

HOUSING SERVICES COMMITTEE

17 November 2005

Report of the Director of Housing Services **DURHAM COALFIELDS SETTLEMENT STUDY**

purpose of the report

To seek Committee's approval of the Durham Coalfields Settlement Study findings.

background

- 1 In 2002 a group of local authorities, housing associations and government agencies met to discuss the future development of the housing market in County Durham. They agreed that –
 - The greatest need for neighbourhood and housing regeneration was likely to be in the former coalfield area;
 - Government funding streams concentrated on housing pathfinders in urban areas and the creation of stable communities;
 - It was unlikely that additional pathfinder resources would be made available for County Durham however the Regional Housing Board (RHB) would have funding available; and
 - The RHB would be likely to give funds to projects with a sound evidence base.
- 2 As a result of these discussions the group agreed to develop an evidence base of need in the former coalfields area, bid jointly and work together in the future. This Committee approved this approach on 6 August 2003. Successful bids were made to the RHB and consultants were commissioned to develop an evidence base. These consultants were funded, in the main, by English Partnerships who hold the national portfolio for coalfield area regeneration.

the evidence base

- 3 English Partnerships and the group commissioned Jacobs Babbie Consultants to develop the evidence base. The brief was to carry out work in 3 phases –
 - **Phase 1** – Established the planning, sustainability, housing, economic and regeneration context of the former coalfield communities with an emphasis on emerging spatial policy and existing and emerging intervention strategy;

- **Phase 2** – Assess the functional relationship between coalfield settlements, main towns, the city regions and key economic areas. Review the coalfield settlement prioritisation and set out a rationale for intervention ‘beyond housing needs’ in spatial development terms; and
 - **Phase 3** – Recommend the broad range and type of strategic interventions which will help to create more sustainable communities and identify the aspects of change which would have the greatest impact on housing markets. This will provide a platform for developing more local and community based intervention, including housing intervention.
- 4 The key findings and recommendations of the Jacobs Babbie research are given in Annex 1.

implications for wear valley

- 5 The report helps the overall regeneration of Wear Valley and the delivery of the Council's objectives. Bishop Auckland is identified as a 'strategic focus' for future work. The report also highlights Coundon, Tow Law, St Helens and Woodhouse Close as former coalfield areas with opportunities for intervention. It also recognises the needs of Crook and Willington.
- 6 The report will be significant in helping the Council bid for and secure extra Government funding. It will inform the development of the Local Development Framework and Housing Strategy. Overall the report is of high quality and realistic in its proposals. It is favourable to the regeneration of Wear Valley.

financial implications

- 7 There are no financial implications for the report. However the research can be used to attract significant inward investment in the future.

community safety implications

- 8 Improving the built environment reduces crime and anti-social behaviour. Any physical redevelopment will be carried out with due consideration of safety by design advice.

human resource implications

- 9 There may be human resource implications to the implementation of the report. These will be related to strategic housing and planning roles in the Council.

equality and diversity implications

- 10 The findings of the research will be implemented with due regard to the Council's equality and diversity duties.

RECOMMENDED

- 1 Committee approves the findings of the Durham Coalfields Settlement Study.

Officer responsible for the report	Author of the report
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English Partnerships
Durham Coalfield Communities Partnership

Executive Summary

Coalfield Settlement Study

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Key Findings and Recommendations

This report provides an Executive Summary of the findings of Phase 1 and Phase 2 of the Durham Coalfields Community Partnerships Coalfield Settlement Study.

Background

The Durham Coalfields Partnership is seeking to progress a programme of interventions to address failing housing markets in former coalfield communities.

The Partnership recognises that housing market renewal must not be considered in isolation and should be aligned with wider regeneration, sustainability and planning strategy. They also acknowledge that future intervention should contribute towards a clear settlement role and function and tackle the underlying causes of housing market failure such as physical isolation, access to employment and services and net out migration. Intervention should also be aligned with the main Durham towns and the broader spatial principles of the emerging Regional Spatial Strategy.

Jacobs Babbie was commissioned by the Durham Coalfields Partnership in November 2004 to undertake the following three phase study:

- **Phase 1:** Establish the planning, sustainability, housing, economic and regeneration context of the former coalfield communities with an emphasis on emerging spatial policy and existing and emerging intervention strategy;
- **Phase 2:** Assess the functional relationship between coalfield settlements, main towns, the city regions and key economic areas. Review the coalfield settlement prioritisation and set out a rationale for intervention 'beyond housing needs' in spatial development terms; and
- **Phase 3:** Recommend the broad range and type of strategic interventions which will help to create more sustainable communities and identify the aspects of change which would have the greatest impact on housing markets. This will provide a platform for developing more local and community based intervention, including housing intervention.

Key Recommendations from Phase 1

The Phase 1 report set out the overall planning, sustainability, housing, economic and regeneration context for the Durham Coalfield Communities. Key conclusions from this report are:

- The problems faced by former coalfield communities include population decline and changing age profiles, poor economic performance, lower educational attainment, poorer health, low housing demand in some settlements and poorer transport accessibility and availability of services in some areas;
- Existing strategic interventions are seeking to tackle some of the fundamental causes of housing market failure such as poor accessibility and poor economic performance;
- Local interventions are seeking to renew communities and improve them as places to live;
- The Consultation Draft RSS intends to pursue a stock reduction programme as a mechanism to reduce vacancy rates in the region in line with ODPM targets. Stock reduction is a short to medium term solution to manage housing supply and demand but needs to be supported by other measures to create communities which have a long term role and function;

- The key challenge is to address this housing imbalance in a way that meets social need and provides the right type of stock for retaining and attracting new people to the sub-region. Housing renewal activity must be aligned with other initiatives which tackle the underlying causes of settlement failure. Replacement and new stock must meet the future needs of the region and complement economic strategies and meet long term need. To this end, the type and location of new housing will be a critical issue as, not only should it facilitate more sustainable and vibrant communities, it should provide for changing aspirations and support economic growth;
- The David Cumberland report, completed in May 2004, recommended a strategy of stock reduction in the Coastal Strip and to increase the number of dwellings in the Net Park Villages, Wider Ferryhill and Southern Arc. DTZ identified 11 priority settlements based on housing policy and need. The OPDM has also identified housing market renewal 'hot spots' within the Durham Coalfield Communities;
- The regeneration of East, North West and South Durham is a core principal of the overall policy strategy of the Adopted Structure Plan. These locations are also identified as regeneration areas in emerging RSS with the main towns identified for regeneration. **The emerging RSS provides a policy framework for intervention in the Durham Coalfield Communities in that the main towns are identified for regeneration and principal service centres and the surrounding areas are identified for regeneration. However, it is considered that the spatial strategy would benefit from a clearer presentation of the objectives for the coalfield communities in terms of how they can support the main towns and the city region.**
- The review of spatial policies identified a clear need to establish the role and relationships between settlements. Planning policy provides the mechanism to develop Coalfield Communities, which have the greatest potential to support the main towns, major centres and economic areas and to provide sustainable patterns of development. An assessment of the potential to enhance the role of the main towns is also necessary given that they are identified as principal functional centres and areas of opportunity;
- Funds and strategies aimed at tackling low demand in areas outside the Pathfinder are at an early stage of development given that the majority of activity has, so far, been focused on the Pathfinder. **It is important that the causes of low demand are understood and that a strategic framework for further intervention in the Durham Coalfield Communities is provided.** This will provide the strategic evidence base to support further appraisal of specific interventions within the Durham Coalfield Communities; and
- The creation of sustainable communities requires a holistic and co-ordinated approach to housing, transport, education and health, jobs, social opportunities, services and the physical environment.

Key Recommendations from Phase 2

The settlements of the County Durham exhibit a range of positive opportunities. There is a reasonable level of accessibility for all settlements, with some ideally located on major transport routes i.e. A1 (M) and A19. There are a number of attractive areas within settlements and significant signs of investment within the communities, which is producing a change in settlement image, improving the quality and range of services and resulting in revitalisation of the centres.

Whilst there is general alignment between the potential for sustainable change and housing renewal, it is a clear finding of this study that housing renewal will only be successful if the strategic framework for overall regeneration and new opportunities is in place. Without this

strategic framework, many communities will witness further decline with limited opportunities for stabilisation and/or reversal.

The key findings and main recommendations from phase 2 of the study are:

- Easington District and Derwentside have the strongest employment relationships with the Tyne and Wear City Region;
- The Tees Valley City Region is also a significant employment destination for the residents of Easington, Sedgefield and Wear Valley with the strongest employment links from Sedgefield Borough;
- Durham City has high inflows from all the other Durham Districts. This comprises of Derwentside (4717), Sedgefield (3427), Wear Valley (2386) Easington (2298) and Chester le Street (3649);
- Sedgefield Borough is also a key employment destination with high flows from Wear Valley (3141), Durham City (1849) and Tees Valley (2328);
- Wear Valley has the strongest links with Teesdale District and Sedgefield Borough (outflows of 3141) and inflows (2518). Wear Valley has the least strong employment relationships with either the Tyne and Wear and Tees Valley City Region;
- With the exception of Durham City, all the districts are net exporters of labour to other areas. The main conurbations (with perhaps the exception of high flows between Sedgefield Borough and Wear Valley) and Durham City are the main recipients of these outflows. Therefore, the further development of strategic employment opportunities will help to increase self sufficiency and boost economic performance is also consistent with the objectives of the Northern Way. Strategic economic development should therefore remain as a key focus for regeneration activity;
- Durham, Peterlee and Bishop Auckland represent the principal retail and service centres within the study area based on multiple floorspace (source Experian Major Centres Study-May 2004). On-site assessments carried out as part of this study confirm that these centres provide a principal service function. This principal role should continue to be maintained and where appropriate, enhanced;
- Newton Aycliffe, Seaham and Stanley are smaller centres but are subject to major town centre regeneration schemes which improve and increase their function. On-site assessments carried out as part of this study have confirmed the need for both qualitative and quantitative improvements to diversify existing uses and improve existing activity in these town centres. This would provide a stronger functional focus to their main town role and provide a stimulus for other wider regeneration;
- Crook town centre provides a mainly local retail function which supports this settlement and the surrounding communities. Although it will continue to benefit from qualitative intervention and diversification, comprehensive functional improvement is unlikely to be viable given its limited population base, catchment and location. Similarly, although Shildon is a main town the town centre has a limited retail function which mainly meets local needs. Given that the restructuring of Newton Aycliffe town centre is proposed and the proximity to Bishop Auckland, significant functional change of Shildon Town Centre is not considered to be appropriate. Spennymore town centre provides a reasonable range of provision but would benefit from improved vitality and quality.
- Consett town centre has already benefited from significant qualitative and quantitative intervention with an increase in retail provision in the town;

- The main towns of Seaham, Peterlee, Bishop Auckland, Newton Aycliffe and Stanley should provide the principal focus for new strategic activity. This should be supported by investment and renewal in the neighbourhoods and surrounding communities which have the potential to support their main town role and which have the potential to provide sustainable regeneration.
- Ferryhill should also be planned for as a main town. There is significant potential for regeneration in Dean Bank, FerryHill Station and to a lesser extent Chilton to support this role.
- As Shildon is a smaller town located between Bishop Auckland and Newton Aycliffe, it is considered that this should principally be a focus for local activity and self sustainability rather than strategic change. It should provide a supporting role to strategic functions located in Bishop Auckland and Newton Aycliffe. There is potential for Newton Aycliffe, Shildon and Bishop Auckland to be developed as a main town corridor
- Whilst Willington is a joint main town for structure plan purposes, it has a small population base and is unlikely to fulfil a main town role. Therefore, it should be a focus for local intervention and further regeneration rather than significant functional change.
- Crook, Consett and Spennymoor will continue to benefit from the implementation of further regeneration initiatives. Their roles as main towns are important in the district context but less so in a sub-regional or regional context. Therefore, they should continue to be a focus for self-sustainability rather than strategic change and growth.
- A number of coalfield communities have the physical potential to support growth and are capable of providing sustainable regeneration which will compliment and support the main towns and major centres. These should be the principal focus for strategic interventions both in terms of housing, services, retail improvement and accessibility. The communities which have significant potential to benefit from regeneration and provide sustainable growth are identified as Easington Colliery, Tow Law and the surrounding communities, Bowburn, Coundon and Chilton West.
- Focusing strategic opportunities and restructuring in the main towns and facilitating regeneration and growth opportunities in the most sustainable surrounding settlements is consistent with planning policy. This study has identified the main towns which should be a focus for strategic change and the neighbourhoods and communities which are considered to be the most sustainable places for regeneration and growth to support this change. The future role of settlements has been considered in the wider spatial and functional objectives for the main towns and city regions.
- Not all of the settlements identified as a housing priority by DTZ and David Cumberland are identified for strategic change within this study. By definition, strategic change cannot be applied to all settlements given that resources and capacity are not infinite. Many of the former coalfield settlements included in the study area would benefit from qualitative improvement and local based intervention but are not necessarily sustainable locations to focus strategic change or additional housing. Where growth in smaller coalfield settlements is likely to be less sustainable, these should be a focus for local and community based intervention to improve their quality. These settlements have been identified for significant local intervention. Stock reduction may also be appropriate in some of these settlements.
- Some settlements contain pockets of failing areas but by and large perform reasonably well. These will require locally based area regeneration rather than significant strategic change. They are identified for local and more limited regeneration only.
- Other communities have a small population base and do not require significant intervention. They have been identified as having limited potential for intervention.

