

Report of Head of Strategy and Regeneration

Portfolios: Regeneration and Housing

**HOUSING LAND CAPITAL RECEIPTS STRATEGY - NEIGHBOURHOOD
RENEWAL SCHEMES: APPOINTMENT OF CONSULTANTS**

1. **SUMMARY**

- 1.1 The Cabinet at its meeting on 29th September agreed a Strategy to govern the commitment of capital receipts from housing land disposals to support the regeneration of the Borough. As part of this, provision was made to provide support to advance local neighbourhood renewal schemes in the Ferryhill Station, Dean Bank and west Chilton areas. An initial stage, in advancing this, is a need to prepare detailed local area Action Plans to provide a suitable development framework to guide investment decisions and actions on new housing investment, housing improvements and wider environmental improvements.
- 1.2 To deliver the required Action Plans it will be necessary to appoint external assistance. The purpose of this report is therefore to seek Cabinet approval for the appointment of consultants to undertake this task. In summary the outcomes of the study will be to provide an housing market assessment for the Ferryhill and Chilton areas, a physical development framework plan to guide the renewal of each of the three identified neighbourhoods and a development appraisal of the agreed renewal proposals to confirm economic viability and deliverability.
- 1.3 The Study Brief will require submissions to set out a clear methodology and approach to tackling the project and in particular, arrangements to secure a high level of local stakeholder and community engagement and consultation.

2. **RECOMMENDATIONS**

- 2.1 The Cabinet are recommended to:
1. Approve the commissioning of suitable experienced consultants to assist in preparing Neighbourhood Renewal Actions Plans for Ferryhill Station, Dean Bank, Ferryhill and the western area of Chilton.
 2. Delegate to the Chief Executive Officer in consultation with the Leader of the Council the approval of the Brief for the commission and the appointment of the preferred company on the recommendations of the Project's Steering Group.
 3. Appoint Councillors Noble and Waters to serve on the Project's Steering Group, supported by senior officers from the Chief Executives' Resources and Neighbourhood Services Departments.

PROMOTION OF MAJOR AREA BASED NEIGHBOURHOOD RENEWAL SCHEMES

Background

- 3.1 The Cabinet at its meeting on 29th September agreed a Strategy to govern the commitment of capital receipts from housing land disposals to support the sustainable promotion of the well being of the Borough's communities through an enhanced programme of capital investment in line with agreed Council Key Aims and Outcomes. As part of this, specific provision was made to provide support to advance major area based local neighbourhood renewal schemes for the Ferryhill Station, Dean Bank areas of Ferryhill and the Western part of Chilton.
- 3.2 This approach reflects and seeks to build upon work undertaken in Ferryhill Station and Dean Bank to support neighbourhood renewal initiatives and recent appraisals work for the western area of Chilton. It also reflects the provisions of the Council's approved Housing Strategy and Local Neighbourhood Renewal Strategy.

Promotion of Neighbourhood Renewal

- 3.3 To date there have been two principal constraints in promoting neighbourhood renewal on a comprehensive and co-ordinated basis and moving beyond the appraisal stages: the availability of the required financial resources and a lack of a detailed Action Plan.
- 3.4 It was noted in the report to Cabinet in September that whilst progress with area renewal schemes in the Ferryhill and Chilton could be enhanced through the Capital Receipts Strategy, because of the long term nature and scale of the investment required, intervention would be dependant on securing external public and private sector partner(s) funding support.
- 3.5 In terms of available financial resources, there is a commitment within the Sustainable Communities Plan for the North East, for English Partnerships to support housing renewal in the former Durham Coalfield areas. A partnership group to take this forward involving English Partnerships, District Councils, Durham County Council and one North East is meeting regularly to progress this matter with a view to agreeing an intervention strategy that presently affords some priority to the Borough's targeted communities. The Council has also received an allocation under the Region's Single Housing Investment Pot (SHIP) for 2004/05 and 2005/06 to commence actions linked to assisting in the delivery of the Regional Housing Strategy's objective of tackling low housing demand and market failure in older housing areas within coalfield communities.
- 3.6 It is also evident that there is a building policy commitment to tackle housing renewal and low demand issue in the Durham coalfield area. This issue is being given appropriate attention in the emerging draft Regional Spatial Strategy and the draft Regional Housing Strategy.

3.7 Whilst no firm resource allocations been made there is a need to now address the second constraint, the lack of detailed plans to shape and guide the actual delivery of the renewal process across each of the targeted areas. For each area there is a need for an Action Plan to be prepared so as to provide a Development Framework to guide investment decisions and actions on new housing investment, housing improvements, clearance of unfit and surplus to demand properties, environmental improvements and the provision or improvement of community facilities such as shops, schools, health facilities and community buildings. A similar approach was adopted successfully in bringing forward the renewal of the Bessemer Park area of Spennymoor.

