

**Report to** Cabinet  
13th June 2012.

**Report of** Deputy chief executive (Operations)

**Subject** Norwich and Homes and Communities Agency Strategic Partnership business plan 2012-13.

**Item**

**11**

### **Purpose**

To consider and approve the business plan for 2012-13 for the Norwich and Homes and Communities Agency Strategic Partnership.

### **Recommendation**

To approve the business plan for 2012-13 for the Norwich and Homes and Communities Agency Strategic Partnership.

### **Corporate and service priorities**

The report helps to meet the corporate priorities: A prosperous city and decent housing for all.

### **Financial Implications**

The Business Plan allocates £260,704 Partnership funds in 2012-13, leaving £2,818,020 unallocated.

**Ward/s:** All wards

**Cabinet member:** Councillor Arthur - Leader

### **Contact officers**

Gwyn Jones

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### **Background documents**

None

# Report

## Background

1. The Norwich and Homes and Communities Agency Strategic Partnership was formed in September 2009 following signing of a Collaboration and Investment Agreement (CIA) between Norwich City Council and the Homes and Communities Agency (HCA). The Partnership is based on investment from HCA and City Council assets and is intended to create a self-perpetuating finance arrangement through the reinvestment of the proceeds from development in future projects which meet the Partnership's objectives. The objectives are:
  - i) To accelerate the delivery of affordable homes
  - ii) To increase the supply of private homes
  - iii) To improve the quality of existing homes
  - iv) To maximise the opportunities for local employment
  - v) To deliver early outputs
  - vi) To create sustainable communities
  - vii) To deliver strategic regeneration projects within Norwich such as eco-retrofit programme or estate renewal
2. The CIA included an initial business plan for the Partnership and requires that an annual business plan is approved. Initially £8M of investment was provided by the HCA for the Partnership and included funding for:
  - i) £2,600,000 for the Memorial gardens project
  - ii) £330,000 for the Skatepark
  - iii) £1,745,000 for the eco retrofit of over 800 Council homes
  - iv) Grants of £250,000 and £75,000 respectively for Open 24/7 Youth venue and the Narthex projects
  - v) £2,500,000 to help to bring forward the Threescore site at Bowthorpe for development
3. In 2011/12 a further £490,000 funding was provided by HCA for the Partnership.

## Progress to-date

4. All the initial projects have now been delivered and the Partnership will be focusing on the following priorities for 2012-13

- a) Employment and skills supply side package- ensuring this is sustained through the lifetime of the Partnership to provide additional employment and training opportunities for local people
  - b) Small housing sites- completing the 108 homes on garage sites and investigating the feasibility of a pilot shared equity scheme
  - c) Bowthorpe development- securing outline planning permission for the whole development, taking forward the infrastructure and a first phase of development
  - d) South City Centre Vision and Investment Plan- undertaking the Plan for the South City centre and considering any projects that arise from the exercise for investment by the Partnership.
5. The Business Plan for 2012-13 allocates £150,000 funding to cover costs of work on the South City Centre Vision and Investment Plan and £110,704 to cover programme and project management of partnership activities. Subject to finalisation of balances as part of the closing of the 2011/12 account, there remains £2,818,020 in the Partnership funds for future allocation on projects which meet partnership objectives.
6. Any further issues relating to the delivery of the Business Plan which require a decision e.g. the allocation of further partnership funds or development of land at Bowthorpe will be reported to Cabinet during the course of the year

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	13th June 2012
<b>Head of service:</b>	Andy Watt
<b>Report subject:</b>	Norwich and HCA Strategic Partnership- Business Plan 2012-13.
<b>Date assessed:</b>	21.05.12
<b>Description:</b>	

