided useful information for this review. The Walker Riverside sub-area is described as follows:

*Walker Riverside is located to the East of the city centre, near the river Tyne...*

*Walker Riverside is considered to be a deprived area both nationally, and in relation to other neighbourhoods in the city. It has high unemployment, low educational attainment, low house prices, low income levels and high population loss. The total population of the Walker Riverside area has fallen from just under 20,000 in 1971, to just over 15,000 people in 1991. The latest figures from 2001 are approximately 13,000. This represents an increasing threat to the community infrastructures and the viability of essential services, with two schools already set to merge.*

*Walker Riverside can be split into three main blocks of land use – housing, which covers the majority of the area; industry to the east; and open space with the Riverside Park and Walker Park being the most important. In total there are some 6,200 houses, most built between 1920 and 1935. Almost 70 per cent of housing is in local authority ownership, with 99.9 per cent in council tax bands A and B. While the area is no longer subject to the large scale vacancy rates seen a few years ago, the housing on offer does not reflect the demand for affordable quality family homes, particularly for sale, and there is an oversupply of small, one and two bedroom dwellings.*

*The area has been industrially orientated for over 150 years, and today includes a 70 hectare industrial park. There may be some remaining contamination in parts of Walker Riverside, and site investigations for redevelopment have already revealed problems associated with former industrial use, which have had to be overcome.<sup>2</sup>*

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<sup>1</sup> Market Renewal – Bridging Newcastle Gateshead, Strategic Review, Audit Commission, December 2005

<sup>2</sup> Market Renewal – Bridging Newcastle Gateshead, Performance Review, Audit Commission, May 2006

BNG is a strategic alliance, initially established by Newcastle City and Gateshead Councils, to respond to the Government's Housing Market Renewal Programme. It now incorporates representation from the two Local Strategic Partnerships, One NorthEast (the Regional Development Agency) and English Partnerships, together with independent members. Gateshead Council is the accountable body and Newcastle City Council is the host employer of the core team staff. BNG is responsible for overseeing development and overall delivery of the HMR programme and for strategic options appraisal and project appraisal. Local delivery is through the two local authorities (and partner organisations), both of which have established dedicated teams to manage and deliver BNG within their authorities.

By the end of March 2006 BNG had:

- improved 900 homes;
- demolished 1302 dwellings;
- built or converted 37 homes;
- acquired 7.38 hectares of land and made 2.48 hectares available for new homes; and
- carried out major neighbourhood planning and master planning schemes to enable delivery to begin.<sup>3</sup>

As the figures above demonstrate, in terms of new-build the pathfinder is still in the early stages of delivery and more homes have been demolished than built or improved. Some of the reasons for this are discussed in the 'Delivery Partnerships' section below. The majority of demolition to date has been in Newcastle East and West End and in Felling in Gateshead.

BNG has been allocated £64m from the Housing Market Renewal Fund for 2006-2008, with which they plan to:

- refurbish 1500 homes;
- demolish up to 288 more dwellings;
- facilitate the conversion or building of up to 600 new homes;
- acquire a further 10 hectares of land which will provide about 400 new homes in the future;
- make up to 22.5 hectares available for almost 900 new homes to be built; and
- use up to £2.75m to support communities in transition, to improve the management of the private rented sector and to provide construction training.<sup>4</sup>

In the longer term (2006 to 2018) BNG plan to:

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<sup>3</sup> Bridging NewcastleGateshead – Our key messages, Briefing to Housing Minister, BNG, July 2006

<sup>4</sup> *ibid.*

- refurbish 10,500 homes;
- demolish up to 3,000 properties
- facilitate the conversion of or building of approximately 7000 of the potential 12000 new homes to be built in the area; and
- make 112 hectares available for new homes.<sup>5</sup>

Walker Riverside is the most advanced of BNG's strategic commission areas. Extensive community and stakeholder engagement has been undertaken, a master plan prepared and a submission draft Area Action Plan (AAP) recently produced (July 2006). In addition, Walker Riverside has been one of seven national pilots for the use of design codes, which set out the principles of good design that all aspects of developments in the area should adhere to with the aim of *'achieving quality, coherence and speed in the design and delivery processes'*<sup>6</sup>. It is intended that the design code will be adopted as part of Newcastle's Local Development Framework (LDF) alongside the AAP.

Implementation in Walker Riverside is in its early stages. The Cambrian estate, which mainly consists of ALMO (Arms Length Management Organisation) stock, was formally approved for demolition and rebuild two years ago. As well as the two show homes, that have been well received by the local community, construction work on the first phase of new build on the Cambrian Estate is now well advanced. In addition, the first Neighbourhood Improvement Scheme to private sector housing at 'The Oval' has recently been completed.

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<sup>5</sup> *ibid.*

<sup>6</sup> Walker Riverside Area Action Plan, Submission Draft, July 2006



# Main findings

## Active, inclusive and safe

### Community cohesion and identity

BNG has placed a strong emphasis on sustaining communities and developing them rather than clearing them and starting afresh. BNG see themselves as somewhat distinct from the other Pathfinders in this regard and suggest that they have much less of an emphasis on demolition than the others. This approach seems to have emerged from the lessons learnt from the extensive clearance which took place in the West End of Newcastle prior to BNG. Concern was expressed however, that the output-driven nature of the HMRA programme somewhat conflicts with this approach.

A recent BNG Board Report reported that 11.4% of properties turned over 2 or more times in the Gateshead BNG area between March 2005 and March 2006 compared to 3.7% in the rest of Gateshead<sup>7</sup>. The report implies that this may be partly due to an increase in speculative property investments. This high turnover must to some extent be undermining community cohesion and BNG's aims of sustaining communities. The same issue is not apparent in the figures for the Newcastle BNG area. The reasons for this are unclear but may be due to the higher levels of Council ownership in the Newcastle BNG areas which have received most attention to date and the fact that much of the problematic stock has or is being demolished.

Interviewees acknowledged that there had complaints from some local residents that they were being priced out of their areas. However, one interviewee suggested that such complaints were relatively small in number and that few will have suffered any real loss of opportunity.

*'Those with larger houses may have struggled to move to similar sized houses in the area [Walker Riverside] because there are not many large houses. However, even if they have had to move to shared ownership, the value of their equity will have increased significantly.'*

### Community safety

BNG have been providing revenue funding for various initiatives to address issues of community safety. For example, in Newcastle's East End the Local Initiatives for the East End (LIFE) project offered crime prevention advice and free security measures to people living in Byker, Walker Riverside and Daisy Hill, in conjunction with Northumbria Police (funding for this project has recently been withdrawn because of restrictions on revenue funding, which is discussed later in this report). Similarly, on the West side of

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<sup>7</sup> BNG Board Report 14 July 2006, Housing Market Intelligence Update

the city, the North Benwell Neighbourhood Management Initiative has been working with Northumbria Police and local street wardens to address community safety. BNG's website reports that this has already resulted in a 36% drop in crime (July 2003 to July 2004) in the North Benwell area (unsourced). It has not been possible to obtain other local level quantitative data on changes in crime levels and perceptions of community safety. However, anecdotal evidence from the interviewees suggests that there has been a significant improvement, particularly in the West End of Newcastle.

