



April 2014 to March 2015

Business plan

for the Norwich City Council and
Homes and Communities Agency
strategic partnership



Homes &
Communities
Agency



NORWICH
City Council

Foreword

The strategic partnership between the Homes and Communities Agency (HCA) and Norwich City Council (NCC) has continued to make considerable progress on its major projects in the last year.

At the Three Score site in Bowthorpe, the outline planning permission for 1,000 homes was secured in July 2013. This included the detail of the main road infrastructure to serve the whole development. Pre-commencement planning conditions were submitted to make sure the infrastructure work was not delayed.

Funding for the Bowthorpe Care Village at Three Score was agreed by the HCA in June 2013. A reserved matters planning application was submitted in December 2013 and was approved by the council's planning committee in March 2014.

Looking to the future phases of the site, in February 2014 the council's cabinet agreed to take forward a phase of development adjacent to the care village. Initial feasibility, market testing and design works for this phase has been commissioned and will be followed by a public consultation ahead of submitting planning permission.

Progress is also being made in the Mountergate West area of the city.

Following completion of the South City Centre Vision and Investment Plan (David Lock Associates) in June 2013, the partnership funded some ground investigation works for the site in order to establish the optimum locations for the proposed housing and car park.

A contractor has been appointed to put forward plans for the multi-storey car park, with a view to it going to planning committee in December. The delivery of the car park would then bring forward future development of the site, including provision of up to 100 homes, helping to kick start regeneration in the area.

It's been a productive year and we are confident that the partnership will continue to go from strength to strength as it realises its ambitions for Norwich.



Terry Fuller
HCA



Brenda Arthur
Norwich City Council

Business plan for the Norwich City Council and Homes and Communities Agency Strategic Partnership

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1 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 that would be achieved over its 10 year life. The original business plan forms part of the CIA and sets out the short-term outputs and outcomes that 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 business plan covers the financial year 2014-15.

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

This business plan commits expenditure for 2014-15 and sets out: how this investment will be monitored and controlled to ensure outcomes are achieved; how projects for future investment will be developed; and decisions on future funding allocations will be made. The initial £8m investment from HCA is now almost fully committed so the plan also needs to consider how decisions on returns from investment 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 to:

- accelerate the delivery of affordable homes
- increase the supply of private homes
- improve the quality of existing homes
- maximise the opportunities for local employment
- deliver early outputs
- create sustainable communities
- 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 (currently under review) as a minimum requirement, or other such standards as agreed by the strategic board. In respect of Three Score, which will be developed 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, which set out the outputs and outcomes to be achieved at a project level, are approved by the strategic board.
- 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. 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 these.

Key strategic risks at this stage relate to the development of the Three Score site.

- Timing of infrastructure provision and undergrounding, upgrading and diverting services and utilities to serve the whole development linked to the delivery of the first phase of development and housing with care facility.
- Timing of phase 2 in order to secure a return following investment in infrastructure.

7 Partnership governance

The partnership governance structure is established through the CIA and shown in appendix one. The strategic board and implementation board are now well established and 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 has agreed expenditure delegation levels for the implementation board, which are set out in a separate delegation schedule for the implementation board.

In order to secure consent to any expenditure, a proposal will be prepared and submitted for approval. This will 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

The project team(s) will not be allowed to commit any expenditure unless permission has been delegated 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 CIA.

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 2013-14

10 Budget and expenditure in 2013-14

The following table shows the total allocation of funds for 2013-14 along with the actual year-end expenditure.

2013-14 Expenditure

	NAHCASP budget	Allocations for 2012-13	Unallocated to 03/2013	Actual spend to 03/2013	Variance
Programme management	202,794	87,750	115,044	69,089	18,661
Strategic priorities funding	2,382,746	547,393	1,835,353	256,566	290,827
TOTAL	2,585,540	635,143	2,098,282	325,655	309,488

The following table shows a breakdown of allocations from the programme management budget together with year-end expenditure.