- The principal focus for strategic employment opportunities should be Seaham, Peterlee, Newton Aycliffe, Bishop Auckland and Durham City. These should act as major employment centres for the sub region and provide opportunities which support the surrounding communities.
- As new towns, policy options for accommodating growth in Peterlee and Newton Aycliffe are restructuring of the existing fabric, urban extension or through encouraging growth in surrounding settlements which have urban capacity and the potential for sustainable regeneration.

Report Summary

The Study Settlements

David Cumberland and DTZ previously completed studies to identify 'priority' intervention settlements. These were based on housing need and discussions with local authorities regarding local housing and neighbourhood strategies and plans, housing demand and land supply considerations.

The settlements included in the current study are main towns identified in the Adopted Structure Plan and the 36 former coalfield settlements identified in the DTZ report. Although Chester-le-Street and Teesdale Districts contain main towns, they do not include any priority or coalfield settlements. Coalfield settlements are concentrated in the following districts:

- Derwentside;
- Durham City;
- Easington District;
- Sedgefield; and
- Wear Valley.

These districts have formed the primary focus for Phase 2 of the study. The table below indicates the Durham Coalfield Communities by:

- Local authority;
- Housing Market Intervention zone as identified by David Cumberland (if applicable);
- Main towns as identified in the County Durham Structure Plan (if applicable);
- Coalfield and/or priority settlements as identified by the DTZ study; and
- ODPM housing renewal hot spots.

Table 2.1: Settlements Assessed by Spatial Intervention Zone

District	Settlement	Intervention Zone (DC)	Main Town (CDSP)	Coalfield Settlement (DTZ)	Priority Settlement (DTZ)	ODPM Hot Spot
Chester-le-Street	Chester-le-Street		✓			
Derwentside	Stanley		✓	✓	✓	✓
	Consett		✓			
Durham City	Durham		✓			
	Bowburn	Durham / Wear Valley Rural Corridor		✓	✓	
	Brandon	Durham / Wear Valley Rural Corridor		✓	✓	
	Esh Winning	Durham / Wear Valley Rural Corridor		✓	✓	
	Ludworth	Durham / Wear Valley Rural Corridor		✓		

District	Settlement	Intervention Zone (DC)	Main Town (CDSP)	Coalfield Settlement (DTZ)	Priority Settlement (DTZ)	ODPM Hot Spot
	New Brancepeth	Durham / Wear Valley Rural Corridor		✓		
Easington	Seaham		✓			
	Peterlee		✓			✓
	Blackhall Colliery	Coastal Strip		✓		
	Dawdon	Coastal Strip			✓	✓
	Easington Colliery	Coastal Strip		✓	✓	✓
	Horden	Coastal Strip		✓		
	Shotton	Net Park Villages		✓		
	South Hetton	Net Park Villages		✓		
	Station Town	Net Park Villages		✓		✓
	Thornley	Net Park Villages		✓		✓
	Trimdon	Net Park Villages		✓		
Sedgefield	Spennymoor		✓			
	Ferryhill Station			✓	✓	✓
	Chilton West			✓	✓	✓
	Shildon	Southern Arc	✓			
	Newton Aycliffe	Southern Arc	✓	✓		
	Dean Bank	Ferryhill Area		✓	✓	✓
	Cornforth	Ferryhill Area		✓		
	Ferryhill	Ferryhill Area				✓
	Fishburn	Net Park Villages		✓		
	New Trimdon	Net Park Villages				
	Trimdon Grange	Net Park Villages		✓		
Teesdale	Barnard Castle		✓			
Wear Valley	Crook-Willington	Durham / Wear Valley Corridor	✓	✓		✓
	Cockton Hill (neighbourhood of Bishop Auckland)					
	Escomb			✓		
	Henkowle					

District	Settlement	Intervention Zone (DC)	Main Town (CDSP)	Coalfield Settlement (DTZ)	Priority Settlement (DTZ)	ODPM Hot Spot
	(neighbourhood of Bishop Auckland)					
	Howden			✓		
	Hunwick			✓		
	Tow Law and Stanley			✓	✓	
	West Auckland			✓		
	Bishop Auckland	Southern Arc	✓	✓		✓
	Coundon	Southern Arc		✓	✓	✓
	Coundon Grange (Dene Valley)	Southern Arc		✓	✓	
	Woodhouse Close (neighbourhood of Bishop Auckland)	Southern Arc				

A plan of the settlements assessed by the study is provided below.

Methodology

A presentation and background paper on the proposed methodology for Phase 2 was provided to the Coalfield Partnership and this was refined following comments received to this presentation and further comments received at specific meetings with officers.

The function and accessibility profile provided by a data base produced by the project team (with significant input from the County Council and District Authorities) has been used to group settlements in terms of common functions and characteristics. The following functional classifications have been devised by Jacobs Babbie to provide a consistent basis for comparing the existing role of each settlement:

- **Main Town (MT):** The functional role of the settlement provides key services and serves a wider hinterland. This includes education, leisure, retail function, employment and good accessibility to surrounding settlements. A main town should provide most of the following services: **transport interchange, main retail centre, secondary school, major supermarket and medical facilities.**
- **Coalfield Settlements which are Reasonably Self Sustaining (CSRST):** These settlements do not provide a high order service role but meet some day-to-day needs. For example, they have access to local retail provision and some key services, such as medical facilities either within the settlement or close-by. These settlements should have good public transport access to at least one main town or other major regional centre. They may also provide local services for other smaller communities. These settlements should provide the following services: **local retail centre, local supermarket, a medical facility and reasonable bus access to a main town;**

- **Coalfield Settlements with a More Limited Service Role (CSLSR):** These settlements have a very limited or no service role and lack key service facilities either within the settlement or close-by. They rely on other settlements for most service provision. Such settlements are more isolated in terms of accessibility to the main towns.

The Phase 2 assessed the role and function of settlements, identified the potential relationships between them and assessed key economic relationships. It has made strategic recommendations on the type and level of intervention which may be appropriate in the context of tackling existing problems, creating more vibrant and sustainable communities and supporting sub-regional and regional spatial objectives including the main towns and city region concepts. A staged methodology was followed (see Annex 1) to place settlements in one of the following categories:

Table 2.2: Level of Change within Settlements/Neighbourhoods

Focus for Strategic Opportunities (FSO): A key focus for plan led change and strategic interventions through maintaining, improving and enhancing the function and role of a main town. This could include direct intervention and plan led change in a main town or within a supporting community which has the potential to support the role of a main town or provide other strategic change (e.g. employment). The emphasis of this strategic change is to align the potential for housing market intervention with other wider opportunities to enhance the functional relationships between main towns and to benefit their supporting communities in terms of employment, education, retail and transport activity. There is also high potential to provide sustainable change and regeneration in terms of improving housing choice and quality, improving economic activity and enhancing and improving the service function. **The settlements in this category are considered to be the overall priority for intervention regardless of whether planned interventions are already being pursued or being investigated. For example, if a masterplan has already been produced, a funding strategy may be required to implement this on the ground.**

Significant Local Opportunity (SLO): There is still high potential for intervention to provide qualitative improvement, to support the viability of the settlement and address social, economic and housing issues. However, the function of the settlement means they are considered to be a focus for local or community based interventions, such as qualitative intervention to the existing urban fabric, rather than significant strategic interventions, such as centre improvement or significant plan led activity. There is also less potential to enhance the existing role and function of the settlement in terms of providing sustainable change and to support the function of a main town.

Smaller Scale Local Opportunities (SSLO): Intervention within these settlements has more limited potential to provide sustainability improvements or the existing service role would be difficult to improve. Alternatively, settlements within this category could already be functioning at a sustainable level or may not require significant regeneration or further intervention. A more limited level of intervention may give rise to positive benefits such as reinforcing and maintaining the existing role and viability of the settlement.

Very Limited Opportunity (VLO): The existing service role of the settlement is limited and there is little opportunity to improve this situation without complete change. It may also be an unsustainable place to focus new development. Therefore, the settlement is not suitable for significant intervention or additional development. However, minor development in the form of infill and small scale qualitative change may be appropriate.

Conclusions From Phase 2 Report

The key conclusions from the report are outlined below.

Economic Relationships

The study has identified existing planned and future areas of economic activity and employment flows between each district. The principal three employment flows into and out of each district are demonstrated by figure 10.1. This is based on employment flows obtained from Commuting and Workplace Research (District Profiles) Produced for the North East Region Information Partnership by the University of Durham (January 2005). Actual flows between centres have been obtained from information provided by Durham County Council. The main travel to work patterns identified are:

- Durham is the key focus for economic activity within the County and all the districts have strong links with this location for the provision of jobs. The City of Durham District contains the largest proportion of people who live and work in the same district;
- The City of Durham District is also a major net exporter of labour and this has increased since 1991. Although the reasons are difficult to define, it could reflect the growing importance of the Tyne and Wear conurbation and/or be the result of net out migration from the conurbation to live but with increased commuting into the city region for work;
- Derwentside District experiences the greatest travel to work outflows. This reflects its close proximity and accessibility to the Tyne and Wear Conurbation and Durham. Derwentside also provides fewer strategic employment opportunities than other Districts.
- The District of Easington has strong north/south travel to work relationships but less so to the west. Flows to and from the City of Sunderland are particularly high. Tees Valley and Durham also represent key employment destinations but links to Sedgfield Borough are far less significant;
- The strongest inter district linkages are between Sedgfield Borough and Wear Valley District. Both export flows to each other although these are greater from Wear Valley. This perhaps demonstrates that Wear Valley has a weaker economic base; and
- Sedgfield Borough also has strong employment links with the Tees Valley. Wear Valley has fairly strong, but less significant, links with Tees Valley.

Further analyse of gross travel to work flows between County Durham major centres and the major centres within the Tyne and Wear and Tees Valley Conurbations identify the following key patterns:

- Stanley and Consett have the greatest flows with Newcastle/Gateshead;
- Durham City residual (i.e. outside Durham City major centre) has significant flows to Newcastle/Gateshead but the greatest flows are to Sunderland;
- Peterlee has strong flows with Sunderland and Hartlepool whilst Seaham has significant flows with Sunderland. At district level Easington has the strongest economic flows with Sunderland;
- Newton Aycliffe has significant flows with Darlington but smaller flows to the other major centres;
- The most significant flows from Spennymoor, Shildon and Bishop Auckland are with Darlington;

- Crook and the rest of Wear Valley District generally have lower out flows to all the City Region major centres.

