

# Item 5

KEY DECISION

REPORT TO CABINET

1<sup>st</sup> September 2005

REPORT OF DIRECTOR OF  
NEIGHBOURHOOD SERVICES

## Portfolio Housing

### Private Sector Housing Capital Programme and the Single Housing Investment Programme Round 2

#### 1. SUMMARY

- 1.1 The Borough has a number of areas of older terraced private sector housing, which are showing signs of housing market failure. These areas face the issues of low demand and obsolete housing; unbalanced tenure pattern with high levels of privately rented properties, poor quality housing and environment often compounded by high levels anti social behaviour.
- 1.2 The Council has identified within the Housing Strategy, Community Strategy, and Neighbourhood Renewal Strategy its key priorities for interventions at Ferryhill Station, Dean Bank, Ferryhill and the western part of Chilton.
- 1.3 The Council will be exploring suitable funding and delivery mechanisms over the coming months to deliver the regeneration of these communities. However the Council has in place a Private Sector Housing Capital Programme for 2005/6 of £1.6m. This report sets out the planned budget for the programme, provides information against the performance of the 2004/5 budget and changes to the bidding arrangements to the Regional Housing Board for future funding.

#### 2. RECOMMENDATIONS

1. That the Private Sector Housing Capital Programme 2005/6 is approved and the changes to the Single Housing Investment Programme are noted.

#### 3.1 Private Sector Housing Capital Programme

- 3.1 The Borough has a number of areas of older terraced private sector housing, which is showing signs of housing market failure. These areas face the issues of low demand and obsolete housing; unbalanced tenure pattern with high levels of privately rented properties, poor quality housing and environment often compounded by high levels anti social behaviour.
- 3.2 The Council has identified within the Housing Strategy, Community Strategy, and Neighbourhood Renewal Strategy its key priorities for interventions at Ferryhill Station, Dean Bank, Ferryhill and the western part of Chilton.

- 3.3 The Council are currently carrying out a master planning exercise for these three priority communities and over the coming months will be considering funding and staffing options to deliver the housing led regeneration of these areas. It is likely these funding streams will be a mixture of the Council's own Capital resources, resources allocated through the annual Single Housing Investment Programme (SHIP) by the Regional Housing Board (RHB) and any resources that may be identified through the work of the Durham Coalfields Housing Renewal Partnership (DCHRP). The DCHRP are a Partnership of all the local authorities in County Durham who along with English Partnerships (EP) and Government Office for the North East (GONE) are exploring the opportunities for joint work and preparing a bid to the Government for funding to support the regeneration of priority communities across County Durham.
- 3.4 The Capital programmes for 2004/5 and 2005/6 are made up of funding from the following sources:-
- Mandatory Disabled Facilities Grant (DFG) – awarded on a formulaic basis by the Government annually and ring fenced for this use only.
  - SHIP Safety Net – awarded by the RHB on a formulaic basis following changes to the Housing Investment (HIP). The funding is used for one off grants to assist vulnerable groups to repair and/or adapt their homes. The Council retains flexibility as to how the resources are allocated.
  - SHIP Discretionary (Coalfields) - awarded by the RHB to support the priorities identified in the Regional Housing Strategy (RHS). The Council worked through the DCHRP to attract significant resources in to County Durham with Sedgefield Borough receiving £900,000 over the two years 2004/5 – 2005/6.
- 3.5 There will be significant changes to the way SHIP resources are allocated by the RHB from the year 2006/7 onwards, all resources with the exception of mandatory DFG, will be allocated on the basis of bids submitted to the RHB. They will be assessed on the basis of a framework developed by the RHB as to the extent to which the programmes any bid support delivery of the RHS's 4 key objectives (see Appendix 1). This round of bidding for resources will be know as Single Housing Investment Programme Round 2 or SHIP2.
- 3.6 It is possible that unsuccessful authorities may not be award any resources other than the mandatory DFG allocation. Whilst the Council will have significant capital resources available to it we should look to maximise income from other sources including the SHIP2 bidding round. Officers of the Neighbourhood Services Department are working with the DCHRP to develop and submit a Countywide SHIP2 bid by the 30<sup>th</sup> September deadline.