From 2006 onwards, the government have placed a 10% limit on revenue expenditure within the programme (in 2003-04 no limits were placed on revenue expenditure and in 2005-06 the limit was 20%). This is placing many of the revenue-funded projects, such as those addressing community safety, under threat.

The design of new housing and facilities is a crucial factor in achieving a long term improvement in crime levels and community safety. Many of the plans and programmes being developed by BNG address these issues although they could be addressed in a stronger and more strategic manner. For example, the Design Code for Walker Riverside merely suggests that Secure By Design (SBD) principles could be applied to the movement and block design. The Area Action Plan goes further, in requiring all housing development to comply with SBD standards, although without a requirement to achieve SBD accreditation, this may be difficult to enforce. The adoption of SBD principles in housing design is encouraged in the Regional Housing Strategy.

## Well run

### Community engagement

BNG has a particularly strong emphasis on consultation and community engagement, for which they have been commended by the Audit Commission:

*'The pathfinder has developed an effective approach to consultation, communication and engagement... BNG seeks to involve different stakeholders at all levels in helping to develop solutions... Despite limited evidence of progress on the ground, the pathfinder and its partners have much evidence of working effectively with local communities and getting them comprehensively involved in planning for the future which should result in stronger buy in to proposed interventions'<sup>8</sup>*

In Gateshead the preparation of Neighbourhood Action Plans involved consultation with local residents, community groups, local voluntary organisations, businesses and other stakeholders such as churches, schools and service providers. Targeted consultation has been undertaken with specific groups such as school children and the Jewish

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<sup>8</sup> Market Renewal – Bridging NewcastleGateshead, Strategic Review, Audit Commission, December 2005

community. BNG estimate that over 4,000 people have been involved in the process so far<sup>9</sup>.

Community and stakeholder engagement has underpinned the work in Newcastle. The City Council have used a technique called 'Community Enquiry'<sup>10</sup> to get community and stakeholder input in to the vision and framework for Walker Riverside and other sites. This involves a wide range of stakeholders in intensive joint planning and visioning work over several days. Work on the remodeling of the Byker Estate in the East End of Newcastle has included having architects temporarily in residence on the estate and having community representation on the judging panel for the Byker design competition. Consultation as part of the competition is estimated to have reached 42% of traders and residents within the two core areas and around 10% of all traders and residents in the wider Byker area.<sup>11</sup>

Formal consultation has also been undertaken as part of the statutory planning process in Newcastle and Gateshead. The formal consultation on the options for the Area Action Plan for Walker Riverside has been cited as an example of good practice by the Government Office for the North East. It has been agreed that at the start of the planning process for each area within Walker Riverside, a neighbourhood planning event will be held, and each project is subject to ongoing consultation with residents. For example, on the Cambrian estate, feedback from visitors to the show homes was taken on board in revising the layout and choices offered as part of the subsequent development of new homes. A focus group now meets monthly with all developer partners to review progress, and an information centre has been established, funded by BNG, which houses an expanded joint partnership delivery team on the estate. The Audit Commission comment that:

*'The extent of resident choice and input into redevelopment on the Cambrian estate has been particularly extensive, with existing tenants selecting the plot of their new home. This has been particularly empowering, but is unlikely to be fully replicable elsewhere, although BNG will seek to retain the principle of individual choice.'*

In many of the BNG areas, ongoing community and stakeholder involvement will be achieved through continued formal involvement as part of multi-agency project boards or steering groups.

Key to achieving buy-in from the local community in Walker Riverside has been the development of the 'Walker Riverside Promise'. This document, prepared by the Council and its partners, was said to have been critical in overcoming some community and

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<sup>9</sup> BNG website ([www.bridgingng.org.uk](http://www.bridgingng.org.uk))

<sup>10</sup> based on the 'Enquiry by Design' concept developed by the Prince's Foundation

<sup>11</sup> Bridging NewcastleGateshead – Our Key Messages, BNG, July 2006. The data is based on research carried out by the Research Team at Newcastle City Council.

political opposition an initiating momentum, and sets out the following commitments to residents in the area:

- *Wherever possible everyone who lives in a house or flat in an area that the Partnership wants to redevelop will be able to remain in Walker Riverside if they wish.*
- *Individual future housing needs will be discussed before detailed plans are submitted for planning application. If required, you will be offered appropriate, similar house/flat types.*
- *The partners will tell you whether a new home or premises will be built prior to your home or property being cleared. If this is not possible, reasons will be explained and temporary housing or premises will be made available.*
- *You will be able to help shape plans and have an opportunity to be involved in planning your neighbourhood.*
- *The partners recognise the importance of community networks and understand that you might want to live next to the people who you live next to now. We will try to make sure this happens if this is what you want.*
- *Residents who wish to remain in their present area will be able to choose the location of their new home within a site nearby wherever possible. Where there is greater demand in some locations, negotiation will take place, with priority given to existing residents based on housing needs. Relocation support will be available to residents.*
- *Where relocation is proposed, we will seek to ensure that wherever possible, only one local move is required for any individual household.*
- *Where temporary moves are necessary this will be discussed in advance with people who are affected. Should a temporary move be necessary then a written guarantee will be provided confirming that the permanent home will be reserved for the people concerned.*
- *We will do everything within our power to help you through what we realise can be a difficult time. The Relocation and Resettlement Team are a dedicated team who will be on hand to help and support you throughout your move, and if necessary after.*<sup>12</sup>

The Promise now forms a local lettings policy for Walker. Whether such commitments can be made in future schemes was questioned by a number of the interviewees, particular in terms of the like-for-like replacement of homes. The example given was of

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<sup>12</sup> Walker Riverside Promise, September 2005

single older people living in large houses who were expecting to be moved into a new unit of the same size.

At a strategic level, BNG carried out extensive consultation as part of the recent revision of its vision and objectives. Independent consultants were commissioned to oversee widespread consultation across the whole BNG area. Carried out over a 6 week period in summer 2005, it involved newsletters being sent to 77,000 homes, roadshows which engaged over 400 people and input by written contributions, post, email, interactive website and interviews with more than 750 people<sup>13</sup>. A community audit map was also developed, which identified over 350 groups and 60 of these were directly contacted during the consultation process. The outcome signalled overall agreement and support for BNG's vision and priorities, and the pathfinder took feedback into account in finalising its new vision and objectives. For example, it resulted in a greater focus on helping people to own their own homes. The community auditing work did highlight a degree of under-representation from some groups and identified a need to have a greater consultation focus in the future on males, housing association and private sector tenants, members of the BME community, young adults and people over 75.