Figure 3.1, which illustrates the spatial distribution of existing and proposed employment sites, shows that many of the sub-regionally important sites are located close to the main strategic road corridors (A19 and A1) and are concentrated in Sedgfield Borough, Duham City and Easington District. Proposed sub-regionally important strategic employment sites include Heighington Lane West, Net Park, the road rail interchange facility and the South of Seaham reserve site.

The study has reviewed and validated the role of each of the main towns. This has included a detailed analysis of service provision, housing, transport accessibility and economic activity and relationships. The function of each main town is summarised below:

- **Durham, Peterlee and Bishop Auckland** are considered to provide a primary retail role and have good accessibility. These towns are also a focus for district-wide activity in terms of the catchments and communities which they support. Although providing a significant service role, Peterlee and Bishop Auckland do not currently provide a particularly strong employment base whereas Durham City provides a major sub-regional employment focus;
- **Seaham and Newton Aycliffe** currently provide a more limited retail role but are subject to town centre regeneration schemes. Neither of these settlements is likely to support a particularly wide retail catchment beyond the major centre boundary. However, both provide an existing strategic employment role and planned activity will strengthen their future importance as key sub-regional and regional employment destination;
- **Consett** has benefited from significant intervention to its retail, employment and service base. It supports a number of rural settlements and is an important service hub and a key focus for strategic activity for Derwentside District;
- **Stanley** has a limited employment and retail role and probably supports fewer surrounding communities than Consett. Its proximity to the Tyne and Wear City Region, the Metro Centre and Chester-le-Street also mean that it competes with other centres in terms of service provision;
- **Crook and Spennymoor** provide a reasonably level of service and retail provision and both are fairly self sustaining and less reliant on other areas. Crook has a small population base and the level and choice of retail activity reflects this. Crook benefits from the fact that the main Wear Valley District Council offices are located in the town. Spennymoor is a fairly large town centre providing a reasonable range of retail provision;
- **Willington:** Although considered to be a joint Main Town with Crook for Structure Plan purposes, on its own Willington has very limited retail provision and has a small population base. As Willington is physically separated from Crook and retail provision in this settlement is fairly limited, the residents of Willington may travel to Bishop Auckland or Durham rather than to Crook;
- **Ferryhill** is identified in the Structure Plan Review as a single main town with Spennymoor. Ferryhill exhibits many of the characteristics of a Main Town and is considered to be fairly self sustaining. It also supports the surrounding neighbourhood of Dean Bank and Ferryhill Station. Therefore, it is considered that Ferryhill should be considered as a main town but further strategic change may be required to support this role;
- **Shildon:** Whilst it is a fairly self sustaining settlement its service role is primarily locally focused. It is also located between Newton Aycliffe and Bishop Auckland, both of which currently have a wider functional role and offer significant future opportunities for town

centre development. Therefore, Shildon is considered to provide a more limited functional role particularly when compared to the other main towns.

The study has identified the role of other settlements which are not main towns through identifying service provision and visits to determine the range and quality of services. This has been used to determine whether the settlement is reasonably self sustaining and whether it provides a more limited service role. The table below summarises the role of each coalfield settlement and the main town which is likely to provide service support.

Table 2.3: Roles and Function of Settlements

Main Town	Reasonably Self Sustaining Coalfield Community Settlement	Coalfield Community Settlement with a More Limited Service Role
Derwentside		
Stanley		
Consett		
City of Durham		
Durham	Brandon	Ludworth
	Bowburn	New Branceworth
	Esh Winning	
District of Easington		
Seaham		South Hetton
		Dawdon*
Peterlee	Easington Colliery	Station Town
	Blackhall Colliery	Thornley
	Shotton Colliery	Trimdon Station
	Horden	
Sedgefield Borough		
Newton Aycliffe		
Spennymoor		
Shildon		
Ferryhill	Ferryhill Station	Trimdon Grange
	Fishburn	Dean Bank
	Trimdon	Chilton West
	Trimdon Station	Cornforth
Wear Valley District		
Bishop Auckland	West Auckland	Escombe
	Coundon	Dene Valley
	Woodhouse Close*	
	Cockton Hill*	
	Henknowle	
Crook	Willington	Howden-le-Wear
	Tow Law	Hunwick

* Residential neighbourhoods of the main town.

Existing and Planned Interventions

The study study has provided a detailed analysis of existing and planned intervention and how these could impact on the role and function of each community.

This analysis has shown that intervention strategy and delivery is more advanced in some areas than others. Top down strategic delivery has tended to be focused towards those areas which have suffered the most significant population decline and face the most severe problems (such as East Durham) and where the greatest opportunity exist.

Government and European led responses to regeneration have also been supported by local programmes of intervention. There is evidence that the combined impact of strategic and local intervention strategy is beginning to realise change in some communities.

The main local framework for delivering regeneration at settlement level is the production of masterplans and Action Areas plans in new LDF's. Masterplans and Area Action plans have already been produced or identified in a number of the coalfield communities and main town neighbourhoods.

A summary of existing and planned intervention strategy in each district is provided below:

- **Derwentside:** To date Consett town centre has been the focus for most intervention activity within the District. These interventions have related to investment in business park development and investment in town centre renaissance. Intervention is now focused on Stanley Town Centre, in particular its core retail functions. Current interventions include redevelopment of the Stanley Bus Station site, construction of a new bus interchange, High Street improvements and improvements to pedestrian circulation and linkages;
- **Durham City:** Many of the planned interventions within the City of Durham District relate to issues of accessibility. Planned interventions include the construction of park and ride facilities along the A691, implementation of bus priority measures, potential reopening of the Leamside Railway Line. Local planned interventions with significance include the construction of a multi-modal rail interchange at Bowburn and the establishment of a district centre. Smaller settlements within the District have been recent recipients of a range of interventions. Brandon, New Brancepeth and Esh Winning have been subject to capacity building intervention through SRB 5 & 6 programmes. New Brancepeth has also been the subject of a 'Home Zone' initiative. Durham, as the County town, has also been the focus of significant current and planned intervention in the areas of sport and leisure, accessibility and health;
- **Easington:** The District is subject to a range of strategic and local interventions. National Coalfield Programme activity is focused on the redevelopment of sites in the Seaham and Murton area. The combination of other strategic and local activity is providing positive physical and social change. The programme of interventions in Seaham and environs is probably at the most advanced stage in terms of delivery and implementation of any other community in the study area. However, there are still significant opportunities to be realised and further intervention to be delivered. A number of neighbourhood and community based interventions are being implemented or are under investigation including masterplan activity for Dawdon and Easington Colliery. Easington District Council is also at an early stage of identifying options for the strategic regeneration of Peterlee. Dawdon, Easington and Peterlee have been identified as action areas to be implemented through the future LDF;
- **Sedgefield:** A range of interventions are planned or are currently being implemented in a number of the Sedgefield communities. Shildon has been the recipient of a range of interventions which together have significantly revitalised the town centre and the wider settlement. The A167 Chilton bypass is currently under construction and impacts on Chilton West. Masterplanning activities are planned or underway in a number of the District communities including Dean Bank, West Chilton and Ferryhill Station.
- **Wear Valley Settlements:** Crook and Willington have been the focus for most intervention activity. Interventions are currently planned or are being implemented in Bishop Auckland/Coundon. These include masterplan activity, the South East Bishop Auckland Area Action Framework, the St Helens/West Auckland bypass and new employment, retail and housing activity. Tow Law is not currently subject to significant intervention activity.

Potential Type and Level of Intervention in the Main Towns and Durham Coalfield Communities

Work previously undertaken by the Coalfield Communities Partnership has identified priority settlements based on housing priorities. The analysis in this study has considered settlements within a wider regeneration, sustainability and spatial context.

The study puts forward strategic recommendations on the level and type of change and future intervention in each settlement based on the problems which they face and their existing and potential future role either as main towns or supporting settlements. It provides a distinction between strategic opportunities which will significantly regenerate and improve the function of a settlement and local, but nevertheless significant, change and improvement. The existing and potential future role of each settlement in terms of whether it could support or serve other communities and the overall contribution towards planning objectives is also considered. Some communities are identified as only requiring smaller scale local change. The emphasis in these settlements will be one of quality rather than major functional change. The definitions on the type of change are set out in Table 2.2 above.

The reasons for identifying the settlement/neighbourhoods for strategic change are summarised below.

Figure 2.4 shows the spatial distribution of the recommended level of intervention for each settlement. This is summarised in the table below, which also compares the recommendations of this study with where settlements have been identified for housing renewal by DTZ and through OPDM research.

Table 2.4: Overall Level of Change within Settlements

Settlement	Jacobs Babbie Sustainability and Spatial Assessment				Housing Priorities and Low Demand	
	FSO	SLO	SSLO	VLO	DTZ Priority Settlement	OPDM Low Demand Hot Spot
Barnard Castle	Main Town but not subject to assessment only to validate functional role					
Chester-le-Street	Main Town but not subject to assessment only to validate functional role					
Consett			✓			
Stanley	✓				✓	✓
Bowburn	✓				✓	
Brandon		✓			✓	
Durham	Main Town but not subject to assessment only to validate functional role					
Esh Winning		✓			✓	
Ludworth			✓			
New Brancepeth			✓			
Blackhall Colliery				✓		
Dawdon	✓				✓	✓
Easington Colliery	✓				✓	✓
Horden	✓					
Peterlee	✓					✓
Seaham	✓					
Shotton Colliery		✓				
South Hetton			✓			
Station Town			✓			✓
Thornley		✓				✓
Trimdon Station			✓			
Chilton West	✓				✓	✓

Settlement	Jacobs Babbie Sustainability and Spatial Assessment				Housing Priorities and Low Demand	
	FSO	SLO	SSLO	VLO	DTZ Priority Settlement	OPDM Low Demand Hot Spot
Cornforth			✓			
Dean Bank	✓				✓	✓
Ferry Hill Station	✓				✓	✓
Ferry Hill			✓			✓
Fishburn				✓		
Newton Aycliffe	✓				✓	
Trimdon			✓			
Trimdon Grange				✓		
Spennymoor		✓			✓	
Sildon			✓		✓	
Bishop Auckland	✓					✓
Cockton Hill				✓		
Coundon	✓				✓	✓
Dene Valley		✓			✓	
Crook			✓			✓
Escomb				✓		
Henkowle		✓				
Howden			✓			
Hunwick				✓		
Tow Law	✓					✓
West Auckland		✓				
Willington		✓				
Woodhouse Close	✓					

The reason for the type of change and potential level of intervention in each settlement is summarised below.

Bishop Auckland is identified as a strategic focus for intervention and functional improvement to enhance its role as a main town and to support local regeneration activity. It has the capacity to accept change and its good accessibility also means that it is a sustainable place to focus activity which will attract people from a wider catchment. An enhanced role would provide a stronger service and economic base for the Wear Valley settlements and provide a strategic focus for activity and opportunities which the regeneration of surrounding communities can support and benefit from.

Bishop Auckland Neighbourhoods: There is significant opportunity to renew and regenerate neighbourhoods such as Woodhouse Close and St Helens, both of which are identified as low demand hot spots by ODPM. This represents a significant opportunity in terms of maintaining and supporting the role of Bishop Auckland as a main town and providing sustainable regeneration.

