



DURHAM NEW GROWTH POINT BID

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1. Introduction

The Durham Housing and Neighbourhoods Partnership Board presents this Expression of Interest to Government for a New Growth Point for South and East Durham. The Partnership comprises senior representatives from the seven district councils, Durham County Council and representatives from County Durham Primary Care Trust, housing associations, and local community representatives. The Partnership has also consulted with other partners, including English Partnerships and ONE North East, in formulating this New Growth Point submission.

We present in this submission a strong case for support to rebalance our housing market, to accelerate the performance of our economy, and to secure the sustainable renaissance of our communities and places.

The headline outputs of our Growth Point proposals are:

- Delivery of 14,500 net additional homes between 2004 – 2016 in the districts of Easington, Sedgefield and Wear Valley. This equates to 73% above levels in the County Durham Structure Plan, 71% above those in Government's May 2007 Proposed Changes to RSS for the North East; and 50% above those put forward in July 2007 by the North East Assembly. It represents an additional 4800 homes over and above proposed RSS targets. Our target is that at least 30% of new homes will be affordable housing.
- Provision of new jobs through accelerated delivery of nine employment and mixed-use sites and town centre regeneration. Through delivering a balance between employment and housing growth and investment in public transport, our target is to deliver encourage modal shift and reduce travel distances.
- Raising environmental standards of development ahead of building regulations, and improving environmental quality and broader quality of place in our main towns. This includes improving 370 homes through our supporting Coalfield Housing Market Renewal Programme, and shifting the balance of housing provision to meet 21st century requirements.

Our bid is based around the main towns in two growth corridors which have the land and capacity to deliver accelerated economic and housing growth to 2016. The growth corridors – the A19 corridor in East Durham and the Bishop Auckland – Darlington corridor in South Durham – are identified as economic growth corridors in our emerging County Durham Economic Strategy 2007-2013. The focus within these corridors is on the main 'regeneration' towns defined in the Regional Spatial Strategy. These are Bishop Auckland, Newton Aycliffe, Seaham, Shildon, Spennymoor and Peterlee.



Our Vision: To make your home in Durham a great place to live.

In 2016 South and East Durham will have modern dynamic economies and balanced housing markets based around a series of networked towns in which people enjoy both living and working, which are well-designed, accessible and well connected and which are beacons of environmental sustainability in the region.

Growth will have contributed strongly to the County's economic renaissance, attracting new and higher skilled residents to move to South and East Durham; transforming the quality of place, image and investment potential of our towns. New employment premises will have been delivered as part of mixed-use schemes, providing enhanced opportunities for people to live and work locally, reducing levels of out-commuting and encouraging shorter journeys to work and modal shift.

A much improved context for investment will support existing communities and businesses, encouraging greater ambition, participation, enterprise and workforce development.

The area will be outward looking, in common with the most successful economies. Its housing and economic base will develop in tandem in a way which supports and complements the major urban areas which surround it, and which recognises that transformational growth will be necessary in all areas for the region to close the productivity gap with the UK average.

It will be an affordable location of choice for many, with new affordable and market housing opportunities provided which meet the needs of all in the community. New housing will have met new, challenging standards of environmental sustainability, reducing the carbon footprint of our towns. Outstanding design quality and integration with the existing built fabric will make them places which others visit and want to emulate.

The population base will have grown, supporting the successful renaissance of our town centres and growth in local services. Best use will have been made of existing infrastructure capacity and planned investment in delivering growth.



Our proposal for New Growth Point status is grounded in a robust evidence-base and is consistent with and builds upon existing and emerging housing, economic and regeneration strategies at the regional and sub-regional levels. Many of the building blocks for a rational programme of housing and economic growth are in place:

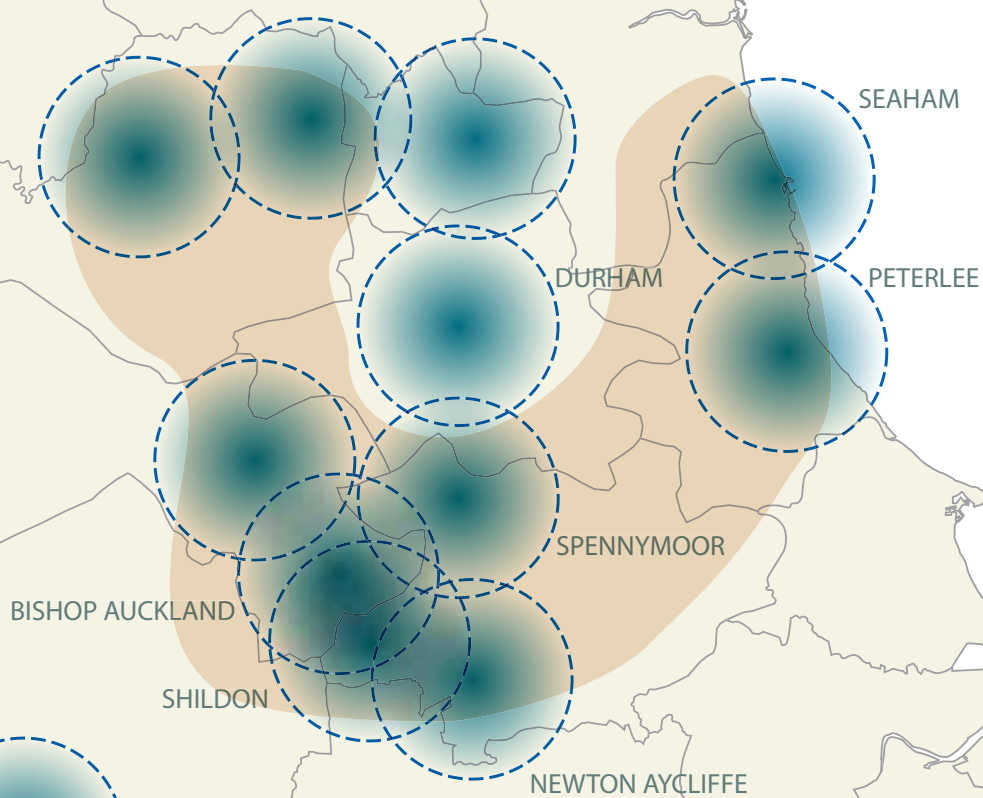
- The North East Regional Spatial Strategy provides a framework for housing and economic investment. It defines the complementary role of County Durham with respect to Tyne and Wear and Tees Valley. It then sets a framework for economic and housing investment based upon the City of Durham's role as a main settlement and a set of 'Regeneration Towns' which form the basis of our growth proposals.
 - Through our Coalfields Communities Programme we have undertaken detailed local work to identify a sustainable strategy for investment and growth. This identifies the main towns of Seaham, Peterlee, Bishop Auckland, Newton Aycliffe and Durham as the focus for strategic housing and economic investment activity. It highlights some potential for investment in the surrounding communities to support their main town role, recognising the polycentric nature of the settlement pattern. It also identifies the potential for Newton Aycliffe, Shildon and Bishop Auckland to be developed as a main town corridor.
- For these settlements it defines the broad range and type of strategic interventions which will deliver more sustainable communities, adopting a holistic approach to housing, transport, education and health, jobs, social opportunities, services and improvements to the physical environment. It provides a consistent and evidence-based framework for investment.
- For the key settlements which form the basis of our Growth Point submission, detailed work has been undertaken with local communities and other partners in developing Masterplans and Area Development Frameworks which provide an agreed basis for investment and change over the next 15 years. These have defined development opportunities, and provide a co-ordinated and agreed framework for supporting infrastructure and place-making investment to deliver sustainable communities, and ensure that growth benefits existing as well as new residents. This work includes the development of a programme of clearance, new house-building and refurbishment in specified smaller coalfield settlements adjacent to the main service centres and includes Easington Colliery, Dawdon, Dean Bank, Ferryhill Station, Chilton and Coundon.
 - These 'building blocks' are now informing the preparation of Local Development Frameworks; and innovative delivery models which respect local circumstances are being worked up to assemble development sites, to bring on board development partners, to create value and recycle investment.

