

# CABINET

Thursday, 13 July 2006

**9.30 a.m.**

Conference Room 1, Council  
Offices, Spennymoor

# AGENDA and REPORTS

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यह दस्तावेज़ यदि आपको किसी अन्य भाषा या अन्य रूप में चाहिये, या आपको आनुवाद-सेवाओं की आवश्यकता हो तो हमसे संपर्क करें

ਜੇ ਇਹ ਦਸਤਾਵੇਜ਼ ਤੁਹਾਨੂੰ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਜਾਂ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿਚ ਚਾਹੀਦਾ ਹੈ, ਜਾਂ ਜੇ ਤੁਹਾਨੂੰ ਗੱਲਬਾਤ ਸਮਝਾਉਣ ਲਈ ਕਿਸੇ ਇੰਟਰਪ੍ਰੈਟਰ ਦੀ ਲੋੜ ਹੈ, ਤਾਂ ਤੁਸੀਂ ਸਾਨੂੰ ਦੱਸੋ।

یہ دستاویز اگر آپ کو کسی دیگر زبان یا دیگر شکل میں درکار ہو، یا اگر آپ کو ترجمان کی خدمات چاہئیں تو براہ مہربانی ہم سے رابطہ کیجئے۔

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**Democratic Services**



**01388 816166**

## AGENDA

**1. APOLOGIES**

**2. DECLARATIONS OF INTEREST**

To notify the Chairman of any items that appear in the agenda in which you may have an interest.

**3. MINUTES**

To confirm as a correct record the Minutes of the meeting held on 29<sup>th</sup> June 2006. (Pages 1 - 4)

### KEY DECISIONS

#### COMMUNITY HEALTH AND PLANNING AND DEVELOPMENT PORTFOLIOS

**4. DETERMINATION OF LAND AT BESSEMER PARK AS 'CONTAMINATED LAND'**

Report of Director of Neighbourhood Services. (Pages 5 - 12)

#### SOCIAL REGENERATION AND PARTNERSHIPS AND HOUSING PORTFOLIOS

**5. COALFIELD HOUSING RENEWAL - MASTER PLANNING**

Joint report of Director of Neighbourhood Services and Head of Strategy and Regeneration. (Pages 13 - 128)

#### SOCIAL REGENERATION AND PARTNERSHIPS, SAFER COMMUNITIES AND HOUSING PORTFOLIOS

**6. OLDER PRIVATE SECTOR HOUSING REGENERATION - DEVELOPING THE CAPACITY TO DELIVER HOUSING RENEWAL**

Report of Director of Neighbourhood Services. (Pages 129 - 142)

#### HOUSING PORTFOLIO

**7. PRIVATE SECTOR HOUSING CAPITAL PROGRAMME AND SINGLE HOUSING INVESTMENT PROGRAMME ROUND 2**

Joint report of Director of Neighbourhood Services and Head of Strategy and Regeneration (Pages 143 - 152)

### SCRUTINY REVIEWS

**8. AREA FORUMS**

Report of Review Group. (Pages 153 - 176)

**9. RECRUITMENT AND RETENTION**

Report of Review Group. (Pages 177 - 200)

### MINUTES

**10. OVERVIEW AND SCRUTINY COMMITTEE 1**

Minutes of the meeting held on 13<sup>th</sup> June 2006. (Pages 201 - 204)

## **EXEMPT INFORMATION**

The following item is not for publication by virtue of Paragraph 1 of Part 1 of Schedule 12 A of the Local Government Act 1972. As such it is envisaged that an appropriate resolution will be passed at the meeting to exclude the press and public.

## **STRATEGIC LEADERSHIP PORTFOLIO**

### **11. APPOINTMENT OF HEAD OF HOUSING MANAGEMENT**

To consider the recommendation made by the Chief Officer Appointments Panel at its meeting on 12<sup>th</sup> July 2006. A copy of the minutes of will be circulated at the meeting.

### **12. ANY OTHER BUSINESS**

Lead Members are requested to inform the Chief Executive or the Head of Democratic Services of any items they might wish to raise under this heading by no later than 12 noon on the day preceding the meeting. This will enable the Officers in consultation with the Chairman to determine whether consideration of the matter by the Cabinet is appropriate.

B. Allen  
Chief Executive

Council Offices  
SPENNYMOOR  
5<sup>th</sup> July 2006

Councillor R.S. Fleming (Chairman)

Councillors Mrs. A.M. Armstrong, Mrs. B. Graham, A. Hodgson, M. Iveson, D.A. Newell, K. Noble, R.A. Patchett and W. Waters

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#### ACCESS TO INFORMATION

Any person wishing to exercise the right of inspection in relation to this Agenda and associated papers should contact Gillian Garrigan, on Spennymoor 816166 Ext 4240

# Item 3

## SEDGEFIELD BOROUGH COUNCIL CABINET

Conference Room 1,  
Council Offices,  
Spennymoor

Thursday,  
29 June 2006

Time: 10.00 a.m.