The BNG Board includes representatives from Newcastle's Local Strategic Partnership and Gateshead's equivalent, as well as three independent members, but the Audit Commission suggested that representation at strategic levels throughout BNG was not sufficiently diverse:

*... more attention is needed to ensure pathfinder-wide governance arrangements are appropriately established under strategic commissioning which reflect the diversity of the communities served...*

*A high level of BME representation is reported on the New Deal for Communities Board, which is not currently apparent on the BNG Board. A situation which needs to be addressed in order to try to ensure representation better reflects local communities.<sup>14</sup>*

Since the publication of the Audit Commission report, BNG have made progress against the majority of recommendations in the report – they state that they have reviewed Governance and the diversity of the Board has improved, local governance structures are being established in both Local Authorities, and three strategic commissions in Newcastle, including Walker Riverside, now have established Boards and have representation from BNG on each.

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<sup>13</sup> What Makes a Great Place to Live? Consultation Report, BNG, 2005

<sup>14</sup> Market Renewal: Bridging NewcastleGateshead – Strategic Review, Audit Commission, December 2005

## Delivery partnerships

One interview cited concerns which have been expressed about governance arrangements in BNG in the past, although it was suggested that they are now *'keeping a much closer eye on things'*. One of the keys to becoming more effective appears to have been the development of a new approach targeting resources at interrelated activities within particular priority areas, called 'strategic commissioning'. There are nine strategic commissions (five in Newcastle and four in Gateshead). The rationale behind it is to target resources at areas which show the greatest need along with the possibility of recovery. According to the Audit Commission, this is enabling a more focused approach to interventions, although it highlighted the need to maintain a coherent strategic vision<sup>15</sup>:

*The pathfinder describes strategic commissioning as a move to a comprehensive programme of interrelated activities rather than individual projects. It is certainly a move in the right direction and a significant improvement on previous arrangements. To date, the pathfinder has concentrated on ensuring the commissions outline an overall strategy consistent with its objectives, against which the detail of all interventions will be tested. However, connections between the different strategic commissions are not always articulated or clear, and in some cases, connections between the pathfinder's revised strategic objectives and the interventions proposed are less than explicit. The scheme update outlines a rigorous process for future project appraisal and it will be important that the pathfinder retains a strategic overview given all the different interventions proposed.*

BNG point out that since the Audit Commission report was produced, further progress has been made. The BNG Advisory Group is in the process of a formal review of each commission, which will examine and seek to articulate a clear vision for each area and its direct links to achieving BNG objectives. In addition, the overall strategic vision is being strengthened by a piece of parallel work being carried out jointly by BNG and CABE to more clearly tell the story of the market of Bridging NewcastleGateshead and the opportunities and challenges faced.

The Audit Commission have questioned the pace of intervention by BNG and one interviewee acknowledged that delivery had been slower than hoped. In particular they pointed to the pace of the refurbishment programme and suggested that there was *'a strong feeling that it could have happened quicker'*. The pace can partly be explained by the emphasis on research, engagement and multi-agency working. One interviewee also commented *'We have focused on outcomes not early-wins and outputs'*. However, with reference to Newcastle interviewees did acknowledge that in the past the Council has been *'less good on delivery'* and a change in administration at the Council has also led to delays. In Walker Riverside, for example, *'we now have a Lib Dem administration driving the process in Labour areas so it is politically quite difficult'*. A further factor has

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<sup>15</sup> *ibid.*

been the need to establish a clear statutory planning framework and the Council pointed to their success in getting two draft Area Action Plans in place prior to their Core Strategy as an example of the emphasis they are placing on delivering renewal.

One of the interviewees suggested that one of the principal successes of BNG has been the joint working of the local authorities both at board level and officer level. Another suggested that the Pathfinder had created an *'atmosphere of a multi-agency approach to regeneration... and provided the catalyst for a management structure that will deliver holistically'*.

## Environmentally sensitive

### Climate change

All homes delivered in Walker Riverside will achieve EcoHomes 'Very Good' and BNG are covering the funding gap to enable this to be achieved. The emerging Design Protocol (see below) will require all new homes facilitated by BNG to achieve EcoHomes 'Very Good'.

Some of the early initiatives in Newcastle have a very strong emphasis on energy efficiency and renewable energy. The aim for the Cruddas Park and Byker schemes is to achieve Carbon Neutral development. However, development partners have yet to be identified for these schemes. A key design principle in the Walker Riverside Design Code is to maximise the solar potential of sites and one of the first sites for development incorporates the use of solar panels. The draft RSS includes a policy for 10% of the energy requirements of new developments to be provided by on-site renewables.

BNG are in the process of developing a Design Protocol to ensure high design standards in all schemes and this will address sustainability issues, including energy. Energy efficiency standards and reducing energy consumption will be addressed through requiring new build to a minimum EcoHome standard of "very good", and a minimum National Home Energy Rating (NHER) of 9. These standards exceed Building Regulations and are already adopted by English Partnerships and the Housing Corporation (so in this respect there is already some familiarity with these higher standards within the housebuilding industry). The design protocol will also promote the use of renewable energy and efficient water consumption.

In terms of the application of the design protocol, BNG would like it to be applied consistently across all BNG funded schemes and they recognise that it needs to have more than merely advisory status *'otherwise there could be a reluctance to adopt it because of its potential impact on reducing land values'*. However, making adoption of the protocol a condition of BNG funding is seen to have potential problems in terms of funding implications. BNG therefore consider that in the medium to longer term the

solution must be to incorporate the protocols as formal planning policy, which will mean developers having to automatically incorporate the design/energy standards in order to secure planning permission, rather than BNG funding having to be offered to developers as an incentive to adopt the standards. This will obviously take time to achieve, meaning that in the short term at least, the design protocol is likely to just have advisory status.

Adaptation to climate change does not seem to have featured high on the agenda of BNG to date. The Walker Riverside Design Code suggests that new development needs to be designed to respond to climate change but appears to interpret this solely in terms of minimising the contribution to flood risk. It was suggested that it had been difficult to incorporate a strong emphasis on climate change adaptation in the plans and strategies to date because statutory planning policy on the issue has taken time to develop. Now that there are draft policies in the RSS, Newcastle Core Strategy and Gateshead UDP, it was suggested that the impacts of these will begin to filter down to the work of the Pathfinder.