These 'building blocks' provides the **opportunity to deliver housing and employment growth over the short-to-medium term**, without long lead-in times.

Our submission puts forward realistic, deliverable and sustainable proposals for accelerated employment and housing growth, together with supporting investment in 'quality of place' and connectivity.



- MAJOR CENTRE
- 5KM CATCHMENT AREA
- DURHAM COALFIELDS COMMUNITIES AREA



2.Context to Growth

2.1 Introducing South and East Durham

County Durham is located at the heart of the North East region. It relates functionally to both Tyne and Wear and Tees Valley, with all seven of County Durham's districts falling within either the Tees Valley or Tyne and Wear City Regions. Our bid is based around the main towns in the A19 East Durham; and Bishop Auckland-Darlington Economic Growth Corridors. These areas demonstrate both an economic opportunity and regeneration need. They are accessible, relating well to major road and rail corridors.

The A19 Corridor in East Durham forms a 'bridge' between the Tyne and Wear and Tees Valley City Regions and is closely connected with the economy of Sunderland. The area is an important investment location in its own right, with Peterlee and Seaham strategically situated with the potential to contribute economically to both the Tyne and Wear and Tees Valley City Regions.

The Darlington – Bishop Auckland Corridor contains the major commercial centres of South Durham, including the main towns of Bishop Auckland, Shildon, Spennymoor and Newton Aycliffe. It is linked to strategic road and rail corridors and includes the A1(M) and East Coast Mainline gateways to the North East region. The Bishop Auckland – Darlington rail corridor provides a potential spine for sustainable new development.

Our proposed New Growth Point area recognises that there are environmental constraints to accelerated development in other parts of the County. The Chester-le-Street – Durham City A1 corridor, the third major corridor identified in the emerging County Durham Economic Strategy, has limited available land for development, and is protected by Green Belt. Sedgefield Village, which contains NetPark; an emerging economic hub, is constrained by water and sewage infrastructure in terms of potential sustainable housing land. The proposed Growth Point area will help to relieve housing market pressures and support the economy in these areas.





regional context

TYNE & WEAR

-  CITY REGIONS
-  REGIONAL CORES
-  NEW GROWTH POINT FOCUS

NEWCASTLE
UPON-TYNE

SUNDERLAND

DURHAM

TEES VALLEY

STOCKTON-
ON-TEES

MIDDLESBROUGH

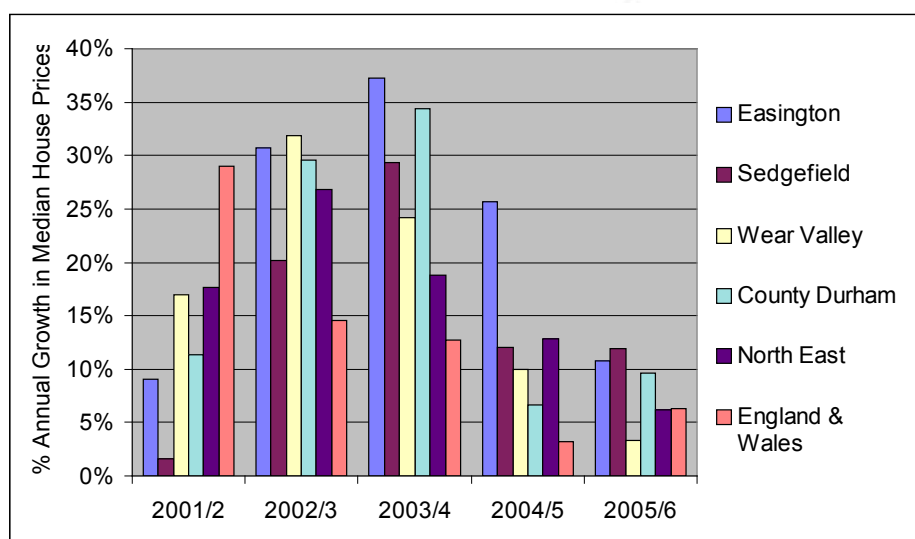
DARLINGTON

2.2 Durham's Housing Market

We are currently in the process of carrying out a Strategic Housing Market Assessment (SHMA) in accordance with CLG's Practice Guidance. Our New Growth Point Bid is informed by the emerging findings of this work. It focused on housing market areas in which there is market pressure but which are not immediately adjacent to the core markets of Newcastle/Gateshead or Stockton/Middlesborough, in direct competition with these areas or within their immediate zone of influence.

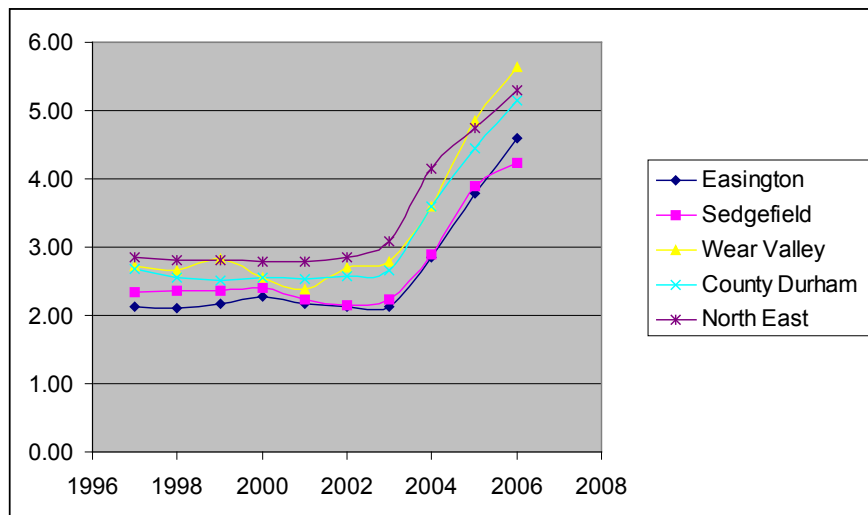
In common with other parts of the country, housing supply has not been able to keep pace with growth in demand. This has fuelled house price inflation. Over the last five years, house prices in County Durham have grown faster than regional and national averages. Between Q4 2001 and Q4 2006, average prices across County Durham grew by 127% compared to 112% growth across the North East region and 83% across England and Wales.

Annual Growth Rates of Median House Prices 2001 – 2006



A considerable affordability challenge now exists in the County. The ratio of lowest quartile earnings to lowest quartile prices has more than doubled over the last three years, growing from below 2.5 in 2003 to between 4 and 5.5 in 2006 in each of the three districts of Easington, Sedgefield and Wear Valley which include our proposed New Growth Point area. The mismatch between supply and demand is preventing increasing numbers of would-be first-time buyers from getting a foothold on the housing ladder.

Ratio of Lowest Quartile Prices to Lowest Quartile Earnings

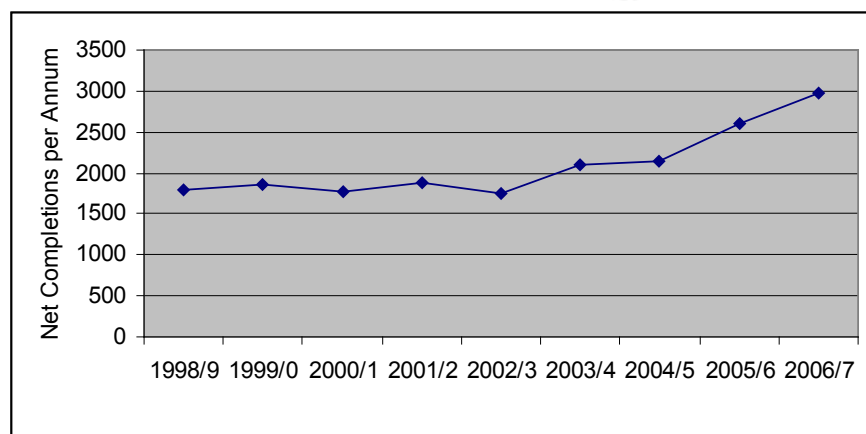


We have witnessed strong growth in housing need. Households on waiting lists (excluding transfers) have grown by 55% across County Durham compared to 12% across the North East and 29% across England between 2003 - 2006. There are 3,370 more people on waiting lists in the three Districts in 2006 than in 2003. The quantum of social housing stock has been falling as construction of new homes has not been able to keep pace with right-to-buy sales, making it particularly difficult to meet housing need.