**Present:** Councillor R.S. Fleming (Chairman) and  
Councillors Mrs. A.M. Armstrong, K. Noble, R.A. Patchett and W. Waters

**In Attendance:** Councillors W.M. Blenkinsopp, Mrs. B.A. Clare, Mrs. J. Croft, A. Gray, B. Hall, J.E. Higgin, J.G. Huntington, B. Meek, J.P. Moran, G. Morgan, Mrs. E.M. Paylor, A. Smith, Mrs. I. Jackson Smith, T. Ward and J. Wayman J.P

**Apologies:** Councillors Mrs. B. Graham, A. Hodgson, M. Iveson and D.A. Newell

**CAB.26/06 DECLARATIONS OF INTEREST**  
Members had no interests to declare.

**CAB.27/06 MINUTES**  
The Minutes of the meeting held on 15<sup>th</sup> June 2006 were confirmed as a correct record and signed by the Chairman. (For copy see file of Minutes).

**CAB.28/06 CALL OUT SERVICE FOR EMERGENCY HOUSING REPAIRS (KEY DECISION)**  
The Lead Member for Housing presented a report regarding the above. (For copy see file of Minutes).

It was explained that the call out service for emergency housing repairs was currently provided in-house via a two year agreement, which was scheduled to expire in July 2006.

Members noted that the arrangement with the workforce for the provision of the service was non-contractual and cost the Council in excess of £160,00 per annum. It was therefore proposed that the service should be subject to market testing to ensure value for money.

Specific reference was made to the need to give due consideration to negotiating a contractual agreement with relevant trade unions to secure continuous service provision throughout the year.

**RESOLVED :** 1. *That the future provision of call out service for emergency housing repairs be subject to market testing.*

2. *That in assembling an in-house bid there must be recognition of the need to secure continuous provision of the service throughout the year and that due consideration be given to negotiating a contractual agreement with the relevant trade unions.*

**CAB.29/06      SEDGEFIELD BOROUGH LOCAL DEVELOPMENT FRAMEWORK -  
ADOPTION OF THE STATEMENT OF COMMUNITY INVOLVEMENT  
(KEY DECISION)**

Consideration was given to a report regarding the above Statement, which explained how the Council intended to engage with those who had an interest in matters relating to development in their area and the preparation of documents. (For copy see file of Minutes)

It was explained that the Statement of Community Involvement had been subject to a Public Examination by written representations between January and March 2006 and the Planning Inspectorate had concluded that, subject to some minor amendments, the Statement was 'sound' and must be adopted by the Council.

Members noted that the adoption of the Statement would help the Council to meet Corporate Plan aim 25.

*RESOLVED :            That Council be recommended to adopt the Statement of Community Involvement.*

**CAB.30/06      DEMOLITION OF MIDDRIDGE INDUSTRIAL ESTATE (KEY DECISION)**

The Leader of the Council presented a report seeking approval to demolish all buildings at Middridge Industrial Estate and return the land to open countryside. (For copy see file of Minutes).

It was noted that all of the industrial units were empty and were unlikely to be returned to use, given their poor physical condition and location.

*RESOLVED :            That all buildings at Middridge Industrial Estate be demolished and the site be returned to open countryside.*

**CAB.31/06      SUPPORTED HOUSING STRATEGY FOR SEDGEFIELD BOROUGH**

Consideration was given to a report regarding the above. (For copy see file of Minutes).

It was explained that the Council's Community Strategy included a commitment to produce a Supported Housing Strategy for the Borough, and there was provision within the 2006/07 Housing Revenue Account and General Fund budgets to appoint consultants to assist in the process.

Members noted that a brief had been developed, which included a review of all the sheltered housing in the Borough, a review of the community alarm and warden service and an overview of associated services, such as 'care and repair' and aids and adaptations, setting out future options and recommendations.

It was proposed that the award of the contract to undertake the proposed review should be subject of negotiation with Peter Fletcher Associates as they were familiar with the services and needs within the County and its constituent Districts, having already undertaken work on behalf of the Supporting People Partnership.

- RESOLVED :*
- 1. That the report on the production of a Supported Housing Strategy for Sedgefield Borough, including a review of existing services and provision be approved.*
  - 2. That negotiation takes place with Peter Fletcher Associates under Contract Procedure Rule 8 to undertake the review of existing service and provision.*

**CAB.32/06 REVENUE BUDGETARY CONTROL REPORT 2005 - 06 POSITION AT 31ST MARCH 2006**

Consideration was given to a report summarising the final outturn position on the Council's revenue activities for 2005/06. (For copy see file of Minutes).

Members noted that the General Fund had contributed £126,000 towards balances, compared to a budgeted use of balances of £800,000 and the Housing Revenue Account had contributed £1,191,000 to balances from its revenue operations. The Training and Employment Services had made an operating surplus of £71,000, which was a significantly better position than previously anticipated.

*RESOLVED :* *That the financial position for 2005/06 be noted.*

**CAB.33/06 CAPITAL BUDGETARY CONTROL REPORT - FINAL OUTTURN POSITION AS AT 31ST MARCH 2006**

Consideration was given to a report, which provided a review of the final outturn position on the 2005/06 Capital Programme as at 31<sup>st</sup> March 2006. (For copy see file of Minutes).