Stanley is identified as a focus for intervention to enhance its role as a main town and to support regeneration. This would provide more opportunities for people living within the settlement and surrounding communities and improve the physical environment. As there are strong functional links with the Tyne and Wear City Region, there is the potential for increased self containment in terms of improving the economic and retail base, whilst also recognising that Stanley acts as a commuter town for the City Region and that this is a potential opportunity. Stanley is identified by ODPM as a potential 'low demand' hot spot.

Peterlee should be a focus for future intervention strategy to support its role as a main town and to provide more strategic opportunities. This will not only support the viability of Peterlee as a major centre but also provide opportunities which can maintain and improve the long term viability of the surrounding coalfield communities. The type of activity should include an enhanced employment role and the maintenance and enhancement of its existing service base. There are also likely to be opportunities for qualitative intervention and restructuring to the existing stock particularly in terms of neighbourhood regeneration in areas such as Eden. There is also significant potential for the restructuring of Peterlee to be supported by housing potential new housing opportunities in other nearby settlements.

Horden is well located in terms of strategic transport provision and has good links to Peterlee and other major centres. Although it is a separate settlement, its proximity to Peterlee means it also acts as a neighbourhood of this main town. It already has a reasonable range of service provision and has high potential to be a reasonably self sustaining neighbourhood which supports and benefits from the main town status of Peterlee.

Seaham has close links to Sunderland. It is already subject to significant intervention action with more planned or in the pipeline. The combination of both strategic and more local intervention is already beginning to realise significant change and further planned improvements in its employment and retail function will further enhance its role as a main town. The town also has significant potential to provide housing growth which will also support its strategic role as a main town. As the implementation of regeneration strategy is already at an advanced stage, significant further intervention may not be required once existing proposals are progressed although further local intervention, such as improving links between the train station and the town centre may be appropriate.

Dawdon: Seaham has close links to Sunderland but as a main town supports fewer settlements. From this perspective, it is important that it has attractive neighbourhoods, which support the maintenance of the existing population base and where new people are attracted to it. Dawdon (with Parkside) is therefore identified as a strategic focus for intervention as it has the potential to support the main town role of Seaham and would be a sustainable location to focus regeneration activity. It is already subject to masterplan activity and has been identified by Easington for an Area Action Area in the LDF. This neighbourhood has also been identified as a low demand hot spot by ODPM.

Newton Aycliffe should be the focus of a future intervention strategy to strengthen its role as a main town. The town centre does not currently act as a key focus for activity and has significant potential to support an increased functional role within the District. Its town centre should be the focus of intervention to enhance the existing retail and service base. The regeneration of its town centre is identified as a key priority by Sedgefield Borough Council, which should be progressed via an action plan and more detailed proposals. Improved links and integration with its rail station would improve accessibility to other settlements in the County. There is opportunity for housing intervention in a number of its existing estates west of the town centre and the focus for new opportunity should be to restructure existing urban areas and to intensify and diversify activity where this is possible. Its good accessibility to the strategic transport network also means that the settlement has significant potential to provide an enhanced employment role which provides both local and sub-regional opportunity.

Strategic Coalfield Settlements to Support the Role of Main Towns

Coundon: There are significant opportunities for sustainable regeneration through creating a more diverse and attractive settlement which provides for the day to day needs of residents. There is significant potential for the settlement to support the main town role of Bishop Auckland due to its good public transport links to this town. Intervention in Coundon could include continuing to invest in the local retail and service role and qualitative intervention and restructuring of the existing housing stock where this is appropriate.

Tow Law: It is more isolated than other communities and would benefit from qualitative and small scale functional intervention. It has the potential to support Crook and Durham and possibly new activity in Wear Dale if accessibility was improved. Crook/Stanley is identified as a housing market renewal hot spot by ODPM and this may include Tow Law. A next step may be to investigate the potential for intervention in Tow Law and the surrounding communities as significant intervention is not planned at present.

Easington Colliery: An increase in the population, through further additional housing development, has the potential to enhance local retail and service provision. Further qualitative intervention would also support the continued regeneration of the settlement. The justification for intervention can be aligned to a clear functional role to support the main town role of Peterlee (and potentially other destinations due to its proximity to the A19 Corridor) although public transport access would need to be improved. The settlement is identified as a low demand hot spot by English Partnerships/ODPM.

Ferryhill Station and Dean Bank: These two communities are considered to be neighbourhoods of the Ferryhill settlement. Intervention within these areas has the potential to provide sustainable regeneration as it will support the wider role of Ferryhill and help to support the viability of this settlement. They also have good transport accessibility and have the potential to support and benefit from new economic opportunities located along the main transport corridors. Masterplan activity is already well advanced in these settlements.

Chilton West: Proposals for Chilton West should be considered within the wider context of Chilton and the potential to provide housing support to the main towns of Newton Aycliffe and Bishop Auckland. Intervention should concentrate on qualitative intervention and neighbourhood restructuring. The construction of the A167 (T) Chilton Bypass will also mean that there is the potential for environmental enhancement within the town.

Bowburn: There is potential to create a village centre. This should be focused within the existing residential areas to ensure it is accessible by a variety of modes of transport. The justification for intervention can be aligned to its proximity to the A1 (M) and good public transport links to other major centres. The designation in the City of Durham Local Plan for a Prestige Industrial Estate and the potential construction of the inter-modal freight interchange on the south western periphery of the current urban area would increase the profile and potential role that Bowburn would have within the County. There is also currently a lack of housing choice within Bowburn with limited availability of modern housing. Overall, there is significant potential to provide sustainable regeneration and enhance the functional role of this settlement.

Validation against Planning Strategy

The policy review undertaken in the phase 1 report identifies a clear need to establish the role and relationships between settlements. Planning policy provides the mechanism to develop Coalfield Communities, which have the greatest potential to support the main towns, major centres and economic areas and to provide sustainable regeneration and development.

To promote sustainable patterns of development in the North East Region Draft RSS 1 has focused on conurbations in the Tyne and Wear and Tees Valley City Regions for major development, regeneration and investment. The County Durham Structure Plan provides a development focus based on the 12 main towns. Emerging RSS identifies these towns as regeneration towns and a focus for economic and service activity to complement the city regions. Therefore, focusing strategic opportunities on the main towns (both in functional terms and for regeneration) is a core principle of emerging spatial strategy.

The County Durham Structure Plan identified that it may be appropriate to focus new development in smaller coalfield settlements which have good access to the main towns and a

reasonable level of service provision. The communities which have the most potential to provide sustainable growth through maintaining and enhancing local service provision, enabling community based regeneration and taking advantage of good accessibility are considered to be sustainable places for development.

Many of the areas considered in this study are neighbourhoods or nearby communities of the main towns. As the regeneration of main towns will only be viable if it is supported by vibrant neighbourhoods and supporting communities, the continued restructuring of supporting communities is consistent with the role of the main towns.

Focusing strategic opportunities and restructuring in the main towns and facilitating regeneration and growth opportunities in the most sustainable surrounding settlements is therefore consistent with planning policy. This study has identified the main towns which should be a focus for strategic change and the neighbourhoods and communities which are considered to be the most sustainable places for regeneration and to support this change. They are also considered to be locations which meet the wider spatial and functional objectives of the main towns and city regions.

New industrial development would enhance the sub-regional employment role and increase the self-sufficiency of the County Durham sub-region. This would contribute towards the regional objective of boosting economic performance and creating a stronger economic base. **The study had identified significant potential for the main towns and supporting communities to compliment and support strategic economic growth.**

HOUSING SERVICES COMMITTEE

17 November 2005

Report of the Director of Housing Services

HOUSING SERVICES DEPARTMENT – VALUE FOR MONEY STRATEGY

purpose of the report

To request Committee to approve the adoption of the Value for Money Strategy attached in Annex 2.

background

- 1 The need for a Value for Money (VFM) Strategy was highlighted to Housing Services Committee on 28 July 2005.
- 2 As Members will be aware, the service was subjected to an indicative ALMO Inspection by the Audit Commission. Whilst the Inspectors were appreciative of the progress the department had made in delivering VFM savings, it was accepted these had not been achieved on a structured, planned basis. This strategy seeks to address this situation.

RECOMMENDED

- 1 Committee approves the adoption of the Housing Services Department Value for Money Strategy in Annex 2.

Officer responsible for the report

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WEAR VALLEY DISTRICT COUNCIL

HOUSING SERVICES VALUE FOR MONEY STRATEGY

1. **Introduction**

Wear Valley District Council are responsible for delivering value for money from public funds. This obligation arises from the Local Government Act 1999.

The Council continues to seek and deliver value for money programmes in order to direct resources to achieve its key objectives. Improving efficiency through better value for money is considered as good financial management; a key priority in the Council Plan 2005 – 2008. This ensures that increases in Council Tax are kept to a minimum necessary to deliver effective quality services desired by local people.

The approach to delivering improved value for money has been highlighted in the Gershon Review within the corporate Comprehensive Performance Assessment and, more specifically, in the Key Line of Enquiry number 32 and in the Audit Commission's approach to service inspection. In addition, the drive for better efficiency can be evidenced in sector specific agendas such as Rethinking Construction.

This Value for Money strategy must be considered along with the Council's Medium Term Financial and Procurement strategies and be delivered in accordance with the Council's Contract Standing Orders and Financial Regulations.

2. **What is 'Value for Money' (VFM) ?**

'Value for Money' is a term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it. VFM not only measures the cost of goods and services, but also takes into account the mix of quality, cost, resource use, fitness for purpose, timeliness, impact, benefit and convenience to assess whether or not, together, they give good value. VFM is often considered to be the relationship between the 'three E's' of economy, efficiency and effectiveness:-

- **Economy** – minimising the cost of resources for an activity/service ('doing things at a low price')
- **Efficiency** – performing tasks with reasonable effort or measure of productivity ('doing things the right way')

- **Effectiveness** – the extent to which our objectives are met or the impact achieved ('doing the right things')

Finding the optimum balance between these three aspects, together with assessment of 'local' issues and needs, will result in the achievement of maximum value for money.

3. **Objectives of the VFM strategy**

The achievement of VFM requires an attitude and culture of continuous improvement. Accordingly this strategy will seek to

- Ensure the provision of goods and services that meet the needs of the local community through application of the principles of economy, efficiency and effectiveness
- Deliver goods and services that fit within the department's vision and key objectives
- Form the backbone against services that are reviewed on a targeted basis to ensure VFM
- Implement Best Value principles into management, planning and review of processes and service delivery
- Ensure that savings are identified and resources re-allocated towards new priorities
- Make VFM an integral part of the way the organisation operates at all levels by training and development
- Identify and adopt best practice where appropriate
- Continually seek improvements by comparison of performance through benchmarking against other local authorities, comparable organisations in other sectors and recognised best practice
- Increase customer satisfaction

Achievement of these objectives will benefit the Housing Services Department and ensure VFM is delivered that will benefit our customers.

4. **Approach to VFM**

To deliver a structured process of achievement of VFM, it is necessary to ensure a number of standard actions are followed on all reviews or activities.

- a) **Clarify objectives** - Managers need to carry out a proper assessment of the objective of the activity or action they propose. It is not sufficient to assume that the need or requirement exists. There should be clear demonstration that the activity or action fits in with the Council or departmental strategies, policies, visions and objectives. If this does not happen, by definition, the activity or action is not achieving what the department set out to do.
- b) **Planning** – Planning is an essential part of a well managed process. Planning reduces the risk of failure. Plans need to be established and agreed with all relevant parties.
- c) **Openness and transparency of process** – Following agreed procedures and evidenced decision making through the adoption of open processes will demonstrate propriety as well as VFM.
- d) **Compliance with statutes and regulations** – By complying with Standing Orders, Financial Regulations, EU Regulations, following the Procurement Strategy and other requirements will significantly reduce the risk of failure.
- e) **Risk Assessment** – All activities have risks. These could include reputation, financial, health and safety or business risks. Inadequate risk assessment, particularly for significant activities, can result in poor VFM.

