

East Norwich Regeneration Delivery Board – Minutes

26 April 2023 - 13.30 – 15.00

Members

Chair: Cllr Mike Stonard (MS) – Norwich City Council
Graham Nelson (GN) – Executive Director, Development & City Services, Norwich City Council
Louise Rawsthorne – Executive Director of Community Services, Norwich City Council
Cllr. Graham Plant (GP) – Deputy Leader, Norfolk County Council
Vince Muspratt (VM) – Director Growth & Economic Development, Norfolk County Council
Fionnuala Lennon (FL) – Area Manager, Homes England
Cally Smith/Rob Rogers (CSm/RR) – Head of Planning/Director of Operations, Broads Authority
Phil Courtier (PC) – Director of Place, Broadland District & South Norfolk Councils
Chris Starkie (CSt) – Chief Executive, New Anglia LEP

Officers

Sarah Ashurst (SA) – Head of Planning & Regulatory Services, Norwich City Council
Judith Davison (JD) – Planning Policy Lead, Norwich City Council
Ian Charie (IC) – East Norwich Regeneration, Interim Programme Lead, Norwich City Council
Carlton Roberts-James (CR-J) – Senior Manager, Homes England
David Cumming (DC) – Strategic Transport Manager, Norfolk County Council

Avison Young

Kim Grieveson (KG), Principle
James Lineham (JL), Associate Director

Item	Topic	Actions
1	Welcome / Apologies Rob Rogers attended from the Broads Authority Apologies: Vince Muspratt / Sarah Ashurst	
2	Minutes of meeting 23 March 2023 and matters arising Minutes accepted as an accurate record of the meeting. Risk Register - circulated	
3	Stage 3 Delivery Study (Homes England) FL's foreword to presentation – this project is a complex and challenging commission covering lots of ground that involves modelling and review and is multi-stranded. Robust work has been carried out that raises some challenging issues. The aim of today is to look for feedback, but there will be ongoing discussion on implications of the report. Please note, information discussed in this meeting is of a commercially sensitive nature; the report will be circulated shortly to Members remaining as 'Commercial in Confidence'.	

	<p>JL from Avison Young ran through a Presentation on the Draft Report.</p> <p>Workstream update Financial Model Approach Financial model: Baseline Assumptions Financial model: Scenario Outputs Delivery report – draft published next week Scheme objectives – Delivery Options Potential Routes to Viability Next Steps</p> <p>KG – lots of scenarios have been investigated – what is driving viability challenges, and where will specs on delivery lie on this. Public subsidy works out at c. £50K per unit with grant intervention. Some radical interventions may be needed in terms of the masterplan to move this scheme forward.</p> <p>In the discussion that followed, the following points were raised:</p> <p>GN: Within the viability model, there are differing levels of vulnerability and ownership across the East Norwich sites. Question arises whether this overall picture changes when we look at things in a more granular way. The infrastructure might hit stumbling blocks – is there an intelligent way through this that may enable some momentum for implementation that minimises risk to public/private sector.</p> <p>Different funding streams and levels of subsidies are required to achieve regeneration. Looking at the interventions in different models, the options allude to the rate of return for the private sector; is there a relationship between viability and delivery models – which would capture the Placemaking Premium for the public sector, to enable the land value uplift to be recycled within the scheme?</p> <p>A key issue is about timing of Infrastructure provision, and need for Grant. To make a radical difference, need to look at a delivery solution where the public sector takes on a bigger role, delivering infrastructure itself (KG).</p> <p>One option to consider is to reduce IRR from 15% to 8%. There need to be some metrics for risk associated and tying</p>	
--	--	--

	<p>up of capital. There needs to be a balance between risk and reward (to achieve implementation).</p> <p>East Norwich links areas within and around the city and benefits the wider area through its regeneration. The deployment of Grant needs to be assessed taking account of these wider benefits (GN).</p> <p>Timing of delivery is key to whether parts of the scheme are individually viable - the placemaking premium makes a considerable difference and an approach to equitable apportionment of infrastructure is needed (AT).</p> <p>Unless there is a radical change, this scheme is not going to get off the ground. Momentum and optimism in the site could be lost. The approach to timeline/phasing of delivery will be important – focussing on areas to establish early momentum (PC).</p> <p>Land acquisition is important because if sites are under public control. Private Treaty, ahead of CPO should be pursued. It is important to note that several CPOs have been recently thrown out recently on the grounds of concerns about viability, with deliverability coming under significant scrutiny (CSt, KG).</p> <p>It is also important to note the importance of placemaking – a land value premium will be achieved over the mid-long term – capturing the increase which can then be ploughed back into the scheme (IC).</p> <p>In terms of early momentum, this can be based on Carrow Works given its proximity to the city, more advanced planning and lower amount of new infrastructure being needed than for the other sites. Development can be achieved without dependence on other sites.</p> <p>Where costs/revenues were modelled at stage 2, the viability gap hasn't become much bigger, identifying public subsidy needed of £160-170m (rather than the St 2 figure of £153m). A big factor will be finance costs related to ultimate timing of implementation.</p> <p>In summary:</p> <ul style="list-style-type: none"> - there is a need to look at aspects of radical solutions/approaches - timing of delivery is key - desire to maximise public sector land ownership to enable control and capturing land value premium to then be 	
--	---	--

	<p>ploughed back into the scheme – Placemaking Premium is key</p> <ul style="list-style-type: none"> - provision of Affordable Housing Grant for meeting higher levels of AH provision will be needed - Delivery Report will be circulated to all Board attendees, and further discussion held at next Board 	All
4	<p>Workstreams and Resourcing</p> <p>GN led on this agenda item stating that there is a need for a wider commitment to the project and appetite for risk. Essentially discussed high level budget for taking forward East Norwich Regeneration over the next few years</p> <p>There needs to be a joint political will across the Partners to get us where we want to be. The City Council is looking to assign funding for the programme of activity identified for East Norwich. An increased core team will need to be established.</p> <p>Commitments are needed from other Partners for resources (funding, staff and workstreams). It was noted that Homes England are awaiting budget information. Alongside the approach to resource commitment, future revenues from Council Tax and Business Rates arising from the scheme need to be taken into account. County have a key role to play as beneficiaries of future revenues.</p> <p>PC stated that if this strategically important scheme is looking for wider contributions, there is the need for a radical shift in the project to make it more deliverable or Partners will be reluctant to put more money in if it has the potential to fail.</p>	
5	<p>Project Update, Risk Register and Comms./ Engagement</p> <p>Risk Register – Members are asked to review the Risk Register, and more time at Board should be devoted to reviewing the Register in light of discussions arising during this meeting.</p> <p>GN advised that he had recently met with a representative from Britvic/Unilever to discuss the current status of the scheme, and to seek reassurances about additional material to be submitted to enable validation, and address shortcomings identified in the scheme. B/U are aware that additional material needs to be submitted and are following up and applying pressure re timescale and content.</p>	

	No Communications points were raised.	
6	AOB None	

Next meeting: Wednesday 17 May 2023, 13.30 – 15.00 CANCELLED
Meeting rearranged for 22 May 2023, 11.00 – 12.30.