The report gave an overview of the progress made in meeting 2005/06 spending targets, provided an analysis of the capital resources available to finance the programme and summarised how those resources had been used to finance capital expenditure. It also gave an analysis of unspent commitments in 2005/06 that had been requested to be carried forward into the 2006/07 Capital Programme. The requests were subject to approval by Council at its meeting on 30<sup>th</sup> June 2006.

*RESOLVED :* *1. That the final outturn position to 31<sup>st</sup> March 2006 and the proposed financing of the Capital Programme be noted.*

2. *That Quarterly Capital Budgetary Control Reports continue to be submitted to Cabinet throughout 2006/07.*

**CAB.34/06 AREA 1 FORUM**

Consideration was given to the Minutes of the meeting held on 5<sup>th</sup> June 2006. (For copy see file of Minutes).

*RESOLVED : That the report be noted.*

**EXCLUSION OF PRESS AND PUBLIC**

*RESOLVED: That in accordance with Section 100(a)(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business on the grounds that it may involve the likely disclosure of exempt information as defined in Paragraph 2 of Schedule 12a of the Act.*

**CAB.35/06 CHIEF EXECUTIVES DEPARTMENT - STAFFING ESTABLISHMENT - COMMUNICATIONS OFFICER**

The Leader of the Council presented a report seeking approval to formally establish the post of Communications Officer within the Chief Executives Department. (For copy see file of Minutes).

*RESOLVED : That the recommendation detailed in the report be approved.*

**Published on 30<sup>th</sup> June 2006.**

**The key decisions contained in these Minutes will be implemented on Monday 10<sup>th</sup> July 2006 five working days after the date of publication unless they are called in by three Members of the relevant Overview and Scrutiny Committee in accordance with the call in procedure rules.**

**ACCESS TO INFORMATION**

Any person wishing to exercise the right of inspection, etc., in relation to these Minutes and associated papers should contact Gillian Garrigan, on Spennymoor 816166 Ext 4240



# Item 4

## KEY DECISION

## REPORT TO CABINET

13 July 2006

## REPORT OF DIRECTOR OF NEIGHBOURHOOD SERVICES

### Portfolios: Community Health & Planning and Development

### Determination of land at Bessemer Park as “Contaminated Land”

#### 1 SUMMARY

- 1.1 Analysis of extensive research undertaken by consultants on behalf of the Borough and Durham County Councils’ indicates that an area of open space at Bessemer Park, Spennymoor, falls within the definition of “Contaminated Land” contained within the Environmental Protection Act, 1990.
- 1.2 Sedgefield Borough Council and Durham County Council each own part of the affected area. They must be determined as two separate sites. The site ownership boundaries are shown on Appendix 1.
- 1.3 Sedgefield Borough Council is required by legislation to determine the whole site as “Contaminated Land” in accordance with Part IIA of the Environmental Protection Act, 1990. This determination will also allow the Council to apply for funding from the Department of Environment, Food and Rural Affairs (DEFRA) for the remediation of the area of land in its ownership.

#### 2 RECOMMENDATION

- 2.1 That Cabinet determines the two separate sites as “Contaminated Land”. The sites will then be placed on the Public Register as “Contaminated Land” and remediation solutions will be sought to break the identified pollution linkages.

### **3 DETERMINATION OF LAND**

- 3.1 Under Part IIA of the Environmental Protection Act 1990, Sedgefield Borough Council is required to determine land as “Contaminated Land” if the Council is in possession of information that indicates that the land meets one or more of the statutory definitions of Contaminated Land.
- 3.2 As part of the refurbishment at Bessemer Park in 1992, extensive investigation into site conditions was carried out and subsequent remediation to gardens and open space areas was undertaken. This work was overseen and partially funded by the then Department of Environment and was in accordance with the standards and procedures in place at that time.
- 3.3 Following a site investigation monitoring and reporting regime that has been employed by both Councils’ since the early 1990s, it is now apparent that some pollutants are migrating through the soil structure. The consequence of this migration is that an area of open space at Bessemer Park, Spennymoor falls within the definition of “Contaminated Land”<sup>1</sup>. The reports produced by external consultants have been independently assessed by DEFRA / The Environment Agency and are considered valid, technically robust and appropriate. The risk is theoretical and is based on conservative modelling of exposure to these compounds. There is no evidence of actual harm having arisen from this site.
- 3.4 The risk of contamination to groundwater posed by the site has also been assessed and no pollution linkage has been found.
- 3.5 The information relating to Sedgefield Borough Council’s land was obtained in a study carried out on its behalf in 2005. It has shown that similar contaminants are present to the Durham County study and that the site presents the same theoretical risk.
- 3.6 The substances that present a theoretical risk are:-
- Lead
  - Benzo(a)pyrene
  - Dibenzo(ah)anthracene
- 3.7 Government guidance indicates that two separate determination documents should be prepared for the site because:
- Each area of land is under separate ownership; and,
  - Each area of land has been subject to a separate site investigation.
- 3.8 Sedgefield Borough Council is now required to determine the two areas of land, as all outstanding matters raised by the external consultants reports have now been resolved.