2013-14 Programme management expenditure

	Allocations for 2013-14	Actual spend 2013-14	Variance
Project director role	18,750	15,714	3,036
Project director contingency	3,000	8	2,992
Bowthorpe programme management	30,000	26,576	3,424
Bowthorpe transportation advice	7,500	4,638	2,862
Bowthorpe community engagement advice	500	84	416
Bowthorpe residual property advice	25,500	20,325	5,175
South city centre project management	2,500	1,742	758
TOTAL	87,750	69,089	18,663

The following table shows a breakdown of allocations from the strategic priorities funding and the year-end expenditure.

Strategic priorities budget (as agreed in 2013-14 business plan)	Budget allocation	Actual spend 2013-14	Variance /c/f
Bowthorpe infrastructure strategy and brief	16,730	16,030	700
Bowthorpe ecology and related advice	29,490	29,490	0
Bowthorpe overhead lines	47,500	47,500	0
Bowthorpe surface water drainage 139,000	9,859	9,859	0
South city centre vision and investment plan	46,761	46,761	0
South city centre Mountergate West investigations	25,000	26,345	-1,345
Employment and skills- 'Building futures in Norwich'	8,878	8,878	0
Second payment for overhead lines (held for 2016-17)	47,500	0	47,500
Contingency Payment	15,675	0	15,675
Allocation for preparatory works for road/infrastructure made by SB in Dec 2013 and delegated to IB	300,000	73,822	226,178
Unallocated - to be used for road/infrastructure	1,835,353	0	1,835,353
Memorial Gardens	0	(2,119)	2,119
TOTAL	2,382,746	256,566	2,126,180

11 Progress in 2013-14

The NAHCASP has made considerable progress over the last year. The partnership focused its attention on three main areas:

- Employment and skills supply side package.
- Three Score development.
- Mountergate West.

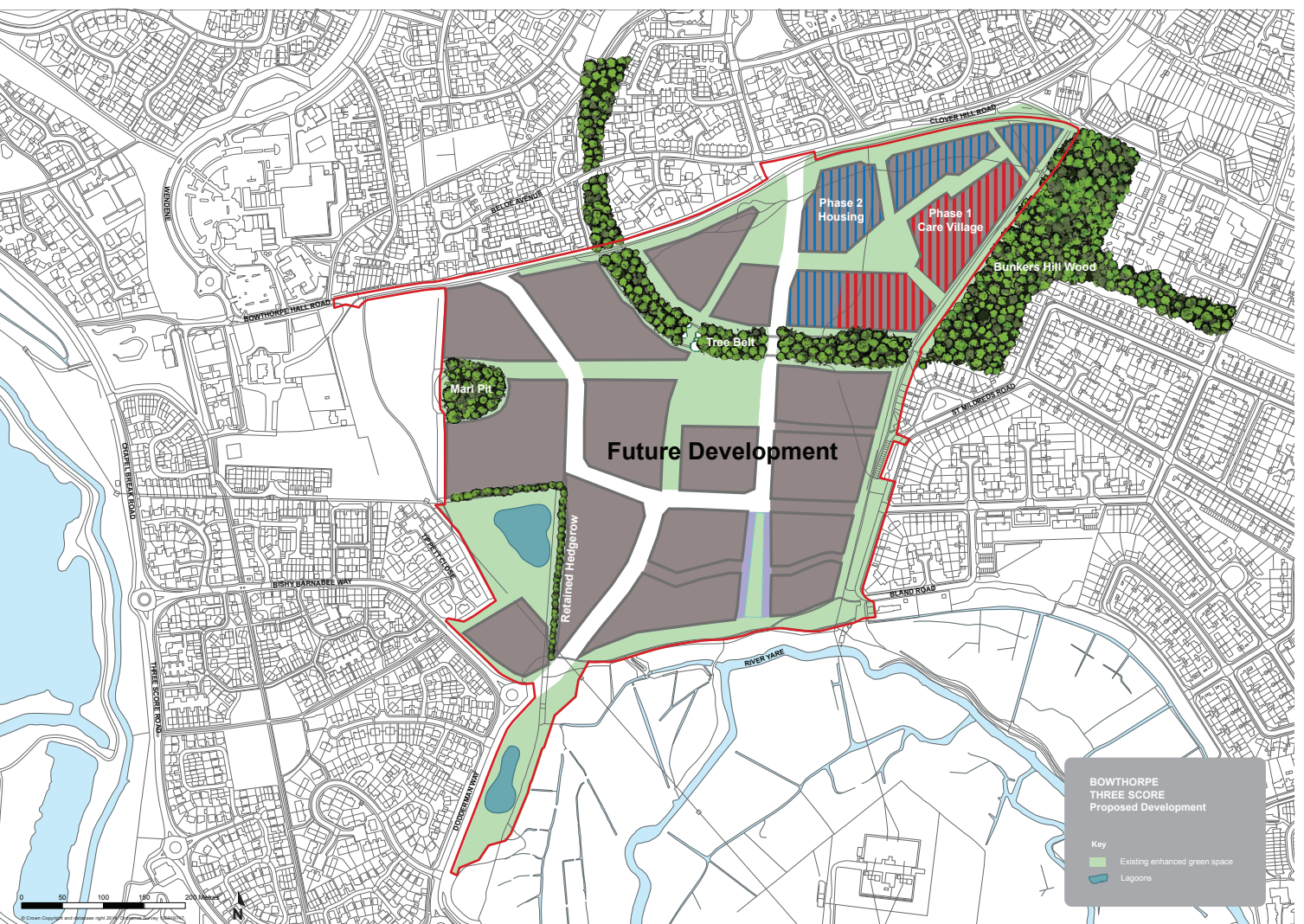
a. Employment and skills supply side package.