	Impact			
<b>Economic (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Finance (value for money)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	HCA partnership funds are held in a separate cost code
<b>Other departments and services e.g. office facilities, customer contact</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact
<b>ICT services</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact
<b>Economic development</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Will provide training and job opportunities for people in Norwich
<b>Financial inclusion</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Social (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Safeguarding children and adults</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b><u>S17 crime and disorder act 1998</u></b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Human Rights Act 1998</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Health and well being</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Projects will improve health and well being of residents
<b>Equality and diversity (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Relations between groups (cohesion)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Projects delivered through the partnership will open up access to homes and jobs
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	South City centre plan and development at Bowthorpe will have a positive impact
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	as above
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	as above
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

## Recommendations from impact assessment

### Positive

The work of the HCA Partnership aims to improve the social, economic and environmental conditions in the the City- Souty City Centre and Bowthorpe specifically

### Negative

### No impact

### Issues

**FRONT COVER- with suitable photo- eg Bowthorpe**

**Business plan for the Norwich City Council and Homes and Communities  
Agency Strategic Partnership – second revision**

**1 April 2012 to 31 March 2013**

DRAFT



**Foreword – NCC and HCA**

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## Overview

In September 2009 Norwich City Council (NCC) and the Homes and Communities Agency (HCA) entered into a collaboration and investment agreement (CIA) which established the Norwich and HCA Strategic Partnership (NAHCASP). The CIA sets out the formal legal basis for the partnership and the objectives which would be achieved over its 10 year life. The original business plan forms part of the CIA and set out the short term outputs and outcomes which were to be achieved. The CIA requires the business plan to be updated at least annually and that any variation to the business plan requires the prior consent of NAHCASP Strategic Board.

This is the third revision of the original business plan to cover the financial year 2012-13.

The NAHCASP is based on the combination of assets from NCC and investment from the HCA and is intended to create a self perpetuating finance arrangement through the reinvestment of the proceeds from development in future projects which meet the partnership's objectives.

This business plan is intended to set out how committed HCA investment will be monitored and controlled to ensure outcomes are achieved and how projects for future investment will be developed and decisions on future funding allocations will be made.

## 2. Partnership vision

The partnership's vision and overarching objective is to deliver and strengthen sustainable communities through innovative approaches to joint working.

The partnership will develop the assets (including those identified initially and any others ring fenced for partnership investment in the future) in order to satisfy the objectives listed below and ultimately deliver the outcomes determined by the NAHCASP Strategic Board.

## 3. Strategic objectives

The strategic objectives for the partnership are as follows:

- to accelerate the delivery of affordable homes
- to increase the supply of private homes
- to improve the quality of existing homes
- to maximise the opportunities for local employment
- to deliver early outputs
- to create sustainable communities
- to deliver strategic regeneration projects within Norwich such as eco-retrofit programme or estate renewal.

#### **4. Quality standards**

All affordable housing developments will be delivered to the HCA design standards (as currently in force) as a minimum requirement, or other such standards as agreed by the strategic board. In respect of Bowthorpe, which may be disposed of in phases, the partnership will ensure the development is constructed to the standards agreed by the strategic board.

#### **5. Performance management**

The performance of projects is managed at a number of levels.

- Project briefs are approved by the strategic board which set out the outputs and outcomes to be achieved at a project level.
- All projects are managed in accordance with the city council's agreed project management framework.
- Monthly highlight reports are considered in detail by the implementation board in order to monitor progress against agreed project milestones.
- Performance is monitored on a quarterly basis by the strategic board.

#### **6. Risk management**

Individual project risk and issues registers are maintained by the individual project managers. An overall partnership risk register and issues log is maintained and this is attached as Appendix 1. Risks are reported to the implementation board and strategic board on a regular basis so that appropriate steps can be taken to manage and mitigate risk.

Key risks at this stage relate to the development of the Threescore site:

- Securing outlining planning permission before the introduction of CIL which will adversely impact on land values
- Ability to secure a developer partner to bring forward a first phase of development in the current economic climate

#### **7. Partnership governance**

The partnership governance structure is established through the CIA and shown in Appendix 1. The strategic board and implementation board are now well established and are effectively managing and overseeing the progress of the partnership and its activities

## **8. Cost control and reporting**

Any expenditure on projects will require approval from the strategic board. The strategic board may agree expenditure delegation levels for the implementation board which will be set out in a separate delegation schedule for the implementation board.