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<sup>1</sup> Environmental Protection Act (1990), as amended

## Consequences of Determination

- 3.9 By determining the land as “Contaminated Land”, the Council invokes a series of statutory responsibilities on itself, the landowner and the polluter. The Local Authority is responsible for ensuring the progression of the statutory process that sets out who is informed of the decision and how the local authority ensures that the site is remediated.
- 3.10 The Council has a statutory duty to record all land that is determined as Contaminated on a public register, kept by the authority for that purpose. The register records details relating to the type of contamination in or on the land, remediation measures, landowners, and those responsible for site clean up. Areas of land determined as being contaminated remain on the register after remediation.
- 3.11 The pollution linkages that have led to the site being determined must be broken (a pollution linkage is an identified pathway by which exposure to a pollutant is or is likely to take place). Studies carried out for Durham County Council and approved by DEFRA suggest that the introduction of a geo-textile membrane on the land and covering it with imported, clean topsoil will break the pollution linkage. The Sirius report recommends 250mm of subsoil and 150mm of topsoil to cover the membrane.
- 3.12 Determination of the site and subsequent remediation works will raise both the profile of the previous known use of the site and public perception concerning the risks that the site may present. A working group comprising of relevant persons from Sedgefield Borough Council, Durham County Council, Sedgefield Primary Care Trust and The Health Protection Agency has been established. The working group will plan a comprehensive communications / public relations strategy relating to the site. The strategy will ensure that the concerns of the public and requests from the media are directed to the most appropriate personnel to ensure correct and consistent information is provided.
- 3.13 Previous research into the site’s history indicates that the polluting person (or business) who would normally be responsible for site clean up no longer exists. In such cases liability passes to the landowner. The liability for this ‘split’ site therefore rests with Sedgefield Borough Council and Durham County Council for their respective land ownership.
- 3.14 It is therefore proposed that the Council:
- Formally determines the sites as “Contaminated Land” and enters them in the public register;
  - Manage the sites within the provisions of the statutory framework outlined within the Environmental Protection Act, 1990;
  - Liaise with the Health Protection Agency and Sedgefield Primary Care Trust to ensure specialist health advice is in place to answer the concerns of local residents and site users;
  - Collate all existing information relating to the previous use of the site, together with information relating to previous investigations and

remediation schemes. This information will be produced together by both the Borough Council and the Health Protection Agency and will feed into an information pack designed to answer any queries that residents and users may have;

- Agree a shared methodology for the remediation of the site with Durham County Council; and,
- Apply to DEFRA for Supported Borrowing Approval in respect of the costs of remediation on the site. Durham County Council have already gained theoretical approval under this scheme.

#### **4 RESOURCE IMPLICATIONS**

- 4.1 The Council has received a supported borrowing approval from DEFRA under the contaminated land scheme in the sum of £16922 to cover the initial site investigation works.
- 4.2 It is likely that the cost of remediation of the Council's owned land (geo-textile layer, importation of clean soil, re-instatement of footpaths, etc.) will exceed the £100,000 expenditure key decision threshold.
- 4.3 Subject to a successful application to DEFRA to remediate the contaminated land, it would be anticipated that a further supported borrowing approval would be granted to cover the Capital costs.
- 4.4 The revenue implications associated with the cost of supported borrowing projects, are taken into account in the Formula Grant awarded to individual authorities and consequently the Council's Revenue Support Grant should be increased accordingly.
- 4.5 It is recommended that DEFRA be formally approached to support this scheme.

#### **5 CONSULTATIONS**

- 5.1 The Borough and County Councils' have worked closely with regard to the site investigation of the area of open space to ascertain whether there is a need to determine the site as "Contaminated Land".

## **6 OTHER MATERIAL CONSIDERATIONS**

### Links to Corporate Objectives / Values

The determination and subsequent remediation of this area of land will ensure that Sedgefield Borough Council fulfils its responsibility under the Environmental Protection Act (1990). In doing so, the council will also realise a commitment to its Corporate Ambitions set out in the 2005 to 2008 Corporate Plan. The Corporate Ambitions realised will be namely; a Healthy Borough, through safeguarding public health, and an Attractive Borough, through ensuring a cleaner and greener environment.

#### **6.1 Legal Implications**

The determination and subsequent remediation of this area of land will ensure that Sedgefield Borough Council fulfils its responsibility under the Environmental Protection Act (1990).

#### **6.2 Risk Management**

Due to the complex nature of the site, the contractors appointed to remediate the land would complete a detailed Risk Management Plan. An appropriate officer would approve this plan before works commence.

#### **6.3 Health and Safety Implications**

A specialist company will carry out the remediation of the site. Due to the nature of contaminants on the site, the appointed company would produce a detailed Health and Safety assessment. An appropriate officer would approve this assessment before works commence.

Site works will not be carried out by employees of Sedgefield Borough Council due to the complex nature of the works and as such will not represent a Health and Safety Risk to employees.