3.7 Table 1 below shows the budget and outturn for the 2004/5 Housing Capital Programme.

**Table 1 Private Sector Housing Capital Programme 2004/5**

<b>Budget Head</b>	<b>Budget (£'s)</b>	<b>Outturn (£'s)</b>
Disabled Facilities Grant	308,000	292,000
Fast track Adaptation Grants	100,000	101,00
Repair Grants	500,000	458,000
Completion of Group Repair Scheme – Shildon	42,000	43,000
<b>Total</b>	<b>950,000</b>	<b>894,000</b>
<b>SHIP Discretionary allocation</b>	<b>300,000</b>	<b>248,000</b>

3.8.1 The budget for 2005/6 is set out in table 2 below and is made three elements mandatory DFG, and SHIP “safety net” allocation and the discretionary “coalfields” allocation. The safety net element will be focused on the delivery of services for elderly and vulnerable client groups including for example fast track adaptations to support hospital discharges, replacement heating schemes for elderly or vulnerable low income home owners. The discretionary SHIP funding for 2005/6 is £600,000, double that in the previous year and will be used for:-

- Completing the Masterplanning exercise.
- Carrying out a Neighbourhood Renewal Assessment for Ferryhill Station to support the outcome of the Masterplanning exercise for this area, the work to be completed by appropriate consultants.
- To continue to purchase land and properties to support the planned regeneration of our priority communities.
- To develop and deliver a Group Repair Scheme for Eden Terrace (32 properties), Chilton linked to the Durham Road Improvements. The project would run over two financial years, and would require suitable support from appropriate consultants.

**Table 2 Private Sector Housing Capital Programme 2005/6**

<b>Budget Head</b>	<b>Budget (£'s)</b>
<b>Safetynet SHIP</b>	
Disabled Facilities Grant	308,000
Fast track Adaptation Grants	200,000
Major Repair Grants	250,000
Minor Repair Grants	242,000
<b>Discretionary SHIP Coalfield</b>	
Masterplanning and NRA	65,000
Improvements to site in priority areas.	82,000
Group Repair Scheme Chilton (650,000 over 2005/6 – 6/7)	350,000
Site Assembly	103,000
<b>Total</b>	<b>1,600,000</b>

**4. RESOURCE IMPLICATIONS**

4.1 There are no other resource implications than those detailed in this report.

**5. CONSULTATIONS**

5.1 The Borough Council has carried out extensive consultations with communities through the Master Planning exercise for Dena Bank Ferryhill Station and Chilton West on future intervention in these areas.

**6. OTHER MATERIAL CONSIDERATIONS**

6.1 The Community Strategy Outcomes include a Borough with Strong Communities where residents can access a good choice of high quality housing. The Council's ambitions, which are linked, to the Community Strategy outcomes and are articulated through the Corporate Plan and the Medium Term Financial Plan. Our ambitions include delivering a Borough with Strong Communities with good quality affordable housing in safe neighbourhoods. The Private Sector Housing Capital Programme plays a direct role in the delivery of these ambitions.

6.2 There will be a strong case submitted through the Durham Coalfields Housing Renewal Partnership on behalf of the County Durham Housing Authorities to support both the existing safety net and discretionary elements of their Private Sector Capital Programme. However there is a risk that if the bid is not approved the impact on the Council could be the loss of funding over the next two years of up to £1m per annum which could result in a significantly reduced Capital programme.

**7. OVERVIEW AND SCRUTINY IMPLICATIONS**

7.1 None

## 8. LIST OF APPENDICES

8.1 Appendix 1 Regional Housing Strategy objectives.

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**Wards:**                                      **All**

### **Key Decision Validation:**

#### **The Private Sector Housing Capital Programme will:**

Result in the Council incurring expenditure, or making savings of £100,000 or above

### **Background Papers:**

[List other reports, publications documents and papers referred to in the preparation of the report. Include previous reports to Cabinet on the subject of the report.]

Draft Regional Housing Strategy 2005

### **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"/>

## Appendix 1

To **rejuvenate the housing stock** to meet 21<sup>st</sup> Century aspirations, replacing market failure with high quality housing in the right locations to help create successful, cohesive and sustainable communities.

To ensure the **type and mix of new housing provides choice**, supports economic growth and meets housing needs and demand. This will reflect the diversity of urban and rural communities and the needs for affordable, family and prestige housing.

To secure the **improvement and maintenance of existing housing** so that it meets required standards, investing in sustainable neighbourhoods.

To promote good management and targeted housing investment to address **specific community and social needs**, including an ageing population and the needs of minority communities; this will be integrated with the Supporting People programme and promote greater community involvement.