In order to secure consent to any expenditure, a proposal should be prepared and submitted for approval. This should include the reason for expenditure, amount, and value for money together with a recommendation.

The following are the only ways in which expenditure can be committed on an agreed and identified project:

### **i) Implementation board**

The implementation board will be responsible for committing all expenditure by the partnership provided it is within the parameters of the delegation levels agreed by the strategic board.

### **ii) Project team/s**

The project team/s will not be allowed to commit any expenditure unless permission has been delegated to them by the implementation board. If this occurs then the strategic board shall be notified of the level of delegation prior to the commitment being made. In any event, the implementation board may only delegate permission to a project team to the extent it is consistent with the permission delegated to it by the strategic board.

## **9. Procurement of goods, works, services or equipment**

The procurement of any goods, works, services or equipment by NCC in relation to joint venture activities shall be in accordance with clause 7 of the collaboration and investment agreement.

It should be noted that a public procurement threshold exists and if it is exceeded then the full Official Journal of the European Union (OJEU) process must be followed. The head of procurement at NCC or HCA should advise on this process. Use of the HCA panels may be made by the partnership in order to simplify the procurement process through use of mini tenders.

## Delivery in 2011-12

### 10. Budget and expenditure in 2011/12

The following table shows the original allocation of funds for 2011/12 from the Bowthorpe site funding budget.

<b>Bowthorpe site funding</b>	<b>Budget allocation</b>
Environmental statement	24,554
Ground investigation work	7,185
Energy Strategy, additional ES work and HIA	20,000
<b>Total</b>	<b>51,739</b>

The following table shows the original programme management allocation for 2011/12:

<b>Programme management budget</b>	<b>Budget allocation</b>
Project direction (to 30 June 2011)	12,000
Project direction (to 31 March 2012)	36,000
Project director contingency	2,750
Employment and skills	49,525
Other Bowthorpe staff costs	111,422
Small housing sites	10,000
Unallocated	117,735
<b>Total</b>	<b>339,432</b>

The following table provides further analysis of the "other Bowthorpe staff costs" budget:

<b>Other Bowthorpe staff costs</b>	<b>Budget allocation</b>
NPS secondment	39,600
Community engagement	15,547
Senior planner	45,000
Transportation advice	11,275
<b>Total</b>	<b>111,422</b>

During the course of 2011/12 the HCA was successful in securing further funding for Norwich in relation to the collaboration and investment agreement. A further £490,000 was claimed for work carried out during 2011/12. This has resulted in the following amounts being carried forward to 2012/13:

<b>NAHCASP</b>	<b>Budget available to carry forward to 2012/13 *</b>
Bowthorpe site funding	2,002,217
Small housing sites income	500,000
Programme management	315,803
<b>Total</b>	<b>2,818,020</b>

\*- note these figures may be subject to minor change following close of 2011/12 accounts

## **11. Progress in 2011-12**

The NAHCASP has made considerable progress over the last year. The partnership has already delivered on all the key short term objectives as set out in the CIA and original business plan and is now moving forward on future developments