Determination of the sites as Contaminated Land is likely to give rise to queries concerning health from members of the public. As previously stated a public relations strategy will help to alleviate any health concerns regarding this site.

#### **6.4 Sustainability**

The remediation strategy will break the pollution linkage that is posed by the three substances.

#### **6.5 Equality and Diversity**

The proposed determination and remediation of land has limited implications for equality and diversity, however, any information released to the general

public shall be made available in alternative languages, Braille or in audio format where requested.

## 6.6 Social Inclusion

Part of the site is occupied by a children's play area that is owned and maintained by Sedgefield Borough Council. This will have to be removed in order for the remediation work to take place. A Cabinet report dated the 15th September 2005 relating to upgrading and replacing play equipment indicated that a decision relating to the Bessemer facility would be taken following a decision on the future of the open space.

The existing equipment cannot simply be reinstated after completion of remediation works, as it does not comply with current safety standards. Any replacement equipment would therefore have to meet the new safety standards and recent comparable schemes to create new facilities have cost in the region of £70,000.

## 6.7 Procurement

We will explore the opportunity to work in partnership with Durham County Council to attempt to provide a comprehensive remediation solution. It is however vitally important that the remediation of the site is subject to an open tender process to ensure value for money.

## 7 **OVERVIEW AND SCRUTINY IMPLICATIONS**

7.1 None

## 8 **LIST OF APPENDICES**

1. Site Location Plan

**Contact Officers:** Chris Myers and Simon Wilson  
**Telephone No:** (01388) 816166 ext 4328 & 4276  
**Email Address:** [cmyers@sedgefield.gov.uk](mailto:cmyers@sedgefield.gov.uk), [swilson@sedgefield.gov.uk](mailto:swilson@sedgefield.gov.uk)

**Ward(s):** Low Spennymoor and Tudhoe Grange Ward

**Key Decision Validation:** This is a Key Decision as it may result in the Council incurring expenditure in excess of £100,000. It is anticipated that DEFRA support will be received for remedial works.