## Water supply

Little evidence has been found of a strategic commitment to promote water efficiency. However, water efficiency is addressed in the EcoHomes assessment process, which may lead to some schemes incorporating higher efficiency standards than might otherwise have been the case. The issue will also be addressed in the Design Protocol.

## Flood risk and drainage

It is understood that none of the BNG proposals are within a flood risk area.

Little evidence has been found of a commitment to promote sustainable drainage. The Walker Riverside Design Code even suggests that the area *'does not require additional sustainable drainage intervention'*, although it does recognise the need to take account of climate change in this regard and suggests that future Neighbourhood Development Brief SPD's (Supplementary Planning Documents) will include further guidance in terms of permeable surfaces and water recycling.

## Greenfield land, greenbelt, biodiversity & countryside

BNG's proposals do not directly affect the greenbelt or countryside but the protection of the greenbelt and countryside was cited by one of the interviewees as one of the key aspirations behind the BNG programme.

Although it is too early for any evidence of additional population being attracted to the BNG area and a reduction in outward migration, there is evidence that the HMRA has led to a stronger policy focus on development in inner areas. For example, the RSS identifies the BNG area as *'a particular priority for development'* and specifically seeks to support the delivery of BNG and other housing market restructuring initiatives through the application of the sequential approach to the release of sites. This gives



priority to regeneration of the city region's core areas. Gateshead's Draft Replacement UDP contains a policy (H4) to restrict any 'windfall' sites outside the BNG area from early development and Newcastle City Council has introduced Interim Planning Guidance to prioritise development in the Pathfinder area. The impact of such policies is already in evidence (although existing permissions, particularly in Newcastle, mean that a substantial number of homes will continue to be built outside the BNG area for some considerable time, including on greenfield sites such as Newcastle Great Park). In 2002/3 the BNG area provided 49% of the 579 net increase in dwellings in Gateshead. In 2003/4 the corresponding figures were 62.5% and 697 respectively. In Newcastle, it is not until 2009/10 that it is anticipated that the BNG area will be providing 50% of new homes<sup>16</sup>. Other research points to the potential of the Pathfinder to successfully promote a long term focus on inner area renewal and reduce outward migration. The New Build Buyers Study commissioned by BNG found that a higher percentage of people who moved in to new homes in the BNG area want to stay in the area compared to those who have moved to homes elsewhere in the housing market.<sup>17</sup>

Some use will be made of inner area greenfield/open space sites, such as in Walker, Benwell and Scotswood. However, this will not necessarily lead to an overall loss of green space. For example, in Walker Riverside, 10.9 ha of existing open space will be removed but 11.2 ha added, resulting in a net gain of 0.3 ha.<sup>18</sup>

There appears to be a strong emphasis on promoting improvements to the quality of open space and access to it, as well as measures to promote biodiversity. In Walker Riverside, the Area Action Plan identifies two sites of nature conservation interest, proposes to explore the feasibility of designating one more and includes a suite of proposals to improve the open spaces in the area, including green corridors to link the area to the River Tyne. A development tariff has been agreed with the Council's development partners to fund these improvements.

The proposed density of developments is between 30 and 50 dwellings per hectare. This reflects the focus of the Pathfinder on delivering a greater proportion of larger family housing and also reflects the RSS, which states that *'In housing market restructuring areas, replacing demolished housing at lower densities can improve demand for properties and improve living conditions... The onus will be on LDFs to generally conform to the 30 to 50 dwellings per hectare approach within PPG3 but to outline specific criteria within the sequential approach and locational strategy where densities could be lower to diversify the dwelling stock and better plan for mixed communities.'*<sup>19</sup> Newcastle's LDF suggests that where lower density development is needed, an overall density of 30 dwellings per hectare will be expected, i.e. the bottom end of BNG's proposed scale. According to the AAP for Walker Riverside the proposed density of development is 41.7 dwellings per hectare.

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<sup>16</sup> Bridging NewcastleGateshead – Our Key Messages, BNG, July 2006

<sup>17</sup> New Build Buyers Project: Executive Summary, Nathaniel Lichfield & Partners, March 2006

<sup>18</sup> Walker Riverside Area Action Plan, Submission Draft, Newcastle City Council, July 2006

<sup>19</sup> North East Regional Spatial Strategy, Submission Draft, June 2005

## Waste

As mentioned above, BNG see themselves as having much less of an emphasis on demolition than the other Pathfinders. In Newcastle, the Pathfinder's plans represent a much lower level of demolition than planned under the previous 'Going for Growth' agenda. This is seen to be important from an environmental perspective (in terms of reducing waste) as well as in terms of maintaining community cohesion.

Little evidence has been found of a strategic commitment to promote the reuse/recycling of demolition waste or the promotion of materials with low environmental impacts, although the Design Code for Walker Riverside mentions the need to use sustainable, local materials in public realm design where possible. These issues are covered in the EcoHomes assessment process, which may lead to these issues being addressed in some schemes. They are also likely to be addressed in BNG's Design Protocol and also in Newcastle City Council's planned SPD on sustainable design and construction. The use of locally sourced building materials is also encouraged in the Regional Housing Strategy.

## Cleaner and greener

BNG is putting considerable revenue funding in to environmental improvements, such as the environmental action teams in Walker Riverside. However, as previously mentioned, in the recent review of the programme BNG were required to focus only on essential revenue interventions and this is likely to restrict the level of local environmental improvement activity which can be carried out in the future. In a recent report, BNG acknowledge that *'this is not sufficient however to enable us to carry out the complementary 'neighbourhood/ respect' type works that underpin physical regeneration that are often the most popular with residents and help to gain their support for the programme, as well as branding, marketing and 'place making' to raise perceptions of the area'*.<sup>20</sup> This was cited as major cause for concern by a number of the interviewees.

As stated above, there appears to be a strong emphasis on promoting improvements to the quality of open space and access to it. The emphasis appears to be on quality rather than quantity, with some existing open space being lost or reduced in size in order to pay for improvements. Newcastle's LDF states that *'some areas of open space (including some areas formerly used for housing) may be more productively used for housing, allied to improvements in open space provision in the locality'*.<sup>21</sup> For example, in Walker Riverside, the Lightfoot playing field, which is identified as an area of 5.9 hectares in the UDP, will be reduced to approximately 4.5 hectares and see major refurbishment to enable it to meet modern sports, community and health needs.

Whether this will lead to an overall loss of open space in the BNG area is unclear for two reasons. Firstly, because the definition of what constitutes open space is a matter

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<sup>20</sup> Bridging NewcastleGateshead – Our key messages, Briefing to Housing Minister, BNG, July 2006

<sup>21</sup> Newcastle Local Development Framework Core Strategy, Preferred Options Report, May 2006

of local debate, e.g. land which is not currently built on but has previously been developed and offers little in terms of amenity. Secondly, new open spaces will be created in some of the schemes and the overall net effect on quantity is unclear at this stage.