- Completion of 60 dwellings were achieved on the small housing sites by Orwell housing
- Employment and skills -“ CTS construction skills were appointed to deliver the ‘Supply side’ employment and skills project and commenced the pilot working with Orwell Housing Association and Jackson, their contractors. The project delivered 8 new jobs and training opportunities for local people. A website has also been created title “Futures in Norwich” to facilitate job seekers to apply for Employment vacancies and download their CV .
- Having appointed Taylor Wimpey as the preferred development partner for the first phase of development at Bowthorpe Threescore, negotiations have been ongoing to complete the lease for the land and license for the construction of the infrastructure. The contract has still to be concluded..
- Community Engagement Training session was held on 5<sup>th</sup> July 2011 involving City Council Officers, Home and Community Agency members and local community reps, to plan the most effective way of engaging local people in the development process. Regular briefings were provided at the Bowthorpe Forum to keep them in touch with progress on the development at Bowthorpe Threescore.
- Consultation for Bowthorpe for Outline Planning Application was held 22<sup>nd</sup> November 2011 including an exhibition in Roy’s Department store in the village centre from 24<sup>th</sup> November 2011 to 5<sup>th</sup> December 2011.
- A new outline planning application for was submitted for Bowthorpe Threescore, following completion of all the updated supporting documentation which had been commissioned by the partnership.
- Confirmation of appropriation of Threescore as planning land confirmed in March 2012. This should avoid any risk of claims for village green status.
- Work was undertaken to identify future priority areas for the City for the partnerships future investment. As a consequence the Board agreed to focus on the South City Centre area.
- The Strategic Board agreed to allocate £200,000 of funding for the South City Centre Vision Plan
- Further funding was secured from HCA and accelerate the design of the infrastructure at Bowthorpe Threescore, and the South City Centre Vision Plan work
- The memorial gardens project was selected as a finalist in the RTP1 planning awards for 2011.

## **12 Priorities for April 2012- March 2013**

Table 1 sets out the outputs, outcomes and milestones for each of the main areas of project activity, for the coming year.

There are 4 main priorities for the coming year:

- a. **Employment and skills supply side package**
- b. **Completion of small housing sites**
- c. **Bowthorpe development**
- d. **South City Centre Vision Plan**

a. **Employment and skills supply side package.** The pilot project will be completed in June 2012, when the Small Housing Sites Project ends. As a pilot there needs to be an evaluation of the approach and the lessons learned. Consideration needs to be given to sustaining the project and applying it to the Bowthorpe Development when it proceeds.

**b. Completion of small housing sites**

c. **Bowthorpe.** There are three main elements to be worked on for Bowthorpe for the coming year:

- Secure outline planning consent for the overall development. The outline planning application for 1000 homes has been submitted and it is hoped that this will be reported to planning committee by the summer 2012. This will involve consultation with the public and statutory consultees and require entering into a S106 agreement with Norfolk County Council as enforcer of the obligations.
- Design of the main infrastructure for the development. Mott McDonald have already completed the initial design work for the infrastructure. This was included within the outline planning application for the Bowthorpe site. The construction of the main infrastructure will form part of the contract with Taylor Wimpey when this proceeds.
- Securing detailed planning permission for a first phase of development. This will follow once contracts are completed with Taylor Wimpey.

d. **South City Centre Vision Plan.** Now that consultants have been engaged to carry out the vision and delivery plan, this work will continue with the final report due in December 2012. This will enable the partnership to identify specific projects for future investment.

**14. Project director role**

Norwich City Council will continue to perform the project director role to March 2013 at a total cost of £48,000 (including admin and finance support).

**15. Other staff time**

The Strategic Board has agreed staff time to be funded from the programme management budget as follows:

- The arrangement with NPS to provide Project Management and property advice for the Bowthorpe will continue but this will now be dealt with through the NPS/ NCC joint venture, "NPS Norwich". This arrangement will allow for a



flexible resource to bring in the appropriate skills and expertise. (Cost of £42,900 based on 15hrs per week @ £65 per hour)

- £3,030 is allocated to cover the NCC staff costs of providing Community Engagement support for the Bowthorpe Project
- £11,775 is allocated to provide transportation and advice at Bowthorpe
- £2,000 is allocated to cover strategic housing staff costs involved with completing the delivery of the small housing sites project

## 16. Budget for 2012-13

The tables below set out the proposed budget for 2012/2013. Individual project plans will provide a profile of the budgets on a quarterly basis to allow the strategic board to monitor expenditure. In addition the strategic board may make further allocations during the course of 2012-13 for the unallocated part of the programme management budget and the remaining Strategic Priorities Funding (formerly referred to as Bowthorpe site funding).