These market signals present a clear case for a strategic policy response. More new housing development overall, including more affordable housing, is needed to meet demand and housing need.

The housing industry has responded positively to market signals. Across County Durham there has been an upward trend in house-building. Housing completions have grown by 70% county-wide since 2002/3 with almost 3,000 new homes delivered in the last year.

Net Housing Completions in County Durham



We need to provide not just more housing, but a better mix of housing. Through our Coalfields Housing Market Renewal Programme and Sub-Regional Housing Strategy we intend to improve the contribution which the existing stock makes to meeting housing need and demand, through improving properties; by providing opportunities for people to move to properties which better suit their needs; and by reducing vacancy levels.

2.3 Economic Opportunities

Our New Growth Point bid recognises and reflects the geography of economic opportunity in the County. It focuses on areas where there is potential for sustainable housing and economic growth, in which there are sites available, and in where there are current or potential economic drivers to be supported.

Spatial parity between housing and economic opportunities is integral to our ambitions to deliver sustainable growth, aiming to achieve a balance between housing and employment growth (both in numerical terms and in terms of the types of jobs and homes) and to promote sustainable short-distance travel patterns, an increasing proportion of which will be by public transport, walking and cycling.

Our approach is not however insular. The most successful economies are outward looking. We recognise and will seek to develop links with our surrounding economies of Tyne and Wear and Tees Valley. These can be mutually supporting. However our emphasis is not in reinforcing commuting patterns, but in aiming to deliver an improved local jobs-homes balance.

A New Growth Point would provide a unique opportunity to drive forward housing and economic growth together. Our strategy aims to address key supply-side factors to facilitate and enable sustainable economic growth:

- Improved connectivity particularly through investment in public transport. This will support the attractiveness of the Growth Point area as a business location. It will also improve access to other economic centres for existing businesses and residents, which will help to address the worklessness challenge.
- Provision of a modern sites and premises offer include space for manufacturing and logistics as well as office-based employment. This will be achieved both through investment and renewal of existing industrial areas and business parks, delivery of town centre regeneration schemes which include modern office accommodation, and selected provision of new locations as part of sustainable mixed-use development schemes.
- Development of the skills base through an ambitious, multi-faceted strategy which aims to reduce levels of those not in work or training; to up-skill those already in the labour force; and by creating the employment and living opportunities which increase levels of graduate retention and attract higher skilled individuals to live in the New Growth Point area.
- We believe that population growth will stimulate the service economy particularly through our strategy which aims to develop critical mass of population in the catchments of key centres. Population growth should also help to grow the local labour market, supporting investment by existing and newcomer businesses.
- Investing in quality of place which will help to make the County a more attractive investment location.

2.4 Quality of Place

We recognise that most housing choices are influenced as much by places as housing products, and seek to develop both. Our Coalfields Housing Market Renewal and proposed Growth Point programmes form part of a comprehensive, multi-faceted approach to place-making, the building blocks for which are in place through our existing Area Development Framework and Masterplanning work.

Our proposed Growth Point area provides unrivalled access to the countryside and environmental quality is one of its major assets. It is also relatively accessible, focused around the A19 and A1(M) corridors. In South Durham the Bishop Auckland – Darlington rail line links into the East Coast Main Line. We believe that our Growth Point area contains a network of towns and villages of exceptional potential.

There is a need to improve the quality of the urban environments to realise this. It will require investment in local services, in public realm quality and in the green quality of the urban area. Town centres form the 'front doors' to places, and our Area Development Frameworks and Masterplans set out detailed proposals for their renaissance. The local service base needs to be developed, including the provision of a higher quality leisure offer, given that leisure represents an increasing proportion of household spend and will be important

in attracting higher skilled individuals to live and work here. There is also a need to improve the quality of education, to ensure the area attractive to families. Our current Building Schools for the Future Programme is critical to this. We want to take these elements forward together to develop quality in the place offer.

It will be important to introduce greater variety in the housing offer. We are working, through the Coalfields Housing Market Renewal Programme and our Strategic Housing Market Assessment research programme to identify how we can selectively introduce new markets into our towns. In Peterlee for example there is an opportunity to develop an 'urban living' offer in the Town Centre, while in other areas we want to provide for the top end of the market where there is currently limited supply, attracting higher-skilled residents and knowledge economy workers who will support our economic strategy, capitalising on the strong setting and environmental quality. Quality of the residential environment and good urban design, as well as the quality of houses themselves are critical to achieving these ambitions.

2.5 Governance

Joint working is well-embedded across County Durham. The County Durham Strategic Partnership, the Durham Housing and Neighbourhoods Partnership Board, and the County Durham Economic Partnership co-ordinate key public, private and voluntary sector partners. The Strategic Partnership oversees the development and delivery of the County's Local Area Agreement, a 'comprehensive refresh' of which was submitted to Government Office in February 2007. Work has now started on a new Local Area Agreement and Sustainable Communities Strategy for the County.

The County Durham Local Area Agreement will provide an important mechanism to co-ordinate delivery of our vision for the South and East Durham Growth Point. The Housing Green Paper supports the use of LAAs to raise the profile and improve the delivery of housing by developing a shared commitment amongst a range of partners to enable sustainable growth.

A move to single unitary local government across the County in April 2009 will formalise joint working within the County. We are however committed to working with wider partners in adjacent sub-regions and at the regional level to take forward the New Growth Point initiative.

3. Accelerating Housing and Economic Growth

Proposals for accelerated housing and economic growth have been worked up by the Durham Housing and Neighbourhoods Partnership. The three districts of Easington, Sedgefield and Wear Valley have worked together through the Durham Housing and Neighbourhoods Partnership to present an accelerated programme for housing development and economic growth, supported by place-making and infrastructure investment.

Our proposals build upon and is integrated with the work undertaken in developing Coalfield Housing Market Renewal Area Development Frameworks, local Masterplans and our emerging Local Development Framework Core Strategies; together with other emerging site based opportunities. They would be subject to much wider consultation, including with local communities, through Local Development Framework and Growth Point planning processes going forward, if our bid is successful.