The proposals for Walker Riverside have been informed by a PPG17-compliant Open Space Needs Assessment, which generated detailed recommendations on locations where open space facilities should be provided and on how to achieve high quality standards. In addition, a development tariff has been agreed with partners for development of land owned by the Council, and this money will be used to improve open space to meet the quality standards. Development proposals are also required to contribute to achieving quality standards by including site specific improvements to local open space. A section of the Design Code for Walker Riverside is dedicated to the public realm, including streets and open spaces.

## Eco Homes / Sustainable Buildings Code

A requirement for EcoHomes 'Very Good' is included in Newcastle City Council's Submission Draft Core Strategy and in Gateshead's UDP Re-Deposit Draft Replacement Plan (January 2006). If adopted, this would lead to the requirement being applied to all public and private schemes across the BNG area. To date, BNG have not specified the use of EcoHomes standards for all developments but EcoHomes 'Very Good' is being required for the new homes in Walker Riverside, with the gap funding for this being provided by BNG. In Gateshead, one of the first major BNG schemes to come forward (by Boklok) will achieve EcoHomes 'Excellent'. The EcoHomes system will be referred to in BNG's Design Protocol, which will include a minimum standard of 'Very Good'.

One interviewee suggested that earlier publication of the Code for Sustainable Homes may have made a difference to the environmental standards of developments but that to have a real impact it would need to be mandatory rather than a voluntary code.

## Well designed and built

### Design

There seems to be a strong emphasis on design standards in BNG, as evidenced by the piloting of the Design Code approach in Walker Riverside, the Housing Expo proposed for Scotswood and the Byker design competition. The design code was highlighted by interviewees as having worked very well, and it was suggested that this approach is likely to be repeated in other locations. It was suggested that there had been a less consistent emphasis on high design standards in the Gateshead schemes, although extensive and detailed master planning has been undertaken.

In conjunction with CABE, BNG are also in the process of developing the Design Protocol to ensure consistent design standards across the board. CABE have been

involved in the delivery of the pilot design code work and BNG are said to have regular contact with CABI representatives. They are also said to be exploring ways of involving CABI more effectively at a strategic level.

The Audit Commission have commended BNG for their commitment to design quality:

*'The pathfinder has a strong commitment to ensure it supports and influences interventions to promote quality design and environmental sustainability. Many of the strategic commissions incorporate a clear focus on sense of place and aim to capitalise upon the existing character and distinctiveness of local areas... Priorities now explicitly include raising quality in design and environmental sustainability and supporting modern methods of construction and further focus on quality of place.'*<sup>22</sup>

## Character and heritage

BNG have been making use of Urban, Landscape and Townscape Assessments (ULTA's), a character assessment technique that is applied at the neighbourhood level. The ULTA process was developed in conjunction with English Heritage, and the methodology has been fully endorsed by. ULTAs represent a form of "character assessment" that applies a consistent evaluation technique across the BNG area. It is described by BNG as *'a valuable tool which provides an understanding of the local distinctiveness or defining characteristics of an area, how it has evolved and how it may change in the future. Its role is to help ensure that change and development does not undermine whatever is characteristic or valued about a particular townscape or landscape. It can also be used to ensure that future change actually enhances the distinctive character and setting of an area.'*

ULTAs have been completed across the whole BNG area on a neighbourhood basis, including within areas which are earmarked for clearance and redevelopment. ULTAs are playing an important role in future land use planning and deciding upon appropriate interventions. For example, the Gateshead ULTA was considered and incorporated into the broader, strategic Neighbourhood Planning process which culminated in the preparation of four Neighbourhood Plans (Teams, Bensham & Saltwell, Felling and Deckham). In Newcastle the ULTAs have informed the preparation of various strategic planning frameworks such as the Elswick Study and the Scotswood-Benwell Area Action Plan.

## Meeting housing need

The programme is still in its early stages, with much of the emphasis to date on research, identifying priorities and engaging the local community. Some concerns about the pace of development in the short term were expressed by the Audit Commission:

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<sup>22</sup> Market Renewal: Bridging NewcastleGateshead – Strategic Review, Audit Commission, December 2005

*'...aside from land assembly and acquisition, the proposed outputs for core indicators over the next two years appear relatively low, given the £70 million budget sought, with which to achieve just 288 demolitions, 104 new-build and 1,400 improved homes as outlined in the scheme update.'*<sup>23</sup>

All of the interviewees argued that the relatively slow pace of implementation has been to some extent necessary in order to achieve the kind of holistic regeneration which has failed to materialise in many previous programmes:

*'The strength of the emphasis on research and consultation makes it different from previous interventions. It is much less top-down than what has gone before and that's partly why it has taken time'*

In interviews the programme was described as being at *'take-off point'*, although it has been suggested that, largely due to wider changes in the housing market and the economy, some of the extreme issues of low demand are less evident now. The Government Office for the North East (GONE) representative reported that this is leading Ministers to reconsider the levels of funding previously envisaged for the HMRA's in the context of the forthcoming Comprehensive Spending Review.

House prices have more than doubled in the BNG area between 2001/2 and 2005/6<sup>24</sup>. The most recent figures suggest that between March 2005 and March 2006, average house prices rose considerably (7%) in the Newcastle BNG area, whilst prices fell in the rest of Newcastle. In Gateshead, price rises of 4.5% in the BNG area were broadly equivalent to price rises in the rest of Gateshead (5%)<sup>25</sup>. One interviewee described the situation as demonstrating *'the first green shoots of recovery in the housing market'*.

BNG themselves argue that although average house prices and investor confidence in the areas have risen, this masks an increasing gap between average and minimum prices and large disparities in prices between different BNG neighbourhoods (although this is somewhat undermined by figures in their Corporate Strategy and Business Plan which suggest that in percentage terms, if not in absolute terms, the gap between average and minimum prices declined between 2003 and 2005<sup>26</sup>). They suggest that the market remains fragile – although there has been growing investor interest in some areas, there has been very little in some of the more critical areas such as Walker and Scotswood and much of the price rises can be attributed to the growing dominance of high value new build apartments rather than the much-needed family homes. BNG also expressed concern that the house price indicator was relied upon too much and they refer to the critical nature of other factors, such as the tenure, type and size of properties, in achieving sustainable housing markets. They have recently been putting forward this case to Ministers and suggest that reducing the level of commitment at

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<sup>23</sup> Market Renewal: Bridging NewcastleGateshead – Strategic Review, Audit Commission, December 2005

<sup>24</sup> Bridging NewcastleGateshead – Our Key Messages, BNG, July 2006

<sup>25</sup> BNG Board Report 14 July 2006: Housing Market Intelligence Update

<sup>26</sup> BNG Corporate Strategy and Business Plan 2006-2008

this stage would be a huge mistake, particularly in the context of the promises made to local communities.