The following table shows the total budget for 2012-13

	<b>NAHCASP budget</b>	<b>Allocations for 2012-13</b>	<b>Unallocated</b>
Strategic Priorities funding	2,502,217	150,000	2,352,217
Programme Management	315,803	110,704	205,099
<b>TOTAL</b>	<b>2,818,020</b>	<b>260,704</b>	<b>2,557,316</b>

The following table shows a breakdown of allocations from the programme management budget:

<b>Programme management budget</b>	<b>315,803</b>
Project director role	48,000
Project director contingency	3,000
Bowthorpe NPS Norwich	42,900
Bowthorpe community engagement advice	3,030
Bowthorpe transportation advice	11,775
Small housing sites	2,000

<b>TOTAL committed</b>	<b>110,704</b>
Unallocated	205,099

The Strategic Board has agreed that a revolving fund be established to cover future programme and project management costs incurred by the Partnership. This will be facilitated through receipts from disposal of land at Threescore and other sites.

### **17. Communications plan and activities**

The CIA requires a communications plan to be developed for the partnership. This was approved initially by the strategic board in November 2009. The document is a living document and is updated regularly to respond to changing circumstances and specific communications activities. The strategic board will approve any budgets for any future communications activity as required.

A communications protocol has also been agreed which ensures that there is an agreed process (between HCA and NCC) for agreeing press releases and handling media enquiries.

Community Engagement will continue to be a vital part of the partnership work especially in relation to Bowthorpe and South City Centre Vision Plan

### **18. Case studies and awards**

HCA has developed a case study about the partnership for its website and HCA skills and knowledge directorate has developed a case study on the learning aspects of the partnership's activity. There is a general presumption that the partnership welcomes showcasing activity where there is no cost to the partnership.

The partnership will continue to promote its achievements through future awards.

### **19. Further development of the partnership**

The CIA allows for further sites to be brought into the partnership. It does not preclude further investment by HCA although none is specifically committed. It is important that the partnership has a process for bringing forward new sites and project ideas for consideration and develops emerging priorities to take advantage of future funding which will come through the partnership or direct from HCA or other sources. This could include opportunities for shared expertise as well as spend on capital projects. The Partnership will use the HCA enabling support to provide expertise where appropriate. The following approach is proposed:

- Implementation board considers any new sites or project ideas on a quarterly basis.