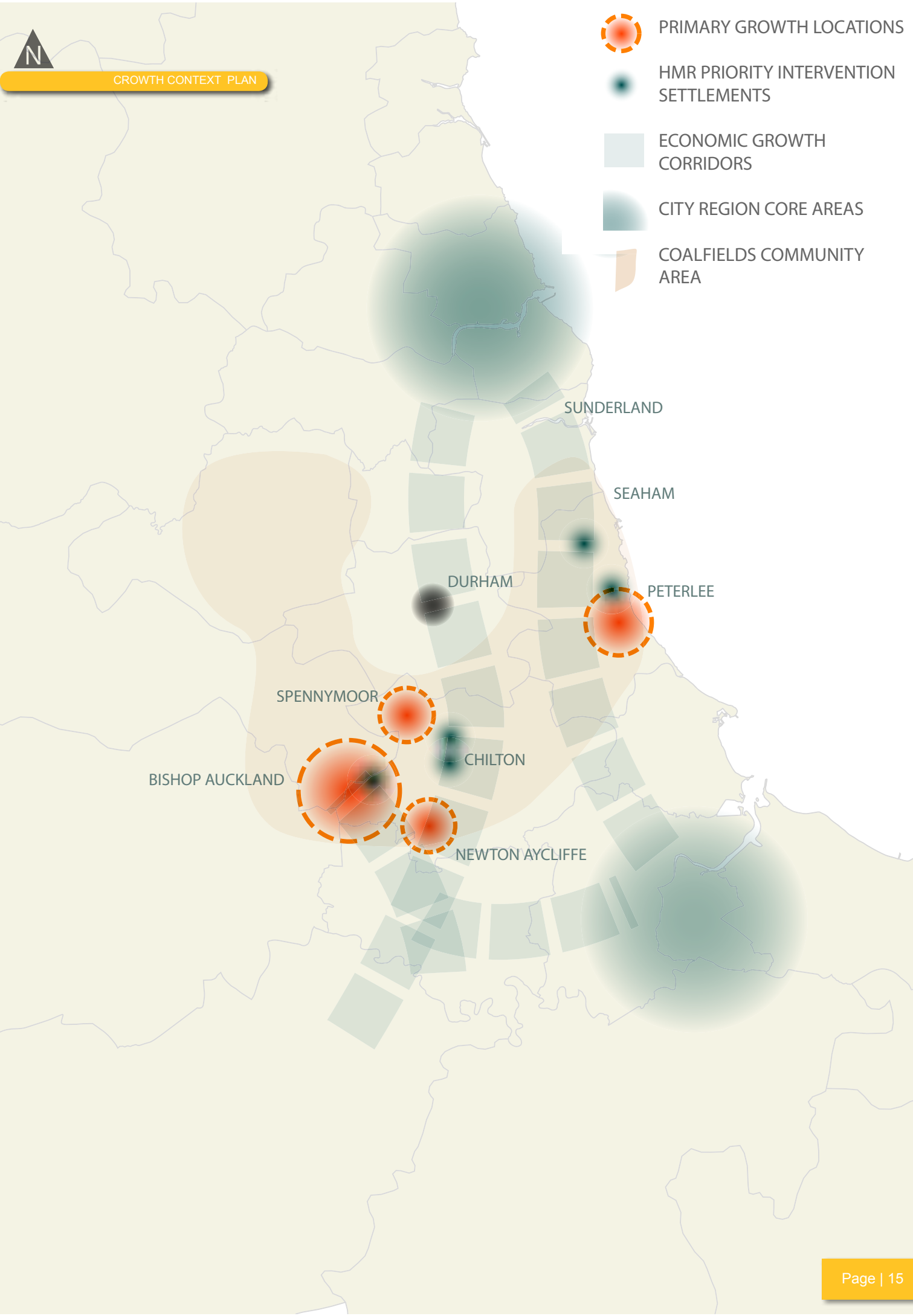
We offer the potential to sustainably step up delivery levels against current targets. Potential land capacity is not a constraining factor, but we require assistance through Growth Point status to achieve strong delivery rates and ensure sustainable growth in both housing and jobs to address increasing acute affordability pressures and secure housing, place and economic regeneration. All of the sites we have included are considered through a preliminary assessment to be sustainable and deliverable to 2016.

The remainder of this section outlines our proposals for accelerated growth. Further details of these are contained in the appendix to our submission.

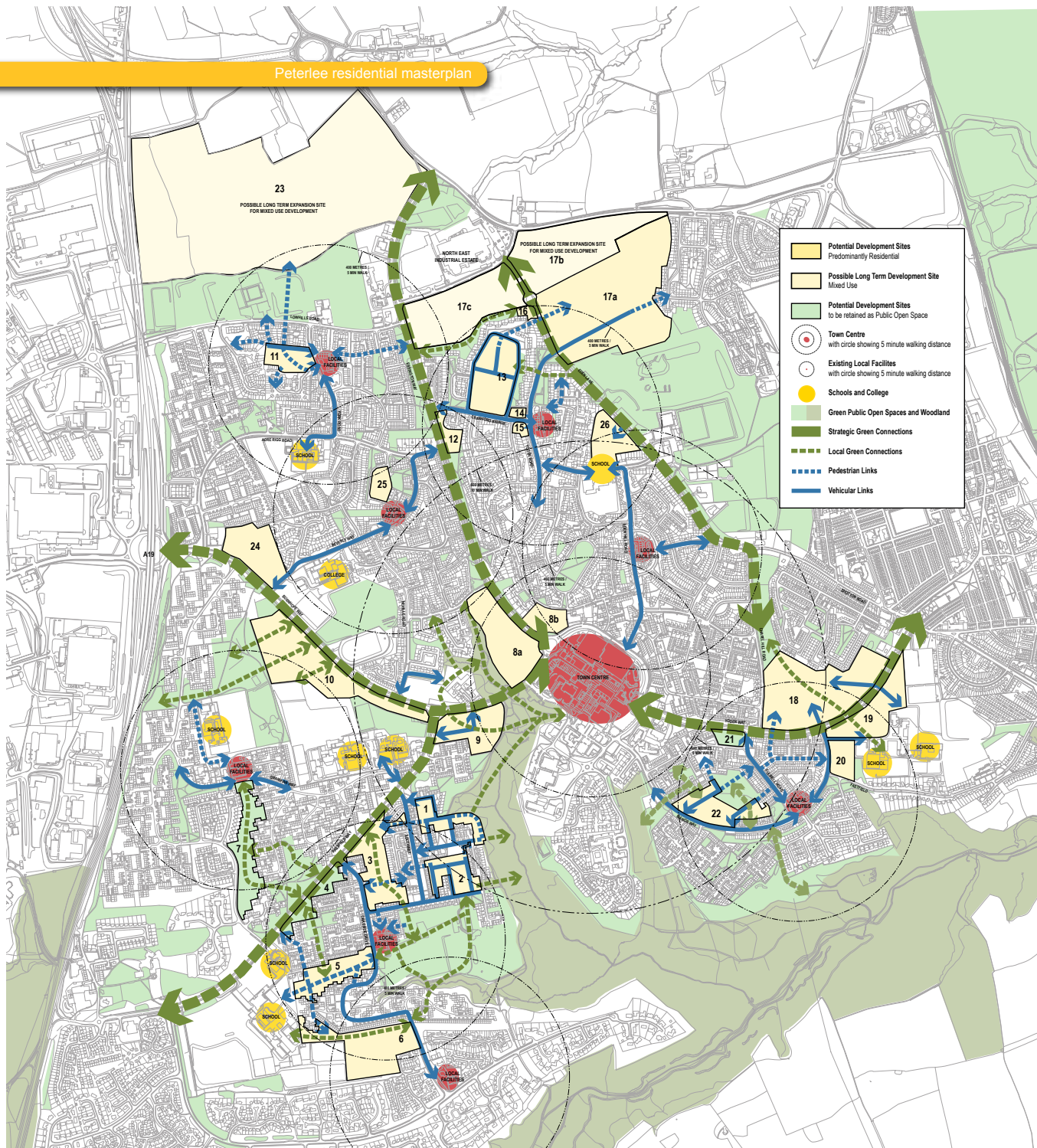
3.1 East Durham

Housing and economic growth in East Durham will be focused on the two main towns of Seaham and Peterlee. Significant regeneration is underway in Seaham, with Town Centre development schemes coming forward, delivery of the East Durham Link Road, new housing development being delivered on the former Vane Tempest and Seaham Colliery sites, and development of Dawdon and Foxcover employment sites. Given recent and current development and regeneration activity in Seaham, our intention is that the focus will increasingly shift towards Peterlee. This forms the basis of our proposals in East Durham for accelerating housing and economic growth. We will deliver Housing Market Renewal alongside this in the priority settlements of Easington Colliery and Dawdon.