The project has been successful in securing new contracts via Norwich City Council and the partnership. Further work will be secured following the letting of the design and build contracts for the housing with care scheme and the strategic infrastructure and spine road works.

b. Three Score development

The main elements of progress during the year were as follows:

- Outline planning consent for the overall development.** The outline planning permission for 1,000 homes was secured in July 2013. This included the detail of the main road infrastructure to serve the whole development. In order to ensure that the works to deliver the infrastructure and spine road are not delayed, several pre-commencement planning conditions were submitted for discharging.
- Surface water drainage design and costing.** Further design works were commissioned and were included in the tender pack for the infrastructure and spine road works.



- **Housing with care and dementia care facility.** Funding for the scheme was agreed by the HCA in June 2013. A reserved matters planning application was submitted in December 2013 and was approved by the council's planning committee in March 2014. The tender for the design and build contract has been issued and the contractor has been appointed.
- **Overhead electricity lines and other utilities.** The deed has been completed for the 132kv line to be undergrounded by December 2016. The next steps are to secure the undergrounding of the 11kv lines crossing the site.
- **Infrastructure strategy report.** An infrastructure strategy report was produced to identify how the site could be serviced and the associated costs for any works. This was to ensure that a fully serviced site is available for future phases of development.

- **Future phases.** Work was carried out to determine the next phase of development. In February 2014, the council's cabinet agreed to take forward a phase of development adjacent to the housing with care scheme. A brief has been prepared to commission initial feasibility, market testing and design works for this phase prior to detailed design and submission of a planning application.

c. Mountergate West

Following delivery of the South City Investment Plan (David Lock Associates) in June 2013, the strategic board funded some ground investigation works for the Mountergate West site in order to establish the optimum locations for the proposed housing and car park.

The results of the investigations showed no significant issues. In September 2013, the council's cabinet agreed to take forward the development of the car park as phase 1 of the development of Mountergate West and in October 2013, cabinet agreed to take forward the housing element as phase 2. It was agreed that there was no further need for partnership funds to be invested in this development.



12 Priorities for April 2014 to March 2015

The main priorities for the coming year relate to the development of the Three Score site are:

- a) infrastructure to serve the whole development
- b) housing with care and dementia care facility
- c) phase 2 housing.

The employment and skills supply side package, 'Building Futures in Norwich', will form an integral part of all these projects.

a) infrastructure to serve the whole development

The construction of the road and infrastructure will commence in 2014-15 following the appointment of a design and build contractor. This is likely to be a 12-month construction contract. The main constraint is to ensure that the permanent access arrangements and drainage are available for the housing with care facility by their target completion date of January 2016.

The most optimistic timetable is likely to be:

- Completion of further design work – drainage and landscaping – May 2014.