To achieve VFM, the Housing Services Department has identified the requirement for departmental activity to be considered; namely –

- Providing the structure, systems and training to enable VFM to be delivered
- Commitment towards VFM at all levels
- Effective communication
- Accountability at all levels
- Clearly defined vision and objectives
- A culture of continuous improvement

Value for money needs to be evidenced and demonstrated fully. The assessment of VFM can be achieved in a number of ways, for example:-

- Through benchmarking against similar organisations and service providers

- By using both local and best value performance indicators and performance management
- Through conducting VFM studies, possibly using other authorities or consultants/specialists
- By identifying and adopting recognised good practice, including subsequent adjustment to consider Wear Valley's circumstances
- Through the work of Internal Audit and Scrutiny Committee as well as external assessment from Audit Commission and Housing Inspectorate
- By properly assessing the need, planning and evidencing compliance with good practice when undertaking service review
- By examining results or outcomes of an activity or action
- Through the use of customer feedback, both positive and negative
- By identification and development of healthy external markets
- By considering procurement potentials or shared service delivery
- By considering whole life cycle costing techniques
- By evaluation and scrutiny of new proposals as part of the budget cycle
- By not automatically building in inflationary increases into budgets
- By effective project management including provision of a robust business case
- By detailed and timely budget monitoring

Within Housing Services there exists a proven track record in delivering VFM gains using most, if not all, of the above activities. This strategy will ensure future VFM activity is undertaken in a structured, evidenced manner that builds on the culture of continuous improvement.

5. **Housing Services Department VFM activity**

Achieving VFM is a key objective to the Housing Services Department and illustrates good financial management. The corporate approach to achieving VFM is focused on the Annual Efficiency Statement and also the Corporate Procurement Strategy. These provide corporate strategic leadership and a consistent approach to procurement activities.

Within Housing Services, that approach is focused on KLOE 32 as well as the Service Improvement Plan. There is a recognition that housing is operating in a changing environment. There exists the requirement to meet these changes and ensure that services provided are providing VFM and meet customers' expectations. Accordingly many areas of service delivery within the Housing Services department need to be considered in terms of VFM. Specific areas of activity will include:-

- Delivery of the repairs and maintenance service
- Establishing and developing partnering arrangements
- Agreement and review of service level agreements for internal service provision
- Contractual arrangements in delivery of the future Decent Homes programme
- Development of sustainability measures
- Review of procurement activity and other potential mechanisms
- Response to the 2005 Inspection report
- Assessment of service provision against customer needs
- Review of existing budgets and submission of improvement bids linked to objectives
- Investigation and adoption of relevant best practice and service delivery
- Improving existing benchmarking and performance sharing information
- Review of customer feedback procedures
- Human resource issues such as sickness and training
- Development of the e-government agenda
- Asset management

This list is not exhaustive and should be developed by service managers as a result of encouraging a culture whereby VFM is part of staff's day to day routine.

6. **Measurement and reporting**

Wear Valley District Council, together with all public sector organisations, were required to make 2.5% efficiency savings as part of the Gershon Review. The Gershon Review established that efficiency savings, or VFM savings, could

either be cashable or non-cashable, and these had to be reported on the Annual Efficiency Statement (AES) produced by the Council.

There are a number of methods of measurement detailed within the Gershon Review and also available from the Office of Government Commerce. Advice can also be sought from the Director of Central Resources on measurement of efficiency gains. Any gains reported must be evaluated in accordance with guidance received to ensure a structured corporate approach to measurement.

Reporting VFM savings within Housing Services forms part of the Council's AES report and this process should continue. In addition, recent external advice has indicated the Housing Services Department has made VFM progress, but that structured evidence is not clear. Accordingly all VFM activity should follow similar processes as outlined within this strategy and must be evidenced. It is considered good practice that assessment of 'value for money' aspects be reported to Committee on all Housing Committee reports under 'financial implications' in line with the report writing protocol. It is also recommended that Committee receive a detailed breakdown of all VFM activity on an annual basis indicating benefits and gains achieved. This report should be made available to customers through the newsletter.



HOUSING SERVICES COMMITTEE

17 November 2005

Report of the Director of Housing Services

SECURITY IMPROVEMENTS TO COUNCIL HOUSES

purpose of the report

To update Committee on progress on improvements to the security of council houses and to seek approval to appoint a consultant.

background

- 1 As part of the Council's budgetary process, the Housing Services Department was allocated £150,000 from the capital programme to address the issues surrounding council house security. Customers have indicated that crime, or more specifically, the fear of crime is a major concern and its reduction forms an intrinsic part of the Council Plan. The £150,000 budget seeks to install security measures to areas and individual properties to reduce this fear of crime.
- 2 Officers within the Housing Services Department have worked in partnership with the Crime Prevention Officer in identifying crime 'hot spots' within the district and establishing initiatives to improve the situation.

progress

- 3 A number of security improvements have been suggested. These include:-
 - External security lighting – 'dawn to dusk' lights that create a reassuring environment;
 - Metal security fencing – to prevent access to homes;
 - Security measures to 'shed' and 'coalhouse' doors;
 - Door access systems to flat blocks to prevent unauthorised access to communal areas; and
 - 'key safes' – locked metal boxes built into the external wall of properties that contain keys to allow emergency services/Homeline staff access to vulnerable customers if required.
- 4 Discussions with the Crime Prevention Officer have identified the potential of partnership working with DISC (Developing Initiatives Supporting Communities) to implement these improvements. DISC are an independent charity that support vulnerable groups and individuals within the community. They have worked with

the Council's Community Safety Co-ordinator on previous schemes and are currently undertaking security measures for a number of neighbouring authorities.

proposals

- 5 It has been suggested by the Crime Prevention Officer and representatives from DISC that the most efficient and effective method of carrying out security improvement works is by using the security programmes already established by DISC.
- 6 DISC evaluate, appoint and monitor contractors who carry out various security works to properties. Approved contractors undertake the works at an agreed price and this, together with an administrative cost payable to DISC, is the cost to the Council. DISC will liaise with the Crime Prevention Officer and Council Officers to identify the exact requirements of both individual customers and neighbourhoods and provide statistical performance indicators to the Council illustrating community benefits. It is proposed that DISC carry out the security improvements as outlined above on behalf of the Council, as recommended by the Police Crime Prevention Officer.
- 7 It is further proposed that, subject to satisfactory performance, DISC carry out similar services for the following year's improvements as a further £150,000 has been set aside in the indicative 2006/07 programme.

procedure rules

- 8 In order to appoint DISC to undertake the proposed works, it is necessary to consider the Council's Contract Procedure Rules. The available budget for these works in 2005/06 is £150,000. This amount exceeds the threshold of £100,000 above which, the procurement method must be by tender from at least three and no more than five candidates in accordance with the Council's procedure rules.
- 9 To progress with the appointment of DISC, it will be necessary to suspend standing orders under Section 3 of the orders. This is proposed for the following reasons:-
 - DISC have a proven track record for delivery of similar schemes with neighbouring authorities and, on smaller projects with this council;
 - DISC have a well established list of approved contractors, who have all been assessed by the Criminal Records Bureau and are well experienced in dealing with the most vulnerable members of society;
 - The unit costs of installations are favourable in comparison to other suppliers; and
 - DISC will oversee the contract at an agreed rate of 12.5%. This represents good value for money and allows council staff to focus on delivery of other key priorities.

- 10 It is therefore proposed that Section 3 of Contract Procedure Rules be suspended to enable the Council to appoint DISC to deliver the security improvements to council houses.

financial implications

- 11 All works will be carried out within the agreed 2005/06 budget allowance of £150,000. The budgets will be monitored by Housing Services staff as part of the capital budgetary process. It is anticipated that the works will be completed by 31 March 2006.
- 12 Unit costs of installation are in line with current market costs; for example the installation of dawn to dusk lights – DISC will charge in the order of £83 per installation (including their administration charge), contractors have indicated a price range of £75 to £90 per installation (without administration charge) depending upon quantity and specification.
- 13 The scheme will increase the Council's ability to let properties by providing a more secure environment. This will increase resources to the Housing Revenue Account.

human resource implications

- 12 As previously stated, the proposed use of DISC to oversee the project will enable Council staff to concentrate resources on other key priorities. DISC will be responsible for the identification of need, programming and overseeing the works and final monitoring and reporting. These are duties that would traditionally be carried out by Housing Services staff.

crime and disorder implications

- 13 Crime and the fear of crime has a major effect on individuals' quality of life. Targeting of crime hot spots and introducing security measures will seek improve this factor. All works proposed will be agreed with the Crime Prevention Officer, Housing Services staff and the customer, and will address crime and disorder problems.
- 14 DISC and their contractors are CRB checked and fully experienced in dealing with victims of crime.

legal implications

- 15 The Head of Legal Services has been consulted regarding the proposed suspension of Contract Procedure Rules.

timescale

- 16 It is proposed that work commences immediately on those most vulnerable customers as identified by staff and the various support services. The programme of works will be undertaken on an ongoing basis with completion anticipated by April 2006.

monitoring

- 17 Financial information shall be monitored by Housing Services staff as part of the monthly budgetary process to ensure available finances are expended in a timely and effective manner. On completion of the works, DISC will provide performance indicators illustrating customers' fear of crime and also at a period of some six months after works are completed.

conclusion

- 18 DISC provide an experienced and dedicated vehicle for delivery of a programme of works to vulnerable customers. It is necessary to suspend Section 3 of the Council's Contract Procedure Rules to appoint DISC to oversee the security improvements. This proposal provides an efficient, effective and economic method of partnership working.

RECOMMENDED

- 1 Committee agrees to suspend Section 3 of the Contract Procedure Rules due to the reasons outlined in paragraph 9.
- 2 Committee agrees to the appointment of DISC to oversee the implementation of security measures to council owned dwellings.
- 3 Committee receives further reports on the progress of this project.

Officer responsible for the report	Author of the report
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HOUSING SERVICES COMMITTEE

17 November 2005

Report of the Director of Housing Services

ALMO UPDATE

purpose of the report

To inform Committee of progress in the establishment of an Arms Length Management Organisation (ALMO) to manage, repair and improve the Council's stock and housing.

background

- 1 In January 2005 the Council applied for a place on round 5 of the Government's ALMO programme. In June 2005 the Council received notification that this application had been successful. The Council has subsequently been invited to establish a new housing company to manage and improve the Council's housing stock.
- 2 This report will provide Committee with an update on progress in the establishment of the new housing company. The report is divided into the following sections:-
 - Customer consultation
 - Staff consultation
 - The ALMO name
 - ALMO Board member recruitment
 - The development of the company
 - HR implications
 - Financial implications
 - Recommendations

customer consultation

- 3 According to the Office of the Deputy Prime Minister's (ODPM) "Guidance on Arms Length Management of Local Authority Housing" (2004), the Council must demonstrate customer support for the ALMO process throughout the establishment of the new housing company.
- 4 Authorities may choose to ascertain tenants views through a ballot, but the Secretary of State is prepared to accept other clear evidence of customer support for the proposal. The Council decided in January 2005 to demonstrate

the support of customers for the ALMO proposal by undertaking a survey of all customers following a programme of extended consultation.