External Support – Brief Specification

3.8 To provide the capacity and experienced to deliver the required Action Plans with Development Frameworks for the areas of Ferryhill Station, Dean Bank and Chilton West, it will be necessary to appoint external assistance. To facilitate this a Study Brief is being prepared to deliver the following Study outcomes:

- An overall Housing Market Assessment and Strategy to support the delivery of a more balanced housing market across the Ferryhill and Chilton areas, and to provide a policy context and justification for the interventions in each of the three local Neighbourhood Action Plans.
- A physical development framework plan to guide the renewal of each of the three identified neighbourhoods that considers the attraction of new housing investment, improvement of retained housing and the clearance of unfit and low demand properties with other environmental interventions to facilitate the sustainable regeneration of each community. Within this consideration should also be given to the need for other policy interventions to support the housing and community renewal process and to maintain local community confidence in the areas whilst they under go this planned process of change.
- A development appraisal of the agreed renewal proposals to confirm economic viability and deliverability, to indicate any requirement for public funding support to prove the economic case for developer led solutions and to identify other costs and sources of funding required to ensure public sector works (site preparation, etc.) to facilitate the development process are secured.
- In light of the conclusions of the development appraisals, provide a procurement strategy to guide a developer led implementation of the development proposals within the Council's current procurement practices and those associated with any indicative funding sources.

3.9 The Brief will require submissions to set out a clear methodology and approach to tackling this project and to demonstrate a clear understanding of the skills and approaches required for the various aspects. In particular, this will need to include a strong emphasis on stakeholder and local engagement and consultation. Submitted proposals will be expected to demonstrate a clear methodology for undertaking community consultations and the engagement of local community representatives and other stakeholders in the development and agreement of the final proposals for each of the areas. It also expected that the appointed company would therefore include as part of their team community engagement specialists.

Project Management Arrangements

- 3.10 In terms of the management of the project it is expected that this will be undertaken via a Steering Group comprising representatives of the local community along with other stakeholders including Ferryhill and Chilton Town Councils, Registered Social Landlord partners, and English Partnerships. There would also be an opportunity to involve the Sunderland Housing Group in light of the ongoing LSVT process. Borough Council representation would include the Cabinet Members for Housing and Regeneration along with officers from Strategy and Regeneration (Chief Executives Department), Resources and Neighbourhood Services Departments.

4. RESOURCE IMPLICATIONS

- 4.1 The initial budget for this scale of external support will be dependant on many factors, not least the quality of the proposed methodology advanced by those submitting proposals. It is clear however that this will be an intensive commission and is required to be conducted over as short a timescale as possible commensurate with the required quality outcomes sought. As such an initial budget provision had been made of £150,000. This can be met from within the Council's Budget Framework for 2004/05 as amended at the July 2004 Council Meeting.

5. CONSULTATIONS

- 5.1 As indicated in Section 3 of the Report, a key component of this project will be local community and stakeholder involvement in the research and option development stages so as to ensure as wide as possible consensus on the way forward in promoting the physical renewal of the three identified neighbourhoods. This will be further supported by the involvement of local community representation within the Steering Group arrangements.

6. OTHER MATERIAL CONSIDERATIONS

- 6.1 In the preparation of the Area Action Plans and Development Framework plans full account will be taken of matters that will impact on the delivery of more sustainable neighbourhoods in parts of Ferryhill and Chilton. This process will assist to promote greater social inclusion and have positive impacts on environmental sustainability and community safety issues. The planned consultation arrangements will ensure there is due regard to issues of equality and equity in terms of involvement in the process and through this the diversity of interests by both place and groups will be addressed. The process will also be managed to minimise risks to the Council and the communities involved.
- 6.2 There are no other significant material considerations arising from the planned recommended actions

7. OVERVIEW AND SCRUTINY IMPLICATIONS

- 7.1 Overview and Scrutiny Committee 3 are currently commencing a review of the Council's approach to the renewal of older housing areas. The processes being followed and the outcome of the work for the targeted communities should be informative to this review process.

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Wards: Ferryhill and Chilton.

Key Decision Validation: Will involve expenditure of over £100,000 and will significantly impact on two wards in the Borough.

Background Papers: Budget Framework – Use of Capital Receipts, Report of Director of Resources to Council, 28th July 2004.

Promotion of the Regeneration of the Borough – Housing Land Capital Receipts Strategy, Report of Head of Strategy and Regeneration to Cabinet, 30th September 2004

Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>