- Start of procurement process for design and build contract for road and infrastructure – June 2014.
- Completion of procurement process- August 2014.
- Start constructing the road – Autumn 2014.
- Completion of road infrastructure – Autumn 2015.

The partnership has committed the balance of strategic priorities funding to deliver the road and infrastructure (£1,835,353 remains at the start of 2014-15). The council has agreed to fund the balance of the costs (up to a total of £4M) with the partnership funding being used to cover any interest charges. More detailed cost estimates will be available following the tender process for the design and build contract.

The strategic priorities funding budget for 2014-15 is allocated as follows:

Strategic priorities funding for 2014-15	£
Second payment for overhead lines (held for 2016-17)	47,500
Outstanding payment for infrastructure strategy and brief	700
Contingency	14,330
Commitment made by SB in Dec 2013 and delegated to IB - carried forward to 2014-15	226,178
Remaining balance for construction of road/ infrastructure	1,835,353
Memorial gardens	2,119
TOTAL	2,126,180

Housing with care and dementia care facility

The partnership will continue to work with NPS, NorseCare and Norfolk County Council to deliver the dementia care and housing with care facility. HCA funding through the 'Care and Support Fund' currently requires a start on site before the end of quarter 2 in 2014-15. This involves a transfer of land by the city council to NorseCare at nil value but no partnership funding is required.

Phase 2 housing

The council has agreed to take forward phase 2 acting as direct developer. The blocks of housing to be included in this phase are shown on Plan 1 and the phase is likely to consist of around 142 dwellings of which 33% will be affordable. The council has made an allocation in its capital plan and programme to fund this development. The initial work to be taken forward will be part of a process to test the design and feasibility for this phase:

- Market testing the demand for private rented housing to inform the mix of the private sector element.
- Assessing the demand for units of different sizes and types e.g. 1,2,3 etc bed houses or flats.
- To produce initial sketch designs for the development.
- To produce detailed financial appraisals.
- Producing a community engagement strategy.
- Design of scheme and submission of reserved matters planning application.
- Consideration of a community trust for the management of open space in this and future phases.

A brief for commissioning this work has been prepared.

c) The employment and skills supply side package, Building Futures in Norwich

This project will be contractually linked with any construction contracts taken forward by the partnership. The project should be able to sustain itself without any further funding from the partnership.

d) Sites for future investment

The partnership will continue to investigate options for future investment by the partnership, although immediate opportunities will be limited as future investment will be dependent on achieving receipts from the Three Score development which are unlikely to start to be delivered until 2016-17.

13 Other resources for delivery

Programme management

The £500,000 programme management budget, which was established in the original business plan in 2009 to cover the costs of project management relating to the original regeneration projects to be delivered by March 2011, has been drawn down very sparingly. The fund has a balance of £133,705 at the start of 2014-15. 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 allow this budget to be topped up through the receipts from the development of land at Three Score.

Norwich City Council will continue to provide the project director role to March 2015 at a maximum cost to the Partnership of £18,750 (including support from the HCA project assistant and LGSS finance) with the council bearing the remainder of the costs. This will be the only revenue funding from the partnership funds and represents around 1% of the total partnership budget for the year.

The following staff time for city council fee based staff will also be funded from programme management budget. (All other staff resources will be covered by the council). These are capital costs as they are fees directly related to the development of the Three Score site

- £37,500 to provide overall programme management for the Bowthorpe project – coordinating the different work streams, including infrastructure, housing with care and phase 2, plus looking ahead to future phases
- £7,500 is allocated to provide transportation advice at Bowthorpe.
- £500 is allocated for community engagement advice.