- 5 The consultation is intended to ensure that tenants make an informed choice on the ALMO proposal, therefore the Council has given all tenants and leaseholders information about and an opportunity to comment on:-

- The reasons for setting up the arms length body
- The functions to be transferred and the continuing role of the local authority
- The composition and status of the arms length body and its Board, including the selection and role of tenant Board members
- Tenants and leaseholder rights
- Performance standards for the arms length organisation

- 6 The Council began the customer consultation process in August 2005. The process has included:-

- The development of a Customer Panel ALMO Steering Group to advise on the establishment of the ALMO and the involvement of customers.
- A newsletter – complete with an advertisement for vacancies for tenants on the ALMO Board and a factsheet, both prepared by PS Consultants (Independent Tenant's Advisor) and distributed to all tenants.
- The provision of a freephone number for the use of all tenants, provided by PS Consultants.
- A visit to all tenants and residents groups across the district by PS Consultants to give a presentation and answer questions on the ALMO proposal.
- Press releases and regular articles in the Council's publication Wear Valley Matters and Wear Valley Housing Matters.
- Posters, leaflets and information made available to customers in all Council offices.
- Information on the Council's website.
- Information packs provided and officers taking part in the Customer Panel annual tour of the district.
- Presentations and information provided at a Mini Community Conference, the Bishop Auckland Show and Wolsingham Show.
- A Board member recruitment evening.
- A dedicated ALMO information stand in the Civic Centre.
- Letters to all customers informing them of the ALMO Board and opportunities to become involved in the ALMO.
- Focus Groups.

- 7 The formal customer consultation process will conclude in November 2005 when a survey of all customers is undertaken to "test" customer's opinion on the Council's proposal to establish an ALMO. The survey will be attached to a newsletter, which will be prepared by PS Consultants. The newsletter and questionnaire will be distributed to all customers, who will return the completed

questionnaire to PS Consultants for counting. PS Consultants will inform the Council of the results of the survey in early December 2005.

- 8 The results of the test of opinion survey will be reported to Housing Services Committee in January 2006.

staff consultation

- 9 The decision to establish an ALMO has major implications for staff. The ALMO doesn't just affect staff working within the housing department; it also affects staff working in the key support service sections of the Council such as finance, IT, legal services and personnel.
- 10 It is important that the Council safeguards the interests of staff who will be working for the ALMO. Ministers have stated that they will not consider a "two tier" workforce in ALMOs and have made it a condition that transferred and new staff has comparable terms and conditions.
- 11 Most of the staff who currently provide the housing service within the Council will join the new ALMO and will continue to manage the housing service and deliver improvements to homes. Some staff in other departments, who provide support to housing may also transfer, or the ALMO will arrange an agreement with the Council whereby the skills of these support services staff are purchased by the ALMO for an agreed amount of time – a Service Level Agreement.
- 12 Staff will transfer over to the ALMO under the Transfer of Undertakings and Protection of Employment (TUPE) Regulations. TUPE is employment legislation, which was passed in 1981 to protect staff when they are transferred to another employer. Under TUPE regulations the new employer, in this case the ALMO, gives an "undertaking" or a guarantee to safeguard and protect the employment rights of people who are transferred to it.
- 13 TUPE transfers will take place following a programme of consultation with the staff effected by the ALMO proposal. The proposed consultation programme includes:-
- Use of Teamtalk and the Council's staff Communication Forum
 - A staff newsletter and factsheet
 - Posters and leaflets available to all staff in all Council offices
 - A database set up on the Lotus notes system for staff to access
 - Focus groups
 - Briefing sessions
 - Formal TUPE consultation
- 14 In order for formal TUPE consultation to begin the Council must identify which staff may be affected by the ALMO proposal. These staff will then be invited to attend dedicated briefing sessions to inform them of the ALMO proposal and how it will affect them.

- 15 It is envisaged that the ALMO will provide the following services:
- Managing, repairing and improving the Council's housing stock
 - Rent collection, dealing with arrears and debt counselling
 - Consulting and informing tenants on matters which would be the ALMO's responsibility
 - Encouraging tenant participation, particularly in monitoring and reviewing service standards
 - Enforcing tenancy conditions
 - Similar functions for leaseholders
 - Managing lettings, voids and under occupations
 - Estate management and caretaking
- 16 Some housing staff will continue to work for the Council as some housing functions, such as Housing Strategy will not be carried out by the ALMO.
- 17 The formal TUPE consultation process must commence 90 days prior to the transfer of employees to the new organisation. The Council is currently identifying which staff will be affected by the ALMO proposal, with a view to the formal TUPE consultation process beginning in November 2005.

the almo name

- 18 In July 2005 Housing Services Committee was presented with a proposal for the name and logo of the new housing company. The name was "Dale and Valley Homes". The logo is attached on Annex 3.
- 19 The name and logo was the suggestion of a series of customer and staff focus groups. However the focus groups were not well attended and did not fully represent the local community, therefore Housing Services Committee recommended that more consultation be undertaken on the proposed name and logo with customers and staff.
- 20 The name and logo has been displayed at exhibitions across the district such as the Bishop Auckland Show and the Wolsingham Show. The proposed name and logo has also been included in every press release and article and is present on every poster and leaflet visible in the Council's offices, internet and publications.
- 21 Customers and staff have been invited to comment on the proposed name and logo. Very few comments have been received, but of those received the majority have been very positive. Particular praise was reserved for the decision to consider a name that bears little resemblance to the Council's current image and logo.
- 22 Comments also included praise for the positivity of the name and the colour and design of the logo.

- 23 The consultation period on the proposed name and logo is now over and it is proposed that the name “Dale and Valley Homes” become the official name and logo of the new housing company.

almo board member recruitment

- 24 An ALMO is managed by a Board of Directors. The Board should include tenants, local authority nominees and independent members with relevant experience of social housing, regeneration, social cohesion, finance or other ALMO responsibilities. They may include local business people or other representatives of the community. No one group should be in a majority on the Board.
- 25 In January 2005 the Council agreed that the ALMO Board will be made up of 15 representatives with an equal split between each group equating to 5 local authority nominees, 5 tenant representatives and 5 independent members.
- 26 The Council appointed 5 local authority nominees to the shadow ALMO Board at the Annual Council Meeting in May 2005. These representatives are practising Councillors and include:-
- Cllr Olive Brown
 - Cllr Ron Grogan
 - Cllr Geoff Mowbray
 - Cllr Thomas Taylor
 - Cllr David Wilson
- 27 In August 2005 vacancies for tenant representatives on the ALMO Board were advertised in an all tenant newsletter, which was prepared and distributed by PS Consultants.
- 28 The response to this recruitment drive was poor with only three applications received by 16 September 2005.
- 29 The recruitment process was subsequently extended to October 2005 and the Council worked in partnership with the Customer Panel prepare a letter which was distributed to all tenants informing them of the opportunity to become an ALMO Board member. A Recruitment Evening was also arranged for the 18 October 2005 for tenants and independent members of the community who may be interested in being involved in the ALMO Board.
- 30 The Recruitment Evening was also advertised in the local press and posters and leaflets were displayed in supermarkets, GP surgeries, Post Offices and other key public service points across the district.
- 31 The Recruitment Evening was attended by independent members of the community. No tenants attended the evening.

- 32 27 customers have requested application packs. The Customer Panel ALMO Steering Group, PS Consultants and officers of the Council will meet in November to discuss the next steps in the recruitment of tenant Board members.
- 33 Once the tenant Board members have been recruited, the Council will undertake a skills audit of the existing shadow ALMO Board. Vacancies for independent members of the Board will then be advertised and independent members of the Board will be appointed following a selection and interview process. Local authority nominees and tenant representatives on the Board will appoint the independent members, with advice from the Council's personnel department.
- 34 It is envisaged that the shadow ALMO Board will be in place by mid January 2006. The shadow ALMO Board will then undertake training and will meet as a Board to discuss the constitution of the new company and developing Management Agreement between the Council and the ALMO.

the development of the company

- 35 The Council is developing the Management Agreement in partnership with external legal advisors. The Management Agreement defines the obligations of the Council and the ALMO in delivering the housing management function. This covers:-
- Functions to be delegated to and carried out by the ALMO
 - The standards to which they are carried out
 - Arrangements for reporting on and monitoring performance
 - Requirements for the involvement of tenants in decision making
 - The financial relationship and obligations of each party
 - Arrangements for liaison and consultation between the authority and the ALMO
 - The ALMO's role in delivering the Council's Housing Strategy, including means to ensure that the authority, as ALMO shareholder, can achieve its objectives without unduly inhibiting the ALMO's freedom to manage the stock
 - The length of the agreement
 - Actions to be taken where there is non compliance or failure
 - Arrangements for termination
- 36 The criteria of the Management Agreement is set out in a "model" which the Government has prepared for the Council. The Council is working with professional legal representatives who are advising the Council on ensuring the best strategic fit for both the Council and the ALMO.
- 37 The Council currently has appointed legal advisors to assist in this process because the Council currently has a limited legal function. GONE have advised the Council to seek experienced legal representatives to lead on the development of the Management Agreement and the constitution of the new housing company. The legal advisors will also develop Articles of Association,

which will set out the powers of the shadow ALMO Board and a Memorandum of Understanding, which will provide details of the company's name and responsibilities.

- 38 Nick MacKenzie and Peter Hubbard of Anthony Collins solicitors Birmingham, are the Council's legal advisors on the establishment of the ALMO.
- 39 According to the ODPM's "Guidance on Arms Length Management of Local Authority Housing" the Council must also apply to the Secretary of State for approval to delegate the housing management function to another organisation under section 27 of the 1985 Housing Act. This application must include information on the following:-
- The housing stock
 - The Delegation of functions to the ALMO
 - The Council's future housing role
 - Best Value reviews and inspections
 - Tenant issues, including tenant support for the ALMO proposal
 - The ALMO Board
 - Supporting documentation, including information on the Management Agreement, the Articles of Association, a Memorandum of Understanding and the submission of a "Delivery Plan" which will set out performance, service delivery and liaison arrangements between the Council and the ALMO
 - Staff issues
 - Future plans and meeting the Decent Homes target
- 40 The section 27 application and supporting documentation must be submitted to the Secretary of State prior to the "go live" date of the ALMO. It takes approximately one month for the Secretary of State to consider applications.
- 41 It is proposed that the Council submit its application to the Secretary of State by the end of January 2006, with a view to the ALMO being launched on the 3 April 2006.

human resource implications

- 42 The ALMO has significant implications for staff in the housing department and may have implications for some staff within the support services sections of the Council.
- 43 The Council will continue to consult with affected and potentially affected staff members and their union representatives and will follow TUPE legislation in transferring staff to the new housing company.

legal implications

- 44 There are significant legal implications for the Council in the establishment of the ALMO. The Council is developing a legally binding Management Agreement which will set out the roles and responsibilities of both the ALMO and the Council.
- 45 The Council is developing a new company and laws that govern the registering and management of the company will apply to the ALMO.
- 46 The Council's legal department representative will work closely with the Housing Department and Anthony Collins' Solicitors on the development of the new housing company and the legal framework that surrounds the ALMO's constitution.

financial implications

- 47 The Council set aside £65,000 for the development of the ALMO from the HRA 2005-06 Budget. These monies are allocated to:-
- The consultation process, including publicity
 - The retention of PS Consultants as the Independent Tenants Advisor
 - The appointment of legal advisors
 - Improvements to be made to the service in the light of the indicative inspection
- 48 It is proposed that further sums be included within the 2006/07 HRA budget for developing the ALMO.

RECOMMENDED

- 1 Committee notes progress in establishing the ALMO.
- 2 Committee agrees that Dale and Valley Homes and the proposed logo become the official name and logo of the new housing company.
- 3 Committee approve that the Director of Housing Services work with legal advisors in the development of legal documentation to support the establishment of the ALMO.