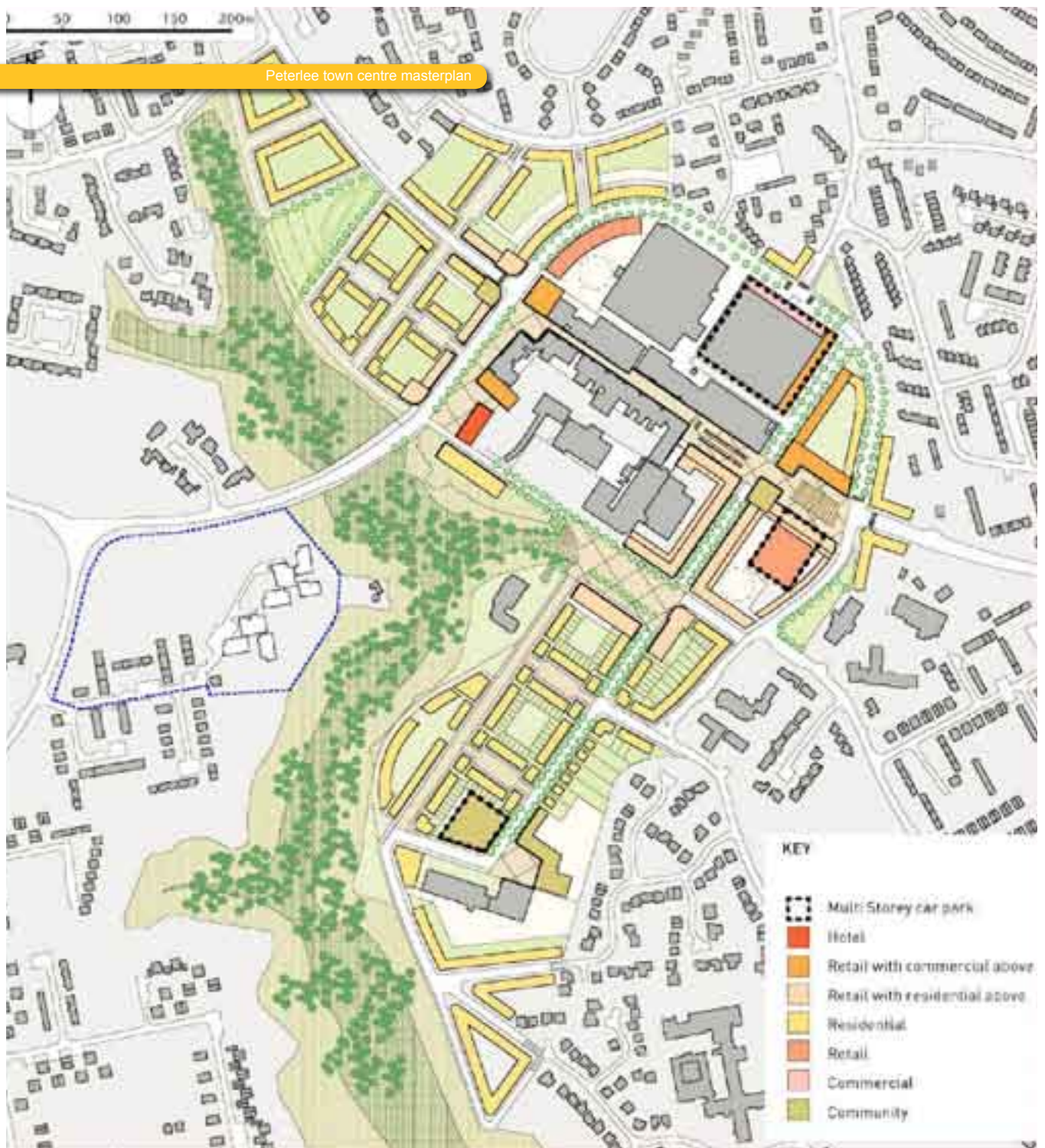




Peterlee residential masterplan



Peterlee town centre masterplan



Peterlee was one of the first generations of New Towns but has never really achieved its full potential. Originally planned for a population of 60,000, the town's current population is just 21,000. English Partnerships, Durham County Council, District of Easington and Peterlee Town Council, working with consultants, have prepared a comprehensive Regeneration Framework, together with an Area Development Framework Masterplan to guide physical investment.

The Peterlee Area Development Framework Masterplan sets out a framework for the town's future based on developing and improving the town's functions as a centre for employment, retail and leisure, service delivery and a transport hub. The Masterplan argues that Peterlee does not have the sufficient critical mass of population to sustain the higher order and value of commercial, retail or leisure functions which are needed to give the town, and East Durham as a whole, a greater degree of coherence. The Masterplan sets out ambitious plans for residential growth within the existing urban area and redevelopment of the Town Centre. It puts forward a sustainable model for growth which looks to grow the population and employment base, with the intention to increase the catchment population and spending power to support successful Town Centre regeneration.

The Town Centre Masterplan aims to introduce a more pedestrian friendly environment around a series of new and refurbished public spaces, connected by a 'walkable' network of new streets with mixed use development including commercial, retail and residential development.

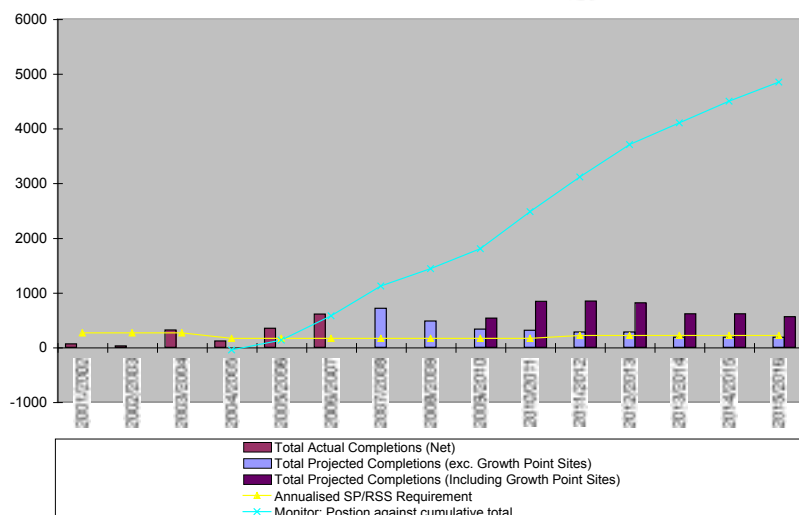
The Peterlee Residential Masterplan aims to increase population to support the sustainability of neighbourhoods and the town as a whole. Development sites are identified which include selective infill on redundant greenspace, housing redevelopment and redevelopment of sites which are underutilised or which have become available.

The Peterlee Masterplans provide the potential to deliver 3,630 dwellings of which 2,260 can be delivered by 2016. Significant new employment will be delivered by the Masterplan via new office and retail floorspace in the Town Centre and through phased redevelopment of Peterlee's North East Industrial Estate.

The implementation of the masterplan will be taken forward through collaboration between District of Easington, Durham County Council, Peterlee Town Council and English Partnerships. The basis for engagement will be to progress the development of the residential sites alongside the programme of development envisaged for the town centre. The rationale for the regeneration programme is to capture the residential value through site receipts and planning gain to cross-subsidise the physical redevelopment of the town centre, thereby minimising the cost burden upon the public sector. On the basis of the strategic appraisals undertaken for the masterplan, the suggestion is that the Peterlee regeneration programme could almost exclusively be financed by the private sector. This represents an innovative approach, and national exemplar in regeneration, in enabling the private sector to deliver change.



EASINGTON HOUSING TRAJECTORY



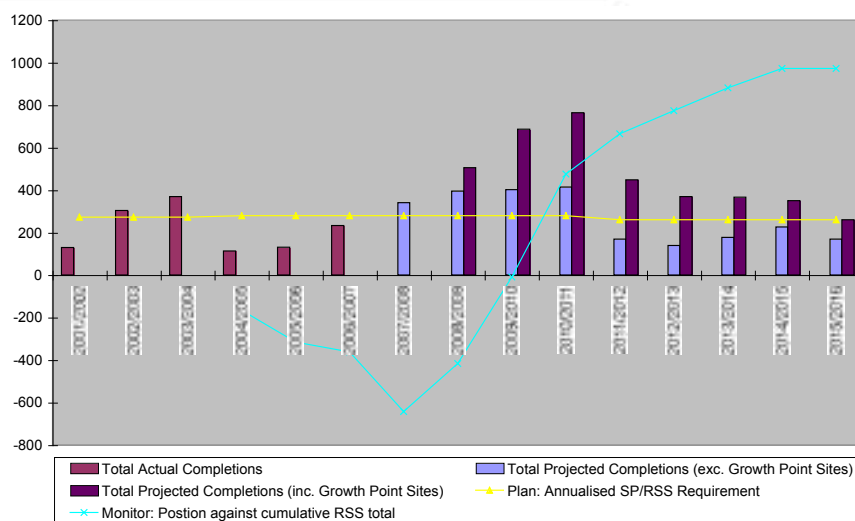
Broader major proposals for accelerated economic growth in East Durham include enhancements to the network of strategically important investment and employment sites including Spectrum and Hawthorn, Seaham North Dock; Dalton Park Phase 2; former Murton Colliery site; and the North West and South West Industrial Estates, Bracken Hill and Whitehouse Business Parks in Peterlee. These will deliver modern business space and high quality environments required by successful businesses.