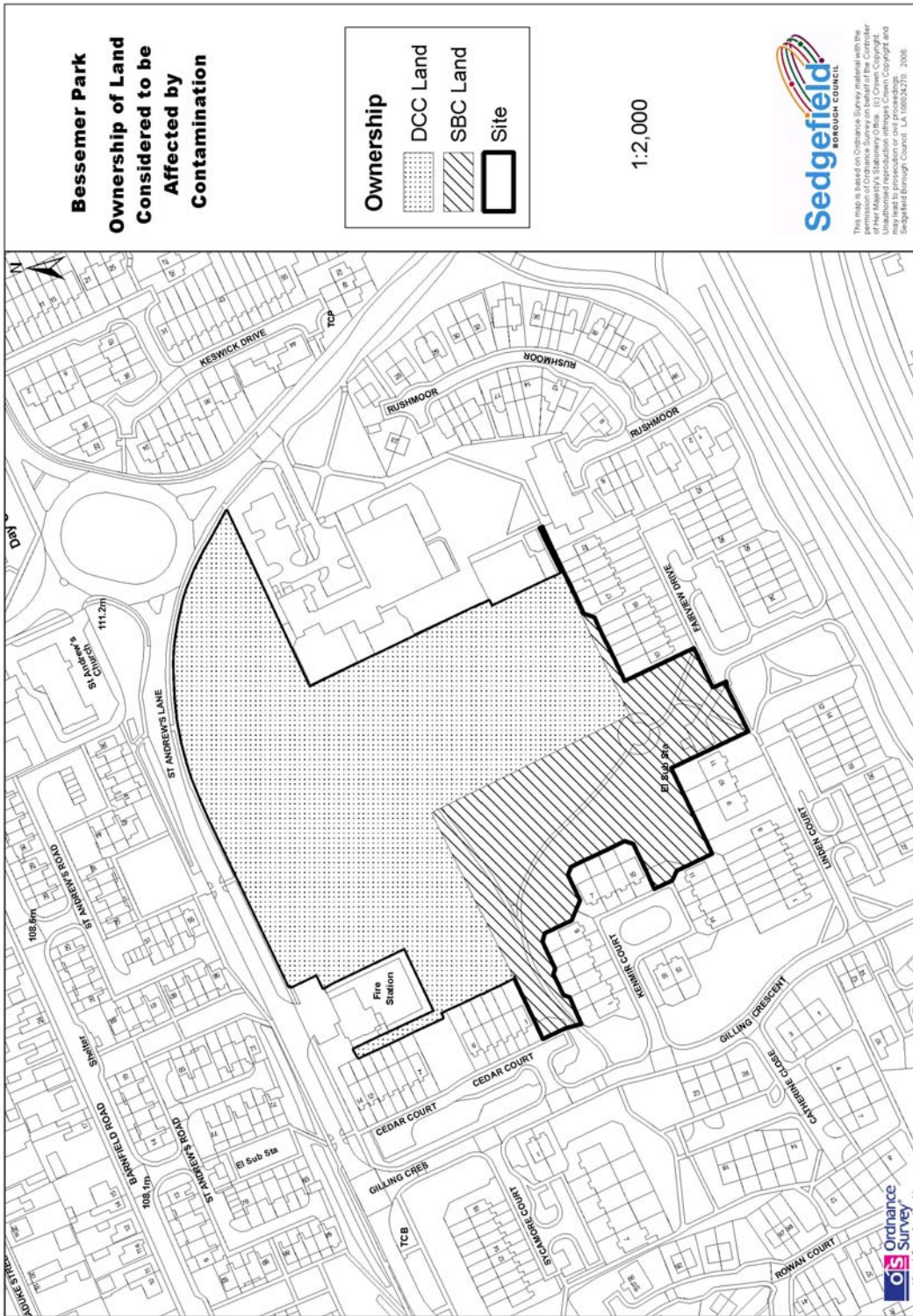
### **Background Papers**

1. WA Fairhurst Report; Land at Bessemer Park, Spennymoor – Quantitative Risk Assessment Report: Document Reference D/I/D/51323/01C
2. FWS Consultants Limited Report; Hydrogeological Site Investigation and Evaluation of Groundwater Contamination, Bessemer Park Open Space, Spennymoor: Document Reference 936/November 2004

3. Desk Study, Site Investigation and Assessment of Potential Contamination of the Bessemer Park Open Space Site, Spennymoor: Document Reference 979/June 2005
4. Environmental Protection Act, 1990 (as amended)
5. DETR Circular 02/2000; Statutory Guidance on the implementation of the Part IIA regime
6. Local Authority Guide to the Application of Part IIA of the Environmental Protection Act 1990. Chartered Institute of Environmental Health/Department for the Environment, Food and Rural Affairs/Environment Agency/Local Government Association
7. Fixed Play Equipment Safety Audit – Report to Cabinet, 15th September 2005, Director of Leisure Services
8. Sedgefield Borough Council Corporate Plan 2005 - 2008.
9. Sirius Report; Detailed Quantitative Risk Assessment March 2006, Reference C1426
10. Sirius Report; Specification for the placement of clean capping materials, Reference C1426/A

**Examination by Statutory Officers**

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





# Item 5

## KEY DECISION

### REPORT TO CABINET

13<sup>TH</sup> JULY 2006

#### JOINT REPORT OF DIRECTOR OF NEIGHBOURHOOD SERVICES & HEAD OF STRATEGY & REGENERATION

#### Social Regeneration and Partnerships & Housing Portfolios

#### COALFIELD HOUSING RENEWAL - MASTERPLANNING

##### 1. SUMMARY

- 1.1 County Durham local authorities and partners are developing a strategic response to the issue of Housing Market restructuring, particularly within the former Coalfield Areas, where there are a range of acute issues relating to a mismatch in supply and demand across housing types and tenures.
- 1.2 Efforts are being made to address this situation through the Regional Housing Board and the linked Single Housing Improvement Pot (SHIP). At a Sub Regional Level through the Durham Coalfields Housing Renewal Partnership, working with all Local Authorities, English Partnerships and Registered Social Landlords, with a view towards making a submission to EP/Government Office for the Comprehensive Spending Review 2007. At a local level, the potential for intervention is linked to activity proposed as part of the Capital Programme funded by the Housing Land Capital Receipts.
- 1.3 At a Borough level, but informing all our strategic activity, the Borough Council Commissioned Llewelyn Davies Yeang consultants in April 2005 to lead a team to develop a masterplan for the priority neighbourhoods of Dean Bank, Ferryhill Station and (West) Chilton.
- 1.4 This report sets out the proposed scope and direction of intervention highlighted in the Masterplan and provides links to a range of further activity, which will be the subject of a number of subsequent reports. These will set out immediate opportunities for investment / improvement and the alignment of resources required to maximise the impact within the priority communities.

- 1.5 Further consideration is required to identify if and when the areas for intervention are declared for CPO purposes. This is a situation which is recognised can have negative connotations but does provide some direction for homeowners and potential purchasers.
- 1.6 Following Council consideration of the Masterplan and associated reports it is anticipated that the outcomes of the study will be adopted a Council Policy for Housing Based Regeneration interventions and will be used for determination of planning applications for the re-use of land in the priority neighbourhoods.

## 2. **RECOMMENDATIONS**

**In light of the conclusions of the Masterplan, Cabinet are requested to approve**

- i) Acceptance of the Masterplan report**
- ii) The progression of the next phase of the Masterplan process relating to detailed consultations**
- iii) Acceptance of the additional costs incurred in the development of the Masterplan**
- iv) Consideration of further reports relating to the implementation of the Delivery Plan and Staffing Arrangements for the delivery of Capital in the context of this report.**

## 3. **KEY CONTENT**

### 3.1 **Rationale for intervention**

3.2 The changing housing market conditions have to varying degrees led to a range of issues in the three Priority neighbourhoods of Dean Bank, Ferryhill Station and (West) Chilton, which if left unchecked can be seen to lead to Housing Market Failure. At present the symptoms suggest varying degrees of housing mismatch between supply and demand, with a significant issue surrounding the oversupply of two bed terraced accommodation.