One interviewee commented:

*'The presence of the Pathfinder has built confidence amongst locals and investors but it needs to continue in order to have lasting impact. We are still to see substantial private investment in some of the critical areas such as Walker and Scotswood... The Pathfinder is on the cusp of bringing about transformation but it is only when we see significant private investment across all areas that we can be confident that a tipping point has been reached'*

The argument is supported by the Audit Commission:

*The findings [of research commissioned by BNG] also support the pathfinder claims that rises in a few areas have accounted for much of the increase in average house prices, with overheating markets and speculation by investors and private landlords masking the difficulties still being experienced in many areas. There is certainly solid evidence to support the need for continued targeted housing market intervention.<sup>27</sup>*

A number of interviewees expressed serious concern about the potential impacts of a reduction in the government's commitment to the Pathfinders.

*'I am very fearful about ongoing government commitment. It has taken 3 years to create the capacity, the governance, the frameworks for delivery. Having put all that in place, to pull back now would result in very disheartened and very unsustainable communities. It would also lead to major problems with other policy areas that are now so closely tied in with the Pathfinder programme such as education and transport'*

There is no evidence yet of a reduction in empty properties as a result of the BNG. In fact, vacancies declined more quickly in the non-BNG area during 2005/2006 (see table 1). This is likely to be due to the acquisition of properties for demolition/refurbishment, which will temporarily push up vacancy levels. Also, because residents are having to be relocated, some properties are having to be kept vacant for decant purposes. It was reported that vacancies have declined in the private sector stock however.

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<sup>27</sup> Market Renewal – Bridging NewcastleGateshead, Strategic Review, Audit Commission, December 2005

**Table 1: Housing vacancy levels**

Area	Change in all vacancies March 05 – March 06
BNG area	-4.6%
All of Newcastle and Gateshead	-6.9%
Newcastle BNG area	-1.75%
All of Newcastle	-1.1%
Gateshead BNG area	-10.2%
All of Gateshead	-15.9%

(BNG Board Report 14 July 2006: Housing Market Intelligence Update)

Delivering affordable housing was acknowledged as being *'something of a conundrum because we are expected to raise house prices and at the same time deliver more affordable homes'*. The Audit Commission have criticised BNG for a *'lack of information on the number of affordable homes that will be built and limited reference to the role of housing associations in delivery, even though low cost home ownership and replacement rented homes are identified as key to achieving BNG's stated objectives.'*<sup>28</sup> In a recent report, BNG state that they will demolish up to 1,000 obsolete<sup>29</sup>, social rented properties between 2006 and 2018 and anticipate that 25% of the 7,000 new homes they will facilitate will be affordable (75% for rent and 25% for shared equity/ownership)<sup>30</sup>, with the focus being on *'shared ownership and smaller/lower cost housing'*. How this relates to housing needs is unclear and new housing assessments are currently being prepared by both of the local authorities.

Generally, the focus is on achieving a better tenure mix – currently there is a predominance of Council-owned properties. For example, in Walker Riverside 70% of properties are Council-owned and the lack of owner-occupied housing has been identified as a key factor in residents leaving the area. Therefore, all new housing will be a mix of 80% private and 20% social/shared equity housing. There is a commitment to ensuring no loss of occupied social rented housing as a result of the regeneration work. BNG forecast that with ongoing HMRA funding, owner occupation will have increased to 53.1% across the BNG area as a whole, compared to a base of 37.5% and a North East average of 63%<sup>31</sup>.

BNG are also seeking to diversify the house types on offer, with a particular emphasis on the provision of family homes. For example, the Area Action Plan for Walker

<sup>28</sup> Market Renewal – Bridging NewcastleGateshead, Strategic Review, Audit Commission, December 2005

<sup>29</sup> Defined as 'Where the characteristics of the property have been outstripped by changing tastes, aspirations and income levels' (Corporate Strategy and Business Plan 2006-08). BNG recognise that the interpretation of this will vary between areas in terms of supply and demand factors, quality and the need for transformation.

<sup>30</sup> Bridging NewcastleGateshead – Our Key Messages, BNG, July 2006

<sup>31</sup> *ibid.*

Riverside sets a target of 80% family housing for all new development. This emphasis is based on the city-wide Housing Needs Assessment, which found very little demand for smaller properties, and greater demand for semi-detached houses and bungalows than current supply.

All homes in Walker Riverside will be built to Lifetime Homes Standards. BNG are providing the gap funding to enable this to be achieved and will be monitoring the impact of this carefully. If it has a positive market impact, they suggest that this will make it easier to achieve across the board, although they are not committed to this at the moment.

BNG are currently piloting the use of equity loans and suggest they have a strong focus on getting the right financial mechanisms in place. A report by ABRA consultants in May 2005 recommended development of a specialist lending vehicle with costs shared between BNG, local authorities, the Housing Corporation, housing associations and private developers. BNG has commissioned consultants to take forward this work and establish what products are needed to help people who want to, to move into and sustain homeownership. BNG employ neighbourhood officers/relocation teams and now have a loan administrator in place.

## Well connected

It was suggested that BNG have made concerted efforts to align regeneration and transport proposals in the area, although they are largely dependent on the local authorities for ensuring that this happens. An example cited was the *'clear and detailed relationship between transport and regeneration proposals in Newcastle's Discovery Quarter and West End'*. The need for transport improvements to support regeneration efforts is referred to in planning policy and a number of the proposed LTP schemes are designed to achieve this. The possibility of metro extensions had been explored but this does not meet the government's new funding criteria. Guided busways and 'other bus technology' are now being proposed.

Provision for walking and cycling is a feature of the master planning and design work undertaken. For example, the Walker Riverside Design Code identifies how improvements to the main Walker Road will be designed, including dedicated cycle lanes, and identifies funding to support these improvements. The design code also has a strong emphasis on reducing car dominance in local streets. A key design principle is accommodating all users in the realm of the street and reducing car dominance. The design code and master plan therefore include a clear street hierarchy of through and local streets *'to reclaim local residential streets from the effects of fast through*



traffic<sup>32</sup>. The design code's hierarchy includes mews, courtyards, home zones and shared surface streets.

The master plan for Walker Riverside includes a funding plan for all transport elements. The funding for the public transport elements has not yet been secured but the Council are seeking to align the Local Transport Plan with the plans for the area and also intend to use Council income from rising land values in the area. There is now said to be '*a close alignment between the LTP and the Pathfinder proposals*'. Section 106 agreements also form a substantial part of the funding package (for example, the AAP for Walker Riverside includes a framework for Section 106 funding) so it was suggested that the funding for the public transport elements would only realistically be achieved during the 'mid-term' of the development programme, although investment in the walking and cycling elements is already taking place.