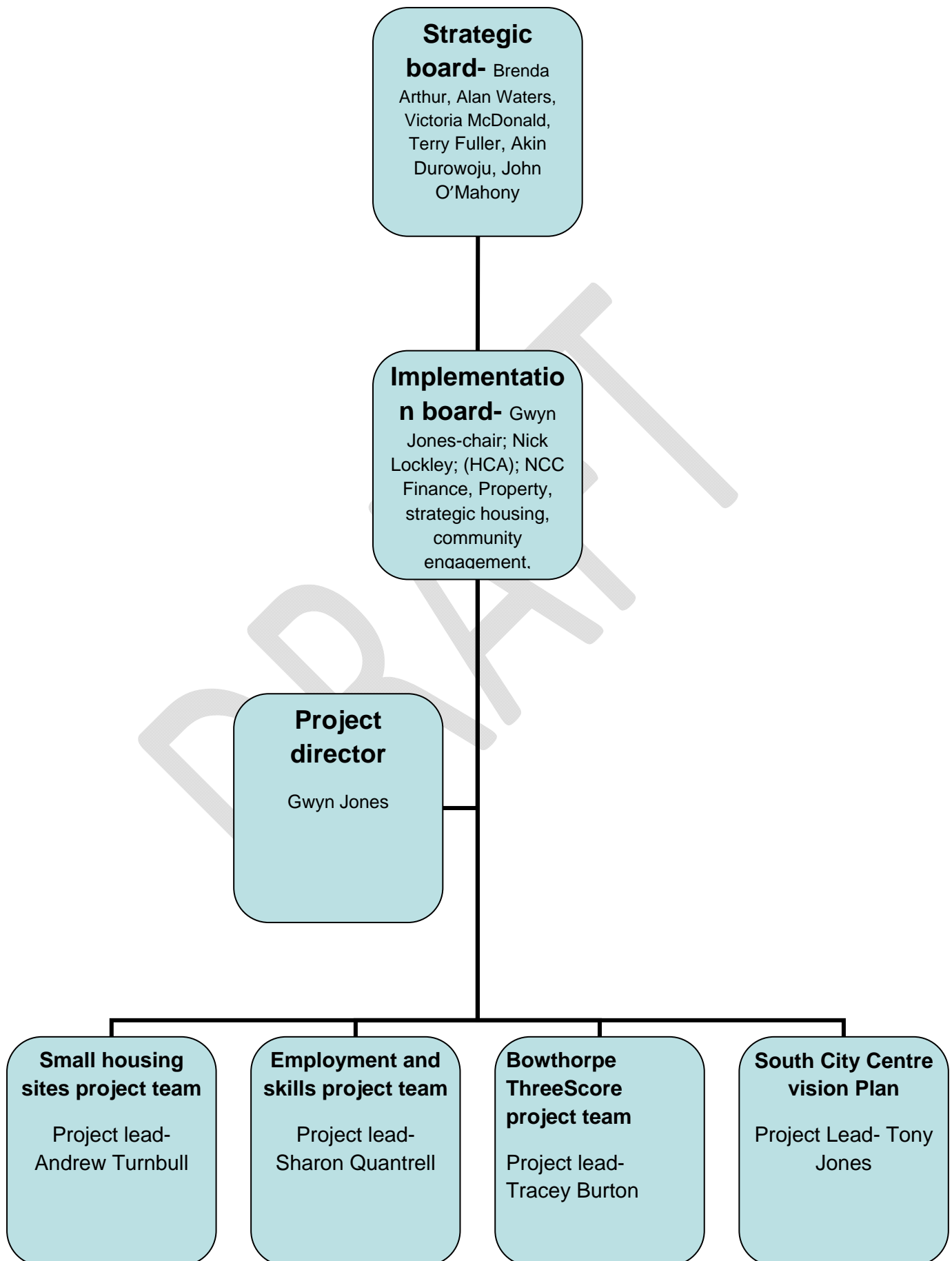
- Implementation board makes an assessment of how the project idea meets the partnership objectives.
- any project ideas which have merit are then reported to the strategic board as part of the project directors report.
- any proposed amendments to the business plan to be reported for approval by the respective partners.

## **20. Further funding**

The partnership will continue to look for opportunities for further external funding and pursue relevant bids.

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**Appendix 1. Governance structure – April 2011**



<b>Project</b>	<b>Budget allocation for 2012-13 (£)</b>	<b>Outputs</b>	<b>Other outcomes (required by SB)</b>	<b>Key milestones 2012-13</b>
a) Employment and skills	0	10% new entrants employed on small housing sites project	6-10 employment and training opportunities for local people	Completion of evaluation and written report on pilot phase- Summer 2012 Development of proposals to sustain the project Autumn 2012
b) Small housing sites	2- strategic housing costs to complete management of project	Completion of remaining 40 homes	Evaluation of project  Consideration of potential new sites for development by the partnership	Completion of all homes by August 2012  Ministerial visit/ celebration with tenants- Summer 2012
c) Bowthorpe Threescore-			Outline planning permission for whole site granted before September 2012  Design of infrastructure completed  Decision on whether to commission	Outline planning permission secured- July 2011.  Agree terms for agreement for lease and building license- May 2011 Submit reserved matters application for phase 1 and infrastructure- August 2011 commence public consultation – June 2011 Planning permission obtained- November 2011- Complete building lease/ building license- November