14 Budget for 2014-15

The tables below summarise the proposed budget for 2014-15

Programme management budget 2014-15	133,705
Project director*	18,750
Project director contingency*	3,000
Bowthorpe overall programme management	37,500
Bowthorpe transportation advice	7,500
Bowthorpe community engagement advice	500
TOTAL COMMITTED	67,250
Unallocated	66,455

*revenue funding

	NAHCASP budget	Allocations for 2014-15	Unallocated
Strategic priorities funding	2,126,180	2,126,180	0
Programme management	133,705	67,250	66,455
TOTAL	2,259,885	2,193,430	66,455

Delegation of budgets and responsibilities

1. To advance project delivery, the following delegation levels are proposed:

Strategic board responsibilities:

- Agreeing the form of contract for the design and/ or construction of the road/ infrastructure.
- Agreeing the design of drainage for the road/ infrastructure contract.
- Recommending to the council (delegated to the deputy chief executive in consultation with the portfolio holder for resources) the appointment of contractor for the design/ build contract for the road/ drainage/ infrastructure.
- Recommending to the council the preferred mix of housing (size, type and tenure) for phase 2 and the quality standards to be achieved (for inclusion

within the reserved matters planning application for phase 2.

- Recommending to the council the route to development for phase 2, including funding requirements and the selection of a development contractor/partner.
- Agreeing the future housing outcomes and the Three Score project plan.

The strategic board delegates to the implementation board:

The delivery of the Three Score project plan for 2013-14 (appendix 2) including the procurement of services and overall management of individual contracts (up to the value of £75K) including the following:

- Pre-commencement works necessary for the road/drainage/infrastructure to serve the whole site, including archaeology, site clearance, reptile relocation, arboricultural method statement and tree protection plan.
- Works (including design work) related to pre-commencement planning conditions and reserved matters consent required for the road/drainage/infrastructure.
- Any further design work required for the contract for the road/infrastructure.
- Procurement of property and planning advice related to the above.
- The procurement of a project manager/ CDM coordinator for the road/ infrastructure project (pre and during construction).
- Initial design work for phase 2 to determine the location of the service way.
- Approval of tender documentation for the development agent for phase 2, including as stage 1, the design, feasibility and further market testing.
- Overall management of development agent, for phase 2, once appointed

- Approval of tender documentation (including any necessary survey work and further design needed) required to procure a contractor to construct the road and infrastructure.
- Overall management of the contractor to construct the road/infrastructure, once appointed.

The implementation board delegates to the Three Score project team:

- Delivery of the project work streams including procurement of any individual contracts up to the value of £10K.
- Day-to-day management of consultants and contractors working on the project.

Advice will be procured in line with the council's procurement standing orders and target operating model, which includes working with partners NPS Norwich, NPLaw and LGSS. All projects will be managed in line with the council's approved project management procedures.

15 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 Three Score as it moves forward to delivery.

Case studies and awards

The HCA has developed a case study about the partnership for its website and its 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.

16 Further development of the partnership

The CIA allows for further sites to be brought into the partnership. It does not preclude further investment by the 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 the 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.