3.3 As part of the wider regeneration framework for these priority neighbourhoods and recognising the similar experiences of neighbouring authorities, Consultants have been utilised to draw together a range of Strategic proposal identifying the scale scope and context for intervention and the practical options which can be brought forward to deliver change in these neighbourhoods and deliver sustainable communities.

3.4 **Strategic Fit**  
**Nationally**

- 3.5 Work in developing a comprehensive response to localised Housing Market issues is in accordance with the Sustainable Communities Plan produced by the Office of the Deputy Prime Minister in 2003. Indications are that there will be no further formal pathfinders, although the lessons learnt are outlines and local / sub regional partnerships are expected to take forward this type of activity. National Planning Policy Guidance in respect of Housing and use of previously developed land are also taken into account.

**Regionally**

- 3.6 Issues of Housing Market failure or the need for market restructuring are a significant feature of a great deal of regional policy at present. The Regional Housing Strategy and the Regional Spatial Strategy provide a clear focus on the scale and scope of the issue and provide some direction in terms of potential intervention, recognising that Newcastle / Gateshead are one of the Housing Pathfinder Areas designated under the Sustainable Community Plan and that other significant intervention has been identified as a priority across the Tees Valley.

**Sub Regionally**

- 3.7 At a Sub- Regional (County) level, the issues of Housing market restructuring and preventing Housing Market Failure have been discussed for some time and were incorporated into the County Durham Strategic Vision as one of the key Challenges. The group formed to oversee this work (the Challenge 9 group) continues to press for co-ordinated approaches to deal with the problems associated with low demand housing and market restructuring and has been the vehicle for developing bids to the Regional Housing Board for Single Housing Pot monies.
- 3.8 In parallel to this, recognising the impact that a lack of choice of Housing and waning demand can have on our towns and service centres, the County Durham local Authorities along with Government Office, English Partnerships and Three Rivers Housing Association have met as the County Durham Coalfield Housing Renewal Partnership and have been working to prepare a strategic case for funding to support selected interventions, to be endorsed by GONE and English Partnerships before submission as part of the CSR 2007. The Masterplan contents will form the basis of the case for external resources to assist in plugging the funding gap and rebalancing the Housing Markets across County Durham. To assist this process further and to provide additional capacity in engaging with the private sector, a bid has been made to the County Durham Economic Partnership for a development Director and support staff, who will work

to engage with RSL's and Private Housebuilders to maximise their impact in renewing priority neighbourhoods

### **Sedgefield Borough**

- 3.9 The Coalfield Housing Renewal Report seeks to build upon previous studies, which have examined the potential for demolition and redevelopment in key areas across the Borough. The Masterplan does this by way of reference to the state of the Housing market, seeking to bring forward a programme of strategic interventions which will deliver sustainable Communities.

### 3.10 **Links to wider spatial considerations**

As with much of the current regeneration work being undertaken across the Borough, it is recognised that there are a number of different aspects related to the Masterplan, and a great deal of the work undertaken at the Durham Coalfields Housing Partnership has sought to explore the relationships between the priority neighbourhoods and their surrounding major centres and employment areas.

- 3.11 The basis for these considerations being that investments outside the priority neighbourhoods but well linked may deliver wider and more effective benefits.

- 3.12 At a local level, a number of wider Regeneration programmes link across the neighbourhoods, with investments in community Buildings and facilities, enhanced Public Realm and some clearance and remedial improvement being undertaken using a range of external funding. This activity has been brought forward in full knowledge of the direction of the Masterplan and has sought to provide 'quick wins' to improve the physical appearance or confidence in these areas as a precursor to securing additional investment in redevelopment.

### 3.13 **Current Housing Market issues**

The Masterplan report has running through it a central thread of relating issues and interventions to Housing Market issues. This was a conscious decision to ensure that overly aspirational solutions were not brought forward and that options consulted upon were likely to be recognisable in some form if the plan was accepted.

- 3.14 The Consultancy team delivering the Masterplan sought further specialist advice to provide a review of local housing market conditions, building upon some previous work undertaken for the Durham Coalfield Housing Renewal Partnership. The Housing market review, available as a separate technical document undertakes a review of property types tenures and sale values across all three areas and considers the

wider market influences upon the priority neighbourhoods from other settlements or employment locations.

- 3.15 A series of meetings with local estate agents was also incorporated into this element of the work to identify the current market perceptions of the three areas. This identified the following issues:

Dean Bank

- Seen as a first time buyers market
- Characterised by long established owner occupiers
- Increasing number of properties bought as investment properties and privately rented
- 

Chilton (West)

- An area of potential but suffering from some stigma linked to some private rental decisions and associated levels of anti social behaviour

Ferryhill Station

- Problematic and stigmatised over a period of time
- Showing some signs of potential and potentially ripe for development

3.16 **Market Prices**

- 3.17 Over the period of the study, all three priority areas saw property prices rise in line with the national average, although this is at a lower rate than the Borough average and that for County Durham as a whole. Variations in price can however be considerable and readily accessible data is built up from postcode data and can mask smaller area issues.