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HOUSING SERVICES COMMITTEE

17 November 2005

Report of the Director of Housing Services

PROCUREMENT OF A NEW COMPUTER REPORTING TOOL

purpose of the report

To seek Committee approval to transfer funding between budget heads to facilitate the procurement of a new computer reporting tool for the Housing Services Department.

background

- 1 The housing, revenues and benefits computer systems used by the authority are supplied by International Business Systems (IBS), and have been in operation since 2003. The systems are written in a 4GL (4th Generation Language) called Progress. The revenues and benefit systems run on an IBM AS400 platform, whilst the housing systems run on a Windows based platform. Bespoke interfaces have been developed in-house which allow the different systems to communicate with each other. This is essential in terms of posting rental income and benefit payments to rent accounts.
- 2 The revenues and benefits department use AS400 Query to extract management and performance information from the database. The Housing Services Department use a tool called Report Builder.

changes to the present situation

- 3 Developments have occurred that mean we must seriously reassess our current IT position. In September 2005, IBS announced that sites using AS400 platforms would be required to transfer their systems to Windows technology. This was prompted by the fact that Progress would no longer be supporting AS400 technology when they upgraded to the latest version of their software. At this point, Report Builder would also be incompatible.
- 4 Staff knowledge of the current reporting systems is limited. Both AS400 Query and Report Builder are somewhat cumbersome tools that are not particularly user friendly. Consequently knowledge of their operation lies in the hands of a very small number of staff in the departments. This can create delays in extracting information from the IBS system due to the availability of staff.

the open query system

- 5 A new reporting tool has been developed by IBS together with a company called Hummingbird. This is a much more user-friendly system than either AS400 query or Report Builder. Consequently, many more users could become proficient in the extraction of management information. This would obviously be of great benefit to both the housing and revenues and benefits services, and support the management of performance. This reporting tool is the most appropriate for the Council's needs as it integrates with the main IBS housing, revenues and benefits system. There are products available from other suppliers but these are more expensive and less flexible as there is no automatic link with the main data systems.

financial implications

- 6 The one-off costs of the purchase of Open Query are £24,150. This figure includes a discount for ordering prior to 31st December. The cost covers the software installation, initial training and hardware. Discussions are taking place with neighbouring authorities to make a joint purchase that could reduce this cost.
- 7 The approved capital programme includes a sum of £245,000 for the current year, rising to £500,000 for each of the following two years to cover estate improvements. The current years budget is forecast to underspend, and it is therefore proposed that a transfer of £24,500 be made from the estate improvements budget to the IT Development budget to fund the purchase of the Open Query system in the current financial year. In accordance with financial regulations, members must approve such a transfer within the capital programme.
- 8 The annual licence fee is £3,800 that would be split between the General Fund and the Housing Revenue Account. This can be accommodated within existing budgets.

human resource implications

- 9 There will certainly be extensive training implications for selected staff in the operation of the new system. However, these will be managed to minimise the impact on service to our customers.

conclusion

- 10 We are approaching a situation in which changes to the IT system will have an enormously significant impact on our ability to extract necessary information from our database. It is essential that we take action as soon as possible to offset this threat. Procurement of the reporting tool outlined in this report will enable us to do this.

RECOMMENDED

- 1 That the transfer of £24,500 from the Estate Improvements budget to the IT Development Budget be approved.
- 2 That members agree to the purchase of the Open Query system as detailed in the report.
- 3 That the order be placed before the end of December 2005 so as to achieve the discounted price reported.

Officers responsible for the report

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HOUSING SERVICES COMMITTEE

17 November 2005

Report of the Director of Housing Services

DURHAM COUNTY COUNCIL (DCC) – SOCIAL CARE AND HEALTH OPERATIONAL PLAN 2005/06

purpose of the report

To seek Committee approval of continued joint working in Social Care and Health.

background

- 1 The Operational Plan sets out key priorities for the future work of the County Council's Social Care and Health Department internally, corporately and with its partners.
- 2 This report will provide Committee with information on how sections of the plan are relevant to the work of the Housing Services Department. The report is divided into the following sections:
 - Medium term priorities for improvement
 - Priorities for additional DCC investment
 - Key legislation and policy drivers
 - Proposed legislation for 2005/2006
 - Cross cutting initiatives
 - Objectives / Targets for 2005-2008
 - Human Resource Implications
 - Financial Implications
 - IT Implications
 - Legal Implications
 - Crime and Disorder Implications
 - Recommendations

medium term priorities for improvement (2005/06 – 2007/08)

- 3 Under the corporate aim of promoting a strong and healthy community, priorities include:-
 - To integrate services across all Social Care and Health service user groups
 - Integrated adult teams under development in rest of County in Durham
 - To implement the Council's action plan for drugs, alcohol and substance misuse

- To engage in and support the development of a county-wide strategy for housing and regeneration initiatives to promote sustainable communities
 - Active engagement in Challenge 9 Group and Homelessness Action Partnership (HAP)
 - Joint protocol for homeless young people developed and being piloted
- 4 Under the corporate aim of building a strong economy, priorities include:-
- To roll out the benefits of Broadband across the County
 - To deliver a strategic approach to the County's rural recovery
 - To support the renewal of town centres and market towns in the County (Urban and Rural Renaissance Programme)
- 5 Under the corporate aim of looking after the Environment, priorities include:-
- To improve the quality of the environment in many of the County's Towns and Villages (Urban and Rural Renaissance Programme)
 - To develop and implement a Local Transport Plan 2, which will cover transport policies and targets for the period 2006/2011.

priorities for additional dcc investment

- 6 Reference is made under the corporate aim of promoting a strong healthy community, to services for older people – true cost of care; partnership capacity; and integration of services with PCTs.

key legislation and policy drivers for social care and health

- 7 Gender Recognition Act 2004 - The Act came into effect from April 2005. Trans-sexual people are entitled to full equal treatment in their acquired gender and become that gender legally for all purposes. "The achievement of this legal equality will need to be translated into equal treatment in the workplace."
- 8 Domestic Violence, Crime and Victims Act 2004 - The introduction of the Act will strengthen powers of the police and the courts.
- 9 Civil Contingencies Act 2004 - The Act, with accompanying regulations and non-legislative measures will deliver a single framework for civil protection in the UK. Local Authorities will have numerous duties placed upon them e.g. Disability Discrimination Act (DDA)
- 10 Disability Discrimination Act (DDA) - The new Act received Royal Assent on 7 April 2005. It introduces a new duty on public authorities to eliminate unlawful discrimination against disabled people and to actively promote their equality and positive attitudes towards them. It extends the DDA 1995 to transport and will introduce a new duty on public bodies to promote equality of opportunity for disabled people. It also extends the DDA to cover people with HIV, cancer and multiple sclerosis.

- 11 Review of Adult Social Care (Green Paper) - 'Independence, Well-being and Choice' - The paper's vision includes:-
- Better use is made of technology to support people, and provide a wide range of supported housing options
- 12 (White Paper) "Valuing People" - Sets out actions for improving services for individuals with learning disabilities, based on 4 key principles: Civil rights; Independence; Choice and Inclusion.
- Proposals are intended to result in improvements in various services, including housing and support for people with learning disabilities and their families and carers.

proposed legislation for 2005/2006

- 13 Housing Bill
- Create fairer housing market and protect the most vulnerable
 - Introduce home information packs for homebuyers and sellers
 - Replace housing fitness standard with evidence-based Housing Health and Safety Rating System
 - Improve controls on Houses in Multiple Occupation (HMOs) including mandatory licensing for the largest, highest risk houses
 - Will enable Local Authorities to selectively license landlords to tackle bad landlords and anti-social tenants;
 - Will modernise Right to Buy scheme to tackle profiteering and emphasise purchasers' responsibilities
 - Will allow Housing Corporation to fund builders or developers as well as registered social landlords
 - Will amend definition of qualifying park homes to extend disabled facilities grants to gypsies and travellers
 - Will create a new Social Housing Ombudsman for Wales

14 Equality Bill

This will establish a single Commission for Equality and Human Rights to replace the Equal Opportunities Commission, the Commission for Racial Equality and the Disability Rights Commission. It will create a duty to promote gender equality and new legislation prohibiting discrimination on the grounds of age, religion or belief, or sexual orientation.

cross cutting initiatives

- 16 Section 17 – Community Safety - Draft policy and strategic framework contains a set of key principles including:-

- Services to make clear links between service and financial planning and the strategies of the statutory crime and disorder partnerships
 - That periodic audits are carried out of the contribution of key services to community safety, and periodic assessments of the costs of crime and disorder across the County
 - That services appropriately support all statutory crime and disorder reduction partnerships and their respective task groups
- 17 Implementing Electronic Government - All Local Authorities must achieve 100% capability in electronic service delivery by December 2005, in ways that enhance the quality, convenience and availability of these services to the public.
- 18 Demographics
- 15-64 years population - a forecast decrease by 2016 of 1.6%
 - 65-74 years show a continuing increase up to 2021 with a forecast of 26.7% increase from 2006.
 - 75-84 years population is anticipated to steadily increase until 2021 with a forecast increase of 9.5% from 2016.
 - 85+ years population is anticipated to rapidly increase, with a significant rise of 57% from 2001-2021
- 19 Index of Deprivation 2004 - County Durham has 320 SOAs (Super Output Areas) and 135 wards, each SOA contains an average population of 1500 people. A lower percentage rate on the table below indicates a higher level of deprivation within the SOAs.

(Source: An Overview of Levels of Deprivation in County Durham 2004 – Durham County Council Social Care and Health)

ID 2004	Number of SOAs in Percentage Banding					
District	< 10%	10% to 19%	20% to 29%	30% to 49%	50% >	Totals
Chester-le-Street	1	5	5	8	15	34
Derwentside	5	10	15	14	11	55
Durham	2	5	9	9	29	54
Easington	32	13	7	8	3	63
Sedgefield	3	18	10	15	10	56
Teesdale	0	1	1	4	10	16
Wear Valley	11	5	5	17	4	42
County Durham	54	57	52	75	82	320

- 20 The table shows that 163 (51% of which 13% are in Wear Valley) of the 320 SOAs in County Durham are classified as being within the top 30% threshold for the most deprived areas nationally, within the Overall domain rank.

adult services branch – objectives/targets for 2005-2008

21 The table below shows the objectives/targets for the Supporting People service:-

Objectives	Targets
To formally review all Supporting People funded services by March 2006 as required by the ODPM guidance	ODPM review requirement fulfilled March 06
Review impact of changing Supporting People funding in physical disability and community care provider services	To develop an action plan in light of findings with partner agencies
Establish secure market for core service provision by taking strategic approach to contracting with providers	Audit and discussions completed and new contract arrangements implemented as appropriate.
Develop strategic approach to SLA contracting	Review SLAs and agree proposals for 3 year contract cycle
Develop substance misuse commissioning strategy and strategy for dual diagnosis (in line with Policy Implementation Guidance)	Implement strategy. Agree team strategy for dual diagnosis with key partner agencies.
Review effectiveness of Partnership arrangements	Review role and function of locality planning group
Consolidate commissioning framework for Supporting People	Framework to be reviewed March 06
Develop Joint Planning and Performance Frameworks in Mental Health and Substance misuse	By Autumn 2005

Objectives	Targets
To develop Partnership Boards and integrated services in all areas (adult services)	Integrated teams x 4 Sedgefield Integrated teams x 2 Durham Integrated team x 1 Dales Integrated teams x 2 Easington
Develop integrated substance misuse service	Integrated teams in place; Models of care guidance implemented; Care Co-ordination policy being implemented

human resource implications

- 22 Some of the priorities and changes to legislation listed in this report will impact on the working practices of Supporting People services, Tenancy Enforcement, Homelessness and Street Warden staff.
- 23 Other legislation, e.g. DDA and gender equality, will impact across all services and so staff consultation via briefings may be required.

financial implications

- 24 Apart from the review of Supporting People funding (see point 18), an assessment of the cost of implementing and communicating changes to legislation and practices may be required. Proposals to review services to develop closer and more effective working arrangements may provide opportunities for efficiency savings.

it implications

- 25 All Local Authorities must achieve 100% capability in electronic service delivery by December 2005.

legal implications

- 26 For legal implications see 7 – 15.

crime and disorder implications

- 27 For Crime and disorder, please see points 2, 8 and 16.

timescale

- 28 Where available, target deadlines have been given within the report.

conclusion

- 29 New legislation is likely to have the most impact on WVDC's services, e.g. the Housing Bill will have strategic and operational implications regarding stock management; the Equality Bill includes duties such as gender equality, where the Council will have to demonstrate men and women are treated fairly. The reviews of Supporting People funded services and Commissioning Framework are also likely to have an impact.
- 30 Generally, the document focuses on integrating services with closer partnership working, better use of technology in improving access and supporting people, and more clarity between service planning and strategies.