3.2 South Durham

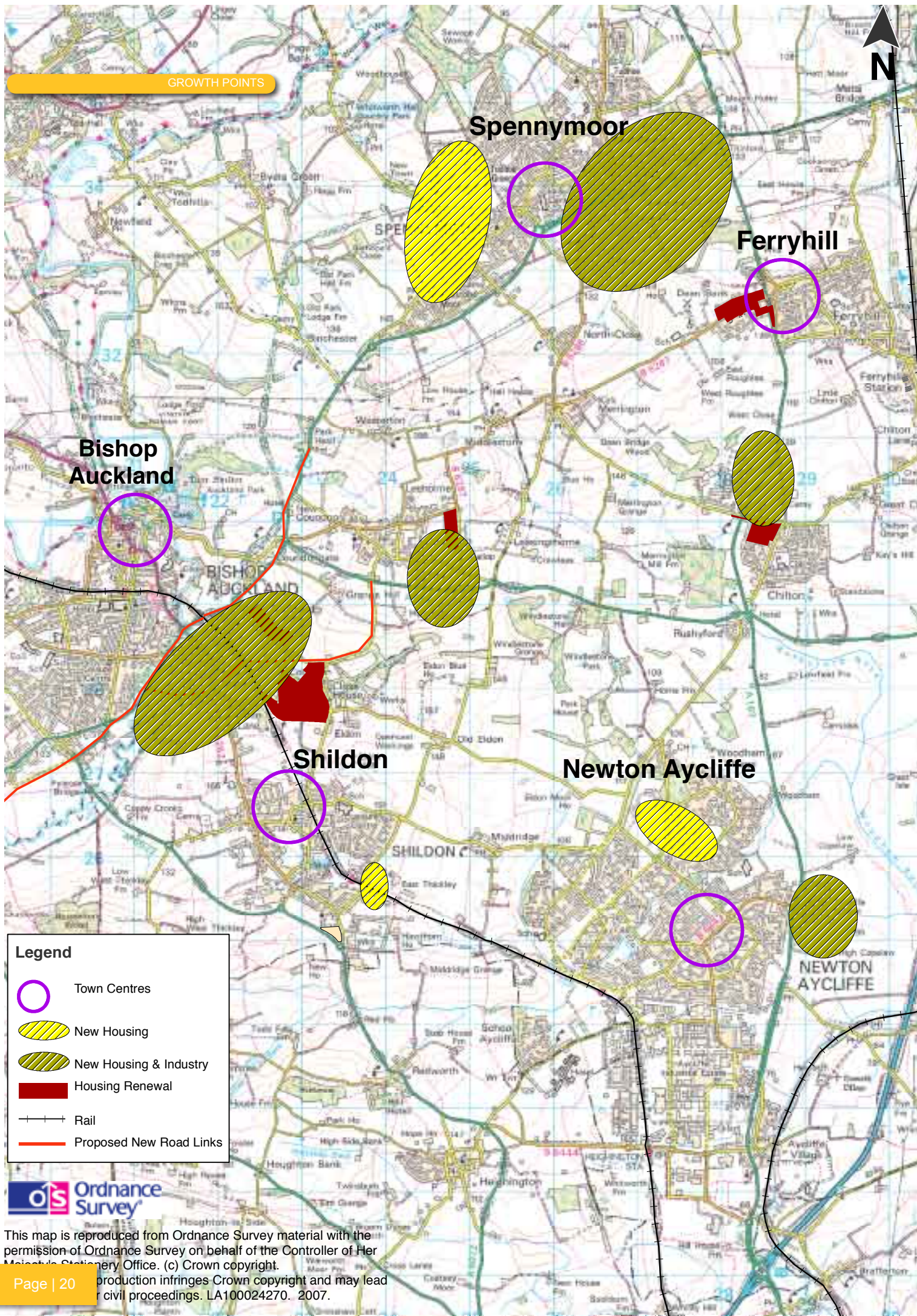
In South Durham we proposed accelerated housing and economic growth in the triangle made up of the main towns of Newton Aycliffe, Bishop Auckland and Spennymoor. Our growth proposals include new housing, employment and mixed use sites, together with Housing Market Renewal in the priority settlements of Ferryhill, Chilton and Coundon.

In Sedgefield Borough, Growth Point status will allow implementation of an accelerated programme for economic and housing growth, bringing forward the development of new employment floorspace as part of five mixed use development schemes. In a context whereby low rental levels are a barrier to the delivery of new commercial floorspace, and particularly to speculative development, high quality mixed-use residential and employment development will be used to bring forward both new homes and employment space. Together the identified sites provide the potential to deliver 4170 residential units in Sedgefield Borough by 2016 together with significant new employment.







SEDFIELD HOUSING TRAJECTORY



GROWTH POINTS



Legend

-  Town Centres
-  New Housing
-  New Housing & Industry
-  Housing Renewal
-  Rail
-  Proposed New Road Links



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Our strategy for the Bishop Auckland area in Wear Valley is to deliver a strong urban renaissance through projects to reinvigorate the Town Centre and address social and economic needs through area-based regeneration activities. As part of the County-wide Coalfield Regeneration Partnership, it is tackling housing and economic needs in Coundon and the Dene Valley. The prospect of a new Growth Point will accentuate this process and recognise the ambition for growth.

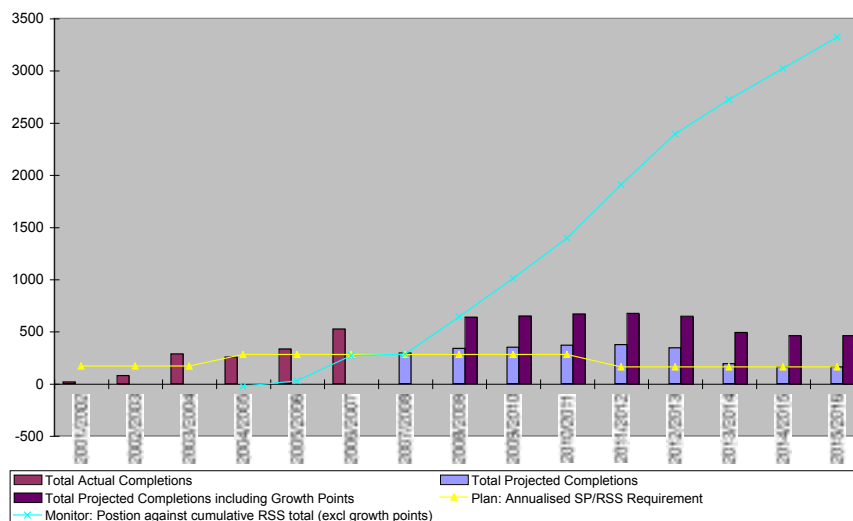
The proposed focus for growth in Bishop Auckland is to the south and east of the town, including the settlements of Coundon and Dean Valley. It builds upon areas of economic opportunity in the Town Centre and the south Bishop Auckland economic corridor, where there is strong developer interest and building rates are outstripping annual targets.

The proposed New Growth Point could deliver by 2016 around 3000 new dwellings in Wear Valley, at a rate of nearly 400 per year including outstanding commitments. Over 30 hectares of business space could be developed including the provision of a new Strategic Employment Site, the need for which has been identified in the Wear Valley District Council's Employment Land Review.

We have identified potential to develop a new rail halt and park and ride facility on the Bishop Auckland – Darlington rail line in the Dene Valley to service the new development and promote sustainable travel. The Weardale Railway could also be extended to this, providing connections to the major Eastgate Renewable Energy Village in Weardale to the west as part of a strategic railway tourism corridor linking the Darlington railway museum and Locomotion at Shildon to the Weardale Railway to Eastgate. This includes the development of a series of major tourism attractions at Bishop Auckland, including the Saxon Church, Binchester Roman Fort and the enhancement of Auckland Palace Park.