Research carried out by consultants Experian for BNG, looking into the 'Economic potential of the regional centre and housing implications' confirms the prevalence of commuting. It found that historically only one in ten people taking up jobs in Newcastle Gateshead actually made their home there, with North Tyneside in particular housing many commuters in professional occupations. It predicts that in-commuters will fill 75 per cent of future additional jobs unless current commuter patterns can be addressed. The North East Housing Aspirations Study<sup>33</sup> confirmed significant movement away from the pathfinder to North Tyneside, Tynedale, Derwentside and Castle Morpeth. It reports that if insufficient desirable housing is available in the short term, current migrational and price trends will continue.

## Thriving

At a general level, much of the BNG area is geographically close to centres of employment. However, it is also recognised that some of the communities are isolated from these opportunities in terms of transport access, skills etc. A number of examples have been identified of efforts to promote job creation and access to employment. The 05/06 Annual Report suggests that 282 people have so far been trained with a qualification. The Walker Riverside proposals include a master plan for the adjacent industrial area which includes the development of environmental industries, education facilities and skills training and this is supported by the Area Action Plan (although the Audit Commission point out that the outcomes for this area have yet to be recognised as a priority by the Regional Development Agency). Whether there will be a similar emphasis in some of the other more peripheral areas remains to be seen.

There has been some criticism of regional and local planning policy which supports a number of out-of-centre employment sites (such as Newcastle Great Park, Newburn Riverside and Newcastle Airport) and which may serve to undermine employment

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<sup>32</sup> Walker Riverside Area Action Plan, Submission Draft, July 2006

<sup>33</sup> North East Housing Aspirations Study, Nathaniel Lichfield and Partners, 2005

development in central areas such as that covered by BNG. However, at a general level, economic and housing policies and strategies appear to be complementary. The Regional Economic Strategy includes a number of growth poles for economic activity which are within the BNG area and recognises the improvement of the housing offer as essential to the improvement of economic performance in the region. BNG are also directly involved in supporting proposals for employment development. For example:

- BNG’s purchase of land on the brewery site in the ‘Discovery Quarter’ in Newcastle’s West End for family accommodation is a key part of the proposed mixed use ‘Science Central’ development, which will involve university and business activities. This is part of the wider ‘Science City’ initiative, which hopes to create 15,000 jobs over the next 10 years. BNG suggest that following their purchase of the site they were able to persuade their partners to carry develop a master plan for the site as well as it’s surrounding area, in order to maximise the linkages between jobs, housing and other uses;
- the proposed purchase of the Freight Depot site adjacent to the Baltic Business Quarter in Gateshead, with the potential of English Partnerships funding in addition to BNG funding; and
- BNG-commissioned research exploring the potential to use cultural and creative industry as a catalyst to housing market renewal, particularly in relation to Ouseburn in Newcastle’s East End.

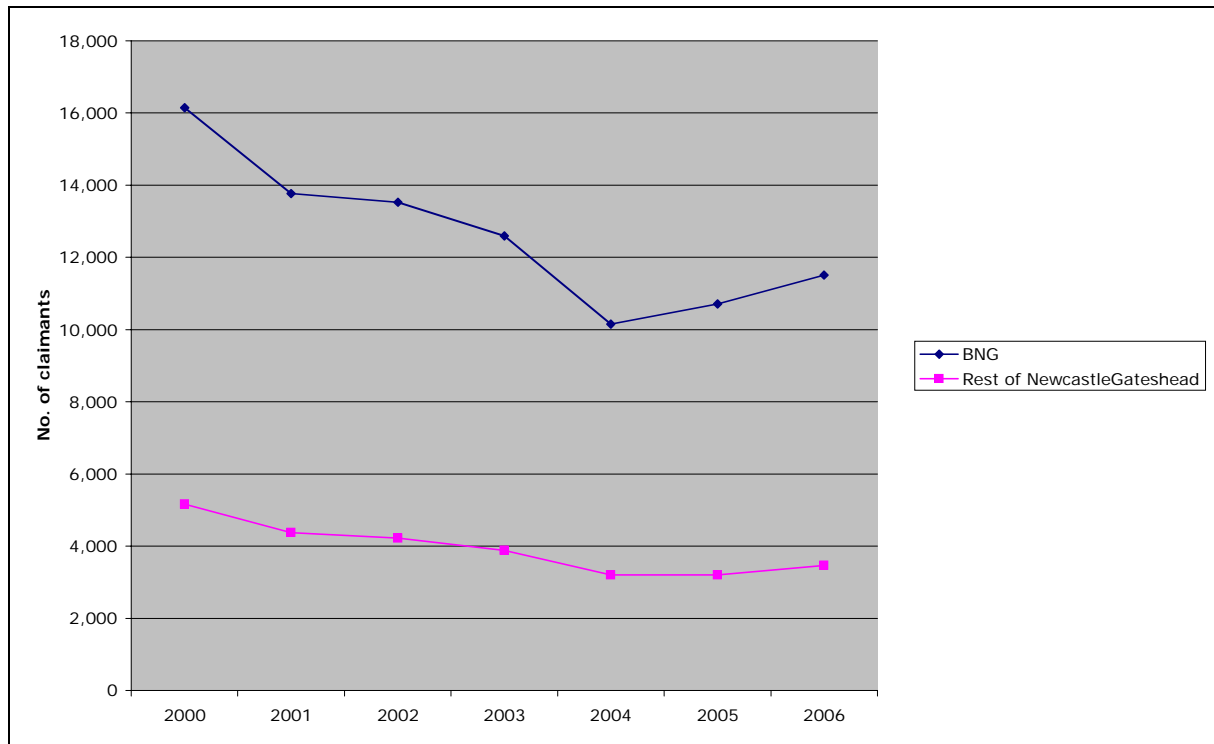
The table and figures below demonstrate that unemployment within the BNG area has experienced a bigger reduction than in the rest of the city over the last six years but also that in the last two years (when BNG has been most active) unemployment has risen within the BNG area faster than in the rest of the city. Given that the programme is in its early stages, it would be unwise to attribute any significant causal relationship between these trends and the Pathfinder.