RECOMMENDED

- 1 Committee recognises the changes highlighted in this report and agrees to continued joint working with the Social Care and Health Department.

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HOUSING SERVICES COMMITTEE

17 November 2005

Report of the Director of Central Resources BUDGET MONITORING REPORT (APRIL – SEPT 2005/06)

purpose of the report

To inform Members of the six months revenue budget monitoring position for 2005/06 in respect of the Housing Revenue Account (HRA).

background

- 1 It is a vital aspect of effective financial management that Members are aware of the Council's financial position. Budget monitoring reports are therefore presented to the Central Resources Committee on a quarterly basis. This includes the Housing Revenue Account (HRA). However, it is considered beneficial that members of the Housing Services Committee also receive a report on the financial position of the HRA.
- 2 Each budget within the HRA is the responsibility of an officer as a nominated budget holder. They each receive a monitoring report on a monthly basis to assist them in managing their budgets. They also have on-line access to the Council's computerised financial system that allows them to track income and expenditure against budget at any point in time.

summary report

- 3 Annex 5 indicates projected outturn against spend for the major budget headings within the HRA for 2005/06. The figures are indicative and still subject to considerable change over the remaining six months of the financial year. The major points of note are below.

supervision and management

- 4 The supervision and management budgets cover the cost of lettings, rent collection, service development, administrative support and the set up of the ALMO. Costs are broadly in line with budget and tightly controlled.

repairs and maintenance

- 5 The repairs and maintenance budgets cover the cost of the repairs workforce, operation of the stores, annual painting programme and the call centre. Due to the storm damage last January, there was an increase in temporary staff and overtime. There is also a number of staff covering both long term sickness and additional statutory requirements governing electrical work. Efforts are being made to reduce costs through:

- Exploration of fuel cards
- Improved procurement of materials
- Evaluation of the role of the stores
- Assessment of vehicle numbers
- Move towards multi-skilling

debt charges

- 6 This covers the cost of interest charges on loans taken out in previous years to fund capital expenditure. The costs are in line with budget and will only vary according to the interest rate chargeable on any new loan. Any change in these costs is compensated by an increase or reduction in housing subsidy payable to the Government.

housing subsidy

- 7 In common with around 80% of local housing authorities, the Council is in negative subsidy. This means that the Government assumes the Council will make a surplus from its rental income over the expenditure that it incurs. This “assumed” surplus is paid over to the Government. This payment to Government for 2005/06 is in line with budget as most of the elements that contribute towards the calculation of the amount payable are known in advance.

bad debts

- 8 This is a provision to cater for non-collection of dwelling, garage and shop rents, water rates and court costs due. This is dependent upon:-
- Volume of debt
 - Age of debt
 - Type of debt (former tenant arrears are less likely to be collected than current arrears)

rental income

- 9 This is forecast to exceed budget due to lower void rates and fewer council house sales than assumed when the budget was set in February. However, changes in both factors may lead to differences from this new forecast.

other income

- 10 This covers rents receivable from garages and shops and is in line with budget.

interest on balances

- 11 This covers interest earned on the balances held by the Housing Revenue Account which form part of the monies invested by the Council on a daily basis from cash surpluses within its bank account.

conclusion

- 12 The projected outturn for the HRA at this stage of the financial year is £15,000 worse than budget. This would leave a working balance of £1,042,000 as at the end of 31st March 2006. The working balance represents a cushion against unexpected costs arising in future years. This is in excess of the £1,000,000 minimum balance necessary to maintain the HRA on a stable financial footing and is indicative of effective financial control.
- 13 At the time of writing, the subsidy settlement from Government for 2006/07 had not been received. Government has proposed making changes to the housing subsidy system and it is currently unclear how this will affect the HRA. In addition, the costs of establishing an ALMO and its implications for the HRA remain uncertain. Additional pressures on the HRA in future years include rising pension costs and the impact of job evaluation. Consequently, it is prudent that subject to a satisfactory subsidy settlement that additional monies be allocated to balances in the 2006/07 budget.

RECOMMENDED

- 1 The financial position of the Housing Revenue Account is noted.
- 2 Members approve the principle of increasing the monies held within HRA balances as a contingency against unforeseen future costs, subject to a satisfactory subsidy settlement.

Officer responsible for the report

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Housing Revenue Account Summary – 6 Months Forecast 2005/06

	Original Budget 2005/06	Projected Outturn 2005/06	Overspend/ (Underspend)
	£000	£000	£000
Supervision & Management	2,570	2,530	(40)
Repairs & Maintenance	3,038	3,190	152
Debt Charges	1,820	1,819	(1)
Housing Subsidy	2,796	2,800	4
Bad Debts	150	100	(50)
Total Expenditure	10,374	10,439	65
Rental Income	(10,630)	(10,680)	(50)
Other Income	(190)	(190)	-
Interest on Balances	(50)	(50)	-
Total Income	(10,870)	(10,920)	(50)
Deficit / (Surplus)	(496)	(481)	15



HOUSING SERVICES COMMITTEE

17 November 2005

Report of the Director of Housing Services CHOICE BASED LETTINGS REGIONAL FUND

purpose of the report

To seek approval to represent the Council on a Core Group and Sub-Working Group.

background

- 1 In July 2005 Committee agreed that discussions could be held through the Durham Housing and Neighbourhood Group about a bid to the Choice Based regional fund. Committee requested the Director of Housing Services to make further reports on the outcome of these discussions.
- 2 Discussions took place between the local authorities but it was agreed that the time frame to submit a bid did not give them enough time to submit a strong enough bid by 7 October 2005. However, since this time further discussions have taken place with GONE who have suggested that further funding may be available.

proposal

- 3 Discussions have taken place with other local authorities to establish interest in the development of a sub regional Choice Based Letting (CBL) scheme. It is proposed that a Core Group be established from the following housing providers, who have expressed an interest in the scheme - Chester le Street, Teesdale, Derwentside, Durham City, Sedgefield and East Durham Homes. As the process will need a large amount of time and commitment it is also proposed that a sub-working group be established to identify key issues, potential processes and priorities.

financial implications

- 4 A cross boundary budget needs to be established to cover the operational costs of the Core and Sub Groups, i.e. research, meeting costs, visits. Each housing provider is required to contribute £500 to the budget. This could be met from the existing Marketing Budget.

legal implications

- 5 There are no legal implications at this stage but should a CBL scheme be introduced the current allocation policy would need to be revised.

it implications

- 6 At this stage there are no IT implications but IT is integral to any CBL scheme and it is probable that another system will need to be introduced to cope with the bidding process.

equalities and diversity implications

- 7 A CBL scheme will comply with the legal requirements to be fair in allocation properties and giving priority.

community safety implication

- 8 The scheme will be critical in balancing communities, determining eligibility for accommodation and making provision for vulnerable customers or victims of crime.

consultation

- 9 Extensive consultation will be needed should the scheme proceed.

RECOMMENDED

- 1 That the Principal Neighbourhood Operations Manager represents the Council on the Core Group.
- 2 That Committee approves an appropriate officer represents the Council on the Sub-Working Group.
- 3 That the Director of Housing Services provides further reports on the outcome of the discussions.

Officer responsible for the report	Author of the report
Michael Laing	Joanne Dunn
Director of Housing Services	Principal Neighbourhood Operations Manager
Ext 281	Ext 203



HOUSING SERVICES COMMITTEE

17 November 2005

Report of the Director of Housing Services VOLATILE BUDGETS 2005/06

purpose of the report

To financially identify and manage the most volatile budgets within the Housing Revenue Account (HRA) and seek to remedy the probable budgetary over spends due to current temporary staffing levels.

background

- 1 Through recent reports provided by Central Resources it has become increasingly apparent that current levels of temporary staff have remained constant within the Property Services Section 7, thus causing concern for members. As a department this matter requires immediate attention to rectify any underlying problems to reduce projected impacts to the 2006/07 HRA Budget.
- 2 Current temporary staffing levels within the Housing Services Department consists of the following trades:-
 - Four electricians
 - Two plumbers
 - One joiner
- 3 This information is only a true reflection on current staffing levels at the time of publication of report.

present situation

- 4 This report has been produced to analyse the cost implication to the HRA for the fore mentioned trades currently in the employ of Property Services, who carry out daily duties also incorporating the cost of providing out of hours emergency services.

proposal

- 5 Continual monitoring of specific budgets within Property Services such as temporary staffing must be subject to stringent monthly monitoring before any expenditure has been approved, in order to prevent the likelihood of a possible overspend within the Department's budget. This should be expressed as a matter of concern to all budget holders within the Department or Managers who have a responsibility for the recruitment of temporary staff.

financial implications

- 6 Figures produced below are typical of the weekly costs of current temporary staff including any call out service incurred.
- 7 Cost comparison between full time and agency staff including call out scenarios for electricians.

Trade	Cost F/T	Cost Agency	Call Out F/T	Call Out Agency (CDM)
Electrician	£409.88	£641.55	£22.77 standard	£22.81 standard
Plumber	£409.88	£664.46	£30.35 Sunday/Bank Hol	£30.41 Sunday/Bank Hol
Joiner	£403.08	£664.46	£120.00 Standby	£120.00 standby + £127.20 admin

- 8 However where call out emergency services are provided by temporary agency staff, the following costs occur these costs are only applicable to electricians, as this trade is the only one used by the Authority's out of hours emergency service. Out of the four electricians, currently employed on a temporary basis, only two actually work on the Property Services out of hours service. Cost applied to service budget are listed as follows:-

£127.20 CDM administration fee

£120.00 stand by

£22.81 per call out at standard rate

£30.41 per call out for emergency repairs carried out on
Sundays/Bank Holidays

- 9 Whilst the volume of agency electricians remains high within Property Services, the workload seems constant with both appointment and void scenarios. Implementation of Part "P" in January 2005 through the ODPM saw electrical operatives within the industry having to become compliant with new legislation governing the certification and inspection of electrical installations. Whilst as an authority we carry out no more additional duties governing electrical testing and installation, the process is now more time consuming due to the strict guidelines we now have to follow. With regards to the other agency trades currently in

employ within Property Services x 2 plumbers and x 1 joiner these trades are covering absenteeism through sickness within our own workforce.

- 10 As laid down in budget requests for temporary staff within Property Services 2005/06, the sum of £60,000 has been submitted for temporary staff to cover excess absenteeism. This cost has also been projected as an estimate for 2006/07 budget. Current expenditure for temporary staff within Property Services has superseded the estimated amount by £17,000 to date. If current temporary staff levels remain the same until the end of the financial year, a projected £70,000 overspend would be likely to occur.

RECOMMENDED

- 1 That Committee notes that a Departmental budget bid will be made in order to increase levels of budgetary allowance for temporary staff within Property Services during the 2006/7 Budget round.
- 2 That Committee accepts a review of departmental budgets to identify whether the projected £70,00 overspend can be subsidised from within the HRA.
- 3 That Committee notes that temporary agency electricians will no longer be used to cover call outs, to reduce admin costs incurred by CDM.
- 4 That Committee agree a review on the possibility of contracting Void works/Inspections/Electrical Testing out to external contractors for competition.
- 5 That a further review of current temporary staffing levels within the Housing Services Department be reported to a future meeting of the Committee.

Officer responsible for the report	Author of the report
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