A planning application is also imminent to create a Centre for Creative Excellence, including film studios, on a 72 ha site south of Seaham which is estimated to create 2,400 new jobs.

WEAR VALLEY HOUSING TRAJECTORY



4. Delivering Sustainable Growth

High quality development proposals which are well designed, have a low environmental impact and with good facilities are critical to achieving sustainable communities and the renaissance of our settlements. New development and investment in our places today will affect the attractiveness and sustainability of our places for the next 50-100 years. It will affect the success of these places. The quality of new development and broader quality of place is paramount.

High environmental quality and strong communities are a key existing asset for our proposed Growth Point area. Attractive landscapes, including the countryside and coast, are a recreational and leisure resource for residents and visitors. Our settlement pattern provides unrivalled access to these and is a unique selling point for our area. We want to develop and build on this, as a potential 'value-generator.' It will help to underpin the future success of our economic and housing markets. An important component of this will be improving the environmental quality of our urban communities, drawing the environmental quality into and greening these places. This will help to improve the image and offer of our places, attracting higher skilled residents and higher value businesses.

We have developed Growth Point proposals which minimise environmental impacts. We can confirm that our proposals avoid Green Belt, areas of flood risk, and protected environments or areas of high landscape quality.

Our proposals promote a compact urban form. They will integrate with and support existing places and promote sustainable regeneration. In Peterlee for example, a Masterplan has been prepared for the regeneration of the Town which aims to develop the critical mass of population within the catchment of the Town Centre, to support improvements in the retail offer. It improves the sustainability of the town, introducing a mix of uses into the Town Centre and improving the use of space. It promotes intensification of low density residential neighbourhoods, to support and promote stronger local service provision and improved public transport use.

Our proposals will deliver a significant proportion of new housing and employment on previously-developed brownfield land within existing urban areas. They include proposals for major mixed-use development schemes. A limited number of sustainable urban extensions are however appropriate, recognising the potential for these to provide a step change in the quality and choice of housing to support a more balanced housing offer.

We are committed to reducing carbon emissions to address climate change concerns. We will promote improvements in energy efficiency, reductions in consumption, and renewable energy generation in new development. In Sedgefield Borough for instance, we are exploring the potential for a biomass plant to



provide district heating and electricity generation, and secure 'Carbon Neutral' status for a proposed development scheme. We are committed across the County to meeting reducing energy requirements to Code level 3 by 2010, level 4 by 2013 and to achieving zero carbon for residential development by 2016 and aim to better these base standards.

Our spatial strategy for the proposed Growth Point area aims to match employment and housing growth, both in numerical terms and in the type/ quality of homes and jobs. Our town centre regeneration proposals aim to improve quality and choice in the retail and leisure offer to meet local needs. Our ambition is to reduce travel distances and promote modal shift to public transport, walking and cycling. Our growth proposals are closely linked to rail corridors, while we are developing a high quality frequent bus network between the key towns county-wide (Transit 15), including the Growth locations proposed. These are integral to our ambition to deliver modal shift.

We are however realistic that a high proportion of trips will continue to be car-based, particularly for business travel. Road accessibility influences the attractiveness of locations for business, and a limited programme of necessary road schemes to resolve bottlenecks and enhance accessibility will be an important component of achieving economic renaissance.

The strategic housing and employment sites we have identified relate well to existing centres and service provision. Key services are available in each of the major towns, including schooling, healthcare, public transport, convenience retailing, recreation and community facilities. The programme aims to support these facilities and make best use of existing capacity. We will require larger development schemes to incorporate local services where appropriate.



5. Supporting Infrastructure Requirements

We are well-placed to deliver a 'growth agenda' in South and East Durham with a substantial body of work carried out to set the framework for this. However there are a set of fundamental issues identified by partners to be addressed if ensure that housing is built out, that accelerated economic growth is achieved, that quality of place is improved and that growth is delivered in a sustainable way.

Town Centre Regeneration

Town centres function as the 'front doors' to our places and affect how people perceive them as places to live and work. We need to develop our town centres, improving the quality of environment and public realm, the retail and leisure offer, and to increase their role as employment hubs. We are well placed to deliver town centre regeneration, with masterplans or development proposals in place in Peterlee, Seaham, Bishop Auckland and Newton Aycliffe and proposals being worked up for Spennymoor.

Transport Infrastructure

Successful places are accessible and outward looking. Transport infrastructure will need to be improved to enhance accessibility of the Growth Point area, supporting the success of the housing market and accelerated economic growth; as well as providing sustainable means of access to employment further afield.

Rail

On a per capita basis, County Durham has the second lowest level of rail stations of all the counties in England. We propose to make better use of the rail corridors within the County to promote rail as a sustainable form of travel. If selected as a Growth Point, we proposed to explore the feasibility and establish a business case for new rail halts on existing rail routes where these are spines for development. This includes the potential for a new rail halt at either Easington Colliery or Horden on the Durham Coast line, and at Dene Valley on the Bishop Auckland line, linked to a Park and Ride facility. These would provide new connections between economic centres, and link our towns to the cores of the North East's city regions. At Dene Valley, we propose to explore the potential for linking a new station to the Weardale Railway as part of the strategic tourism route linking Darlington, Shildon, Bishop Auckland and Eastgate.



Bus

Our ambition is to significantly increase patronage of rail services on these lines. Bus-based public transport is though likely to remain the mainstay of public transport provision, given the existing settlement pattern. The County Council's second Local Transport Plan (LTP2) includes a scheme, Transit 15, for developing a branded high frequency network of bus services between the principal settlements county-wide. A business case is being developed to support a funding submission to the Department of Transport in late 2007. The estimated cost is £6.3 million.

While we adopt a strategic focus on promote sustainable travel by public transport, we recognise that limited investment in the road infrastructure will be important in improving connectivity and enabling economic development initiatives particularly. Our proposed Growth Point area is already well-connected regionally via the A1(M) and A19. An East Durham Link Road has been identified as a priority project in the LTP2, the first stage of which is now under construction. This will provide an important link between the industrial development at Seaham/Dawdon and the A1(M).

Road

The proposed focus for road schemes as part of this Growth Point bid is in addressing pinch-points in the road infrastructure in South Durham. To open up specific new development sites in Bishop Auckland, the Dene Valley and Coundon, we propose a new road link connecting the A689 at Condon through the Dene Valley to connect with the A688 on the south-west side of Bishop Auckland. Improvements are also proposed to the A688 from Coundon to the St Helens/West Auckland Industrial Zone, to link to the completed West Auckland Bypass. There is also a need to consider potential improvements to the A167, particularly to address bottlenecks such as the Thinford roundabout. These improvements may be necessary to make new developments acceptable in planning terms, and to enhance accessibility of the area.

Housing Market Renewal

New housing needs to be delivered alongside investment in existing housing and housing renewal to create sustainable communities and deliver balanced housing markets which are successful over the medium-to-long-term. In order to ensure that funding is directed effectively at those communities that require early and comprehensive redevelopment, involving a range of public and private investment streams, the Durham Housing and Neighbourhoods Partnership has identified four early intervention areas: Easington Colliery; Dawdon and Parkside in East Durham; and Ferryhill Station, Dean Bank and Chilton; and Coundon in South Durham. Housing clearance and re-provision will be taken forward alongside effective housing refurbishment, to deliver mixed communities that have a wider mix of house types and sizes and an improved environment.



A £87.5 million intervention programme is proposed for the 2008-11 period in these priority settlements. The Partnership Board is working with English Partnerships, the Housing Corporation, Regional Housing Board, ONE North East, developers and RSLs to agree the funding and delivery arrangements for this programme.

Social Infrastructure

Investment in social infrastructure is planned or ongoing through the County-wide Building Schools for the Future Programme and the Tees Valley and South Durham Local Improvement Finance Trust (LIFT) Programme. Both of these programmes cover the proposed Growth Point area. These programmes should provide an efficient mechanism to integrate proposed growth proposals into planning for any necessary investment in primary healthcare and secondary education.