**Table 2: Claimant count in NewcastleGateshead**

Area	Aug 00	Aug 01	Aug 02	Aug 03	Aug 04	Aug 05	Aug 06
Newcastle BNG	5,695	4827	4683	4369	3505	3717	3986
Rest of Newcastle	2,706	2293	2218	2061	1576	1547	1754
Gateshead BNG	10,456	8946	8839	8223	6650	6991	7524
Rest of Gateshead	2,458	2086	2005	1823	1624	1655	1714
BNG	16,151	13773	13522	12592	10155	10708	11510
Rest of Newcastle Gateshead	5,164	4379	4223	3884	3200	3202	3468



Figure 1: Claimant count in NewcastleGateshead



## Well served

One of the principal emphases of BNG is creating a better mix of housing in terms of type and tenure. Local master planning and neighbourhood planning work is also taking in wider issues such as access to retail, schools, open space and other services/facilities, and the Area Action Plans address non-housing elements. One interviewee suggested that this represented a progression from the original Pathfinder proposals *'which were mainly about housing'*.

Commenting on Walker Riverside, the Audit Commission state that *'Housing proposals also tie in with other regeneration activities in health, transport and education to support the overall aim of developing sustainable neighbourhoods...'*<sup>34</sup> A good example of this is the Council's bid to DfES for the provision of a new primary school close to the local centre in Walker Riverside, to replace the two existing schools which are under-subscribed. In addition to the school, proposals for the new local centre (or Community Focus) includes an anchor supermarket, new shops, a community centre, small scale office accommodation and new housing. Other land uses supported in the area include community buildings, a health centre and a library.

<sup>34</sup> Market Renewal – Bridging Newcastle Gateshead, Performance Review, Audit Commission, May 2006

In order to seek to ensure the implementation of non-housing elements in tandem with the housing, the master planning partner at Walker Riverside is also an 'implementation partner'. Their master plan therefore includes a funding plan for all housing and non-housing proposals. One of the interviewees suggested that most of the money for non-housing elements had now been secured, particularly through the ring-fencing of all local authority income from rising land values for investment in the local area. They suggested that this was being repeated in other areas.

BNG, along with two other Pathfinders, are currently working with English Partnerships on a pilot project aimed at establishing retail and commercial facilities in areas subject to major decline. They are seeking to persuade English Partnerships to focus the pilot on Walker Riverside.

Achieving delivery of the non-housing elements is acknowledged as being problematic because of the uncertainties surrounding the necessary long-term funding for public services and of attracting in private service providers such as retail. But it was suggested that BNG are increasingly successful in achieving integration between their strategies and wider strategies/plans such as the RSS, LDFs, Regional Economic Strategy and LTPs. It was also suggested that the introduction of Local Area Agreements and Multi Area Agreements offers the potential for closer alignment and integration of funding. At the moment, achieving alignment is said to be somewhat hampered by the uncertainties surrounding funding and the variety of different funding streams being utilised.

# Conclusions

## Strengths

Although delivery has not proceeded at the pace initially anticipated, BNG and their partners have begun to address market failure and the stigma attached to many areas both amongst communities and investors. Through the development of the strategic commissioning approach, the Audit Commission and interviewees also believe that future delivery will be more focused, with an increased chance of success. Furthermore, the programme demonstrates some key strengths which set it apart from many previous large scale interventions, including a commitment to community and stakeholder engagement and high standards of design, and an approach which genuinely seeks to integrate housing and non-housing elements.

Extensive and often innovative community involvement is a particular feature of the Pathfinder's work both within individual project areas and at the strategic level, although the extent to which the previous levels of involvement and choice can be continued in future delivery is being questioned.

Delivery of the HMRA initiative in Walker Riverside and other locations also appears to be a more holistic attempt at regeneration than has previously been the case. However, the extent to which this holistic approach has been driven by the Pathfinder and sustainable communities policy is open to question. One interviewee suggested:

*'The weakness of the Pathfinder is that it is too narrowly focused, although less so than previous initiatives. However, by creating opportunities to invest in the housing market, the Pathfinder has provided opportunities to the local authorities to drive a more holistic approach'*

Similarly, the strong emphasis on design quality, energy efficiency and sustainable construction, so clearly in evidence in the Newcastle schemes particularly, was seen to have been driven to a large extent by the local authority and may not, therefore, be typical amongst other Pathfinders.

Perhaps one of the most significant outcomes from the establishment of the HMRA in Newcastle and Gateshead has been the impact on emerging regional and local planning policy, which is now strongly focused, barring a few exceptions, on the regeneration of the core inner areas of the city.

## Areas of concern

The preparation of a Design Protocol will help to fill many of these gaps but for the protocol to achieve more than just advisory status, BNG are hoping to see the requirements incorporated within statutory planning policy, a process which may take time.

The revenue-type interventions, which have constituted about 20% of the programme to date, have been a key strength of the programme. As well as covering core team costs, the revenue funding has paid for, among other things, the community safety and neighbourhood management initiatives, community engagement, research, neighbourhood planning and construction skills training. The government's capping of revenue spending at 10% of the programme is seen to undermine the prospects for delivering genuinely transformational change:

*Delivering transformational change with £2.745m of revenue [10% of the 2006-07 allocation] will be difficult. We are working closely with our partners to try to establish if they are able to take over the responsibility for funding some work but there is a threat that some projects will no longer be able to be funded despite being successful and underpinning investment in housing stock.*

Funding for the non-housing elements of the programme is clearly complex and problematic. There is a reliance on a very wide range of funding sources, most of which are beyond the ultimate control of BNG and the local authorities, and adds extra layers of uncertainty and complexity to the programme. The heavy reliance on Section 106 agreements also means that funding for some essential non-housing elements will only be secured once the housing development has commenced.

More than one interviewee referred to there being a 'tipping point' in the sustainability of a community, and therefore in terms of the sustainability of investment in that community. Previous initiatives (the Urban Programme was cited as an example) have failed to take communities beyond that tipping point because of their failure to address regeneration in an holistic manner *'which is why we are now demolishing housing built as recently as the 1980s'*. There are considerable fears that the government may now be considering pulling back from their commitments to the Pathfinders and that if they were to do so, the Pathfinders will also fail to take their communities beyond the tipping point of sustainability.

Whatever their deficiencies in terms of the sustainability of delivery, the most unsustainable thing that the government could do now would be to pull back from their commitment to ongoing housing market renewal. Such a course of action would inevitably lead to the need for further major intervention in the medium term, not to mention the damage it would cause to the credibility of local and regional government and the planning frameworks they have developed.

# Appendices

## People interviewed

1. Jim Darlington, Director of the Regional Group, Government Office for the North East and BNG Board Member
2. Anne Mulroy, Chief Executive, Bridging NewcastleGateshead
3. John Miller, Head of Sustainable Development, Newcastle City Council
4. Harvey Emms, Head of Planning and Transportation, Newcastle City Council
5. Cllr Wendy Taylor, Executive Member for Environment and Sustainability, Newcastle City Council

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