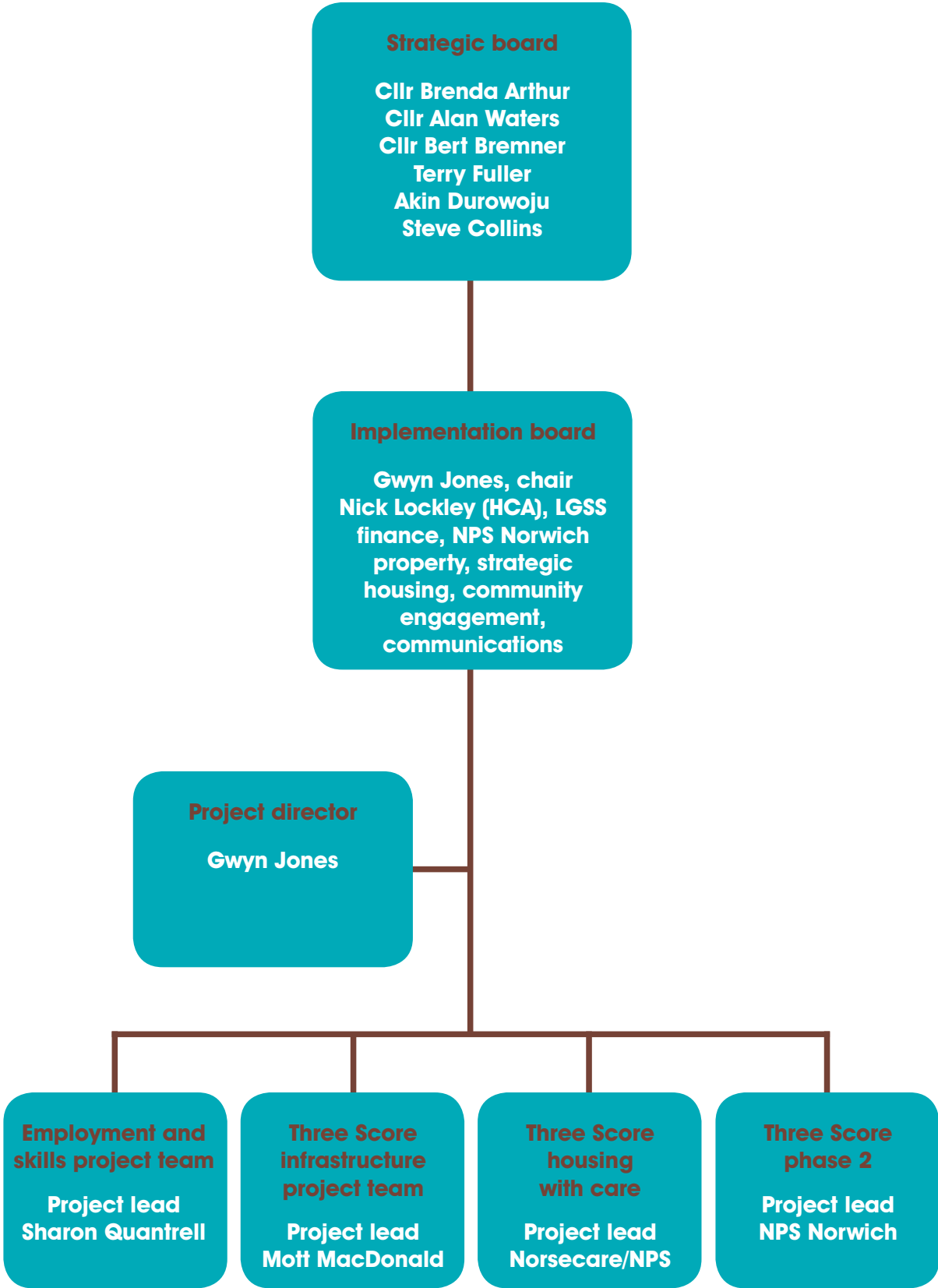
- The implementation board considers any new sites or project ideas on a quarterly basis.
- The implementation board makes an assessment of how the project idea meets the partnership objectives.
- Any project ideas that have merit are reported to the strategic board as part of the project director's report.
- Any proposed amendments to the business plan to be reported for approval by the respective partners.

17 Further funding

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

The Greater Norwich City Deal (signed December 2013) may provide further opportunities for funding for the partnership e.g. for infrastructure.

Appendix 1
Governance structure – June 2014



Appendix 2

Project outputs, outcomes, milestones etc

Project	Outputs/outcomes	Key milestones 2014-15
<p>a) Three Score</p>	<p>Commencement of construction for road/infrastructure to serve whole development (completion will be Autumn 2015)</p> <p>Commencement of construction for HWC/dementia care facility (completion will be Dec 2015).</p> <p>Secure reserved matters planning consent for phase 2.</p> <p>Agree method of procuring contractor for phase 2 (development likely to start 2015-16).</p>	<p>Commence procurement process - June 2014.</p> <p>Appoint contractor - August 2014.</p> <p>Secure remaining planning consents to enable road/drainage to start - September 2014.</p> <p>Commence construction - Autumn 2014.</p> <p>HCA funding contract signed - June 2014.</p> <p>Land disposal contract agreed - June 2014.</p> <p>RP appointed - June 2014.</p> <p>Appoint consultant to carry out market testing, feasibility and design work - April 2014.</p> <p>Business case agreed - September 2014.</p> <p>Commence work on planning application - Autumn 2014.</p> <p>Submit planning application - January 2015.</p> <p>Secure planning consent - April 2015.</p> <p>Agree method of procuring contractor to construct phase 2 - March 2015.</p>



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Produced by Norwich City Council – September 2014

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