We propose to undertake detailed infrastructure planning to support delivery of housing growth if successful in securing Growth Point status.

Utilities & Energy

We are not aware at this stage of any specific infrastructure capacity constraints to growth, but would investigate this further as part of the detailed infrastructure planning process to be undertaken if successful.

Co-ordinating a Growth Agenda: Infrastructure Needs and Investment

If successful in securing New Growth Point status, we plan to work together and with our partners to prepare an Infrastructure Investment Framework, setting out priorities for funding an investment by the public and private sectors to deliver the growth agenda. This will identify future infrastructure needs, costs and potential funding mechanisms together with the roles and responsibilities of each agency involved in the delivery of growth.

6. Delivery Framework and Funding

The intended move to County-wide unitary local government and our Coalfield Communities Housing Market Renewal Programme provides a strong framework from which to develop appropriate delivery arrangements which can coordinate resources, engage the private sector and secure maximum value from land and other assets in order to take forward the Growth Point agenda quickly and effectively.

A New Housing and Regeneration Company

We are considering the potential to form a new Housing and Regeneration Company with key partners which can deliver the New Growth Point programme in conjunction with the Durham Coalfields Housing Market Renewal Programme. This would be a jointly-owned company which would be responsible for co-ordinating the delivery of both the growth and renewal agendas, aiming to achieve sustainable growth in both housing and employment supported by investment in quality of place and local facilities.

The role of the Company would be to co-ordinate and direct the delivery of new housing, employment development and local area regeneration actions across the Growth Point area, in accordance with an agreed Business Plan. The Company would have sufficient autonomous governance and control arrangements to take forward actions in accordance with its Business Plan.

The Company would have its own financial resources and a dedicated executive staff team (with a full range of appropriate skills) to draw on. It would derive funding for its organisation through partnership agreements either with funding sources or through SPV's (see below).

Governance arrangements would be based around ensuring that there is a balance of public and private sector representation at Board level, bringing together all key parties including local authorities, English Partnerships and the Housing Corporation, ONE North East, Government Office, private sector regeneration companies and other specialist companies and community representation.

Delivery

The new Housing and Regeneration Company will operate across the Growth Point area with responsibility for co-ordination and programme management. It would be the accountable body for the delivery of the New Growth Point programme. Where appropriate, newly-created Special Purpose Vehicles (SPVs) will sit below this, with the aim of delivering schemes 'on the ground,' capturing and recycling the value created by development.

The Company and SPV's would seek to:

- Attract private finance to help deliver not only new housing but also other forms of development and infrastructure;
- Control the form and quality of development and delivery timescales;
- Provide the ability for public sector partners to secure any increase in the rising land and asset values over the long-term, as opposed to fixed value in the form of capital receipts from land disposal;
- Allow value generated by development and regeneration to be recycled and reinvested locally, to deliver broader regeneration investment and benefits and to bring forward later stages of a long-term programme of change;
- Provide a mechanism outside prudential borrowing criteria to raise cash to forward fund infrastructure projects, site assembly etc.
- They can be structured to provide capital and income return to the public sector throughout their life.

The Government's Housing Green Paper emphasises the potential to use public sector land to deliver new affordable housing and housing-led regeneration. SPVs will provide one mechanism to achieve this, and to enable public sector partners to benefit from growth in land values.

Developer Contributions

The substantial proportion of development will continued to be delivered directly by developers independent of the public sector. We recognise the importance of capturing developer contributions through planning gain to support delivery of sustainable communities and the growth agenda.

The Government's Pre-Budget Report (October 2007) announced that the Government would not be taking forward the Planning Gain Supplement (PGS), in favour of a tariff-based alternative to fund regional and local infrastructure development. This will apply to both residential and commercial development.



We propose to work with partners across the sub-region and at the regional level, to develop a statutory planning charge to fund off-site infrastructure investment. If successful with our Growth Point Bid, our first step will be to develop a costed infrastructure delivery plan as part of an evidence base for a Charge. Viability testing will be undertaken to ensure that the charge is set at an appropriate level which raises funding to support delivery of the growth agenda, but which does not significantly affect viability or deter development, or jeopardise provision of affordable housing. Affordable housing provision and other on-site infrastructure would continue to be negotiated separately through Section 106 agreements.

Funding

Our Growth Point proposals and delivery structures have been developed to minimise the potential additional public sector funding burden and to achieve best value. A package of funding is already in place to deliver much of the necessary infrastructure to sustainably deliver our proposals for accelerated housing and economic growth.

Successful delivery will though require a commitment to support our early interventions programme for Housing Market Renewal in priority settlements. Limited additional funding will be also necessary be necessary to address the supporting infrastructure requirements identified. We would welcome the opportunity, if successful in securing a New Growth Point, to work-up further details of necessary infrastructure investment through a infrastructure planning process, and to take forward further work to progress key infrastructure projects identified. The County Durham Local Area Agreement provides a potential mechanism to identify and prioritise funding for key infrastructure investment schemes.



7. Conclusion

Our proposed South and East Durham New Growth Point sets out ambitious plans to deliver 14,500 net additional homes between 2004 – 2016 equating to 50% above housing provision levels proposed by the North East Assembly in July 2007 for our constituent districts of Easington, Sedgefield and Wear Valley. At least 30% of new homes will be affordable housing. It would deliver an additional 4800 homes over and above proposed RSS targets.

Our growth proposals are focused on the main towns in the Darlington – Bishop Auckland and A19 East Durham economic growth corridors. With accelerated delivery of nine employment and mixed use sites, investment in existing business locations and town centre regeneration, we intend to deliver an improved local jobs-homes balance and short-distance travel patterns, and increasing proportion of which will be by sustainable modes.

Our proposals for accelerated housing and economic growth include:

- Deliver the Residential and Town Centre Masterplans for Peterlee providing 2,260 dwellings, new retail, office and industrial floorspace
- Deliver five new mixed-use employment and residential sites in Newton Aycliffe, Spennymoor and Shildon providing 1070 units and significant employment floorspace
- Deliver 3,000 new dwellings and 30 hectares of employment land in and around Bishop Auckland

Our growth proposals will be subject to comprehensive testing and public consultation through statutory planning processes to ensure that there are sustainable, acceptable environmentally, supported by our communities and realistic in terms of infrastructure.



Our proposals will rebalance the housing market, accelerate the performance of our economy and secure the sustainable renaissance of our communities and places. They are informed by the detailed local work we have undertaken to identify a sustainable strategy for investment and growth, and to work with local communities to determine settlement futures as part of our Coalfields Housing Market Renewal Programme. Our existing Masterplanning and Area Development Frameworks provides the basis to move quickly into delivering new housing and employment, and investing in our places. Building upon high environmental quality, strong communities and access to countryside we propose to invest in the quality of our urban environments and local services and to introduce greater variety in our housing offer. We propose to prepare a detailed Infrastructure Investment Framework for our New Growth Point if successful to co-ordinate investment in new housing, housing renewal, transport and social infrastructure, utilities and energy. We can confirm that our proposals avoid Green Belt, areas of flood risk, and protected environments or areas of high landscape quality. We are committed to reducing carbon emissions to address climate change concerns and intend to drive forward improvements in energy efficiency, reductions in resource consumptions and renewable energy generation ahead of building standards requirements.

The move to County-wide unitary local government, our existing County-wide Coalfield Communities Housing Market Renewal Programme and the Durham Housing and Neighbourhoods Partnership Board provide a strong framework for co-ordinated action. We propose to explore formalising in through a Housing and Regeneration Company.

Our New Growth Point proposals and delivery structures have been developed to minimise the potential additional public sector funding burden and to achieve best value. A package of funding is already in place to deliver much of the necessary infrastructure to sustainably deliver our proposals for accelerated housing and economic growth. We propose to minimise any public sector funding burden through implementation of a statutory planning charge mechanism, and through capturing and recycling value of land in public sector ownership through Special Purpose Vehicles (SPVs.)



DURHAM NEW GROWTH POINT BID