3.18 **Affordability**

As a current priority theme and given the types of housing under consideration, affordability has been a significant part of the considerations. Given consideration of household incomes properties in the target areas remain by and large affordable to a majority of residents, although the issue tends to be one of choice. With older and poorer condition properties, many buyers will take such property because of no option and as a means to gaining access to the property ladder. While this has some positive aspects, it suggests a continuation of a high turnover of stock, which does not help in maintaining sustainable communities.

3.19 **Housing Market Prospects**

3.20 New Build – Long-term demand in the three areas appears quite poor if current trajectories remain and without significant investment / intervention to improve confidence and choice. Targeted interventions should alleviate many of the problems currently experienced, with high demand, greater tenancy take up, fewer transfers and reduced void numbers. The masterplan study aims to provide options to move towards this situation and improve the sustainability of local housing markets by addressing the current mismatch between supply and demand.

3.21 Household change – Based on Census figures and recent projections, population figures are anticipated as being fairly stable up to 2021. With the continuing trend for smaller household size, this implies a small increase in household numbers.

3.22 **Development Framework**

3.23 **Dean Bank**  
**Current Issues**

3.24 Significant intervention in Dean Bank has been recognised as a requirement for some time and was last considered as part of the Dean Bank Options report 2003, which resulted in resident support for up to 40% demolition, although the precise areas for demolition were not clarified.

3.25 Dean Bank presents a number of challenges as it is clearly defined and in some respects constrained by physical barriers. The majority of properties are high-density Victorian terraces, although there is a small amount of new build that has occurred in recent years. Some key community buildings exist including the primary school, Literary Institute and a new Sure Start centre. Housing is predominantly east /west running terraces which prevent views to open countryside to the north and South, although there are open spaces within Dean Bank including the Park and the site of the Former Praxis factory and chapel, cleared and landscaped by the Borough Council quite recently.

3.26 Research suggests that at present the choice of housing available in Dean Bank is inadequate, particularly in the mid (£60,000-£100,000) range.

3.27 **Opportunities**

3.28 Dean Bank has a number of attributes which can be seen to provide opportunities to assist in making it a more sustainable neighbourhood.

3.29 Locationally it provides easy access to the A167 and the local road network, whilst also being within a short walking distance of the facilities in Ferryhill Town Centre. Although restricted by the current housing layout, there are good views of open countryside and a potential selling point in views towards Durham Cathedral.

3.30 With a number of changes within Dean Bank, there has been a slight increase in house type availability and the area remains popular with a strong sense of community and a number of active community representatives.

3.31 **Scale and Scope of Intervention**

3.32 The proposals for Dean Bank form a cohesive package of interventions across five smaller areas, which will result in a degree of replanning to create attractive residential environments offering a greater choice of housing.

3.33 A significant feature for Dean Bank interventions is the focus on public open space and the creation of dedicated car parking areas. Much of this is to be achieved by a net reduction in stock numbers, with selective demolition used to break the long terraces and create new public spaces.

3.34 The 124 proposed demolitions represent 18% of the current stock levels but will be replaced with 80 new properties, providing a broader range of housing types. Further investments suggest 3,200sq metres of new Public open space and 196 new car parking spaces. The Details of these interventions is covered in pages 23-26 of the report attached as appendix 1.

3.35 **Ferryhill Station**  
**Current Issues**

3.36 Proposals for Ferryhill Station are based on the recognition that significant decisions on the scale and scope of intervention were taken some time ago and what is now required is a solution which reflects subsequent changes in Housing Market conditions.

3.37 Ferryhill Station was one of the first areas in the Borough to demonstrate features of Housing Market Failure and in the intervening five years has been the subject of two phases of demolition in an attempt to rebalance the Housing market.

3.38 **Opportunities**

3.39 Despite significant intervention and uncertainty there remains a strong commitment by the remaining residents to remain engaged in the redevelopment process and indeed demand for housing across much of the main routeway through Ferryhill Station is strong.

3.40 With a slightly detached location away from the centre of Ferryhill, there remains opportunity to build in the identity of Ferryhill Station and restore confidence in the neighbourhood overall. This is seen as essential in underpinning the remaining local services and potentially extending provision.

3.41 Such is the potential of Ferryhill Station that a number of Developers have made informal enquiries in recent months and it is hoped that these enquiries can be successfully converted.

3.42 **Scale and Scope of Intervention**

3.43 Interventions for Ferryhill Station centre upon the area known as the Rows, which as noted above has already seen two phases of demolitions in recent years. The site consists of a mix of cleared land and steep narrow terraces running perpendicular to the main road. House sizes vary as does condition and continuing low demand reflects this, along with uncertainty over the sites future. 53 of the remaining 79 properties remain void at present.

3.44 Public consultations relating to two similar options for the Rows suggested a desire to retain 14 of the larger terraced properties on Haig Street, with the remaining 65 properties to be cleared. A development of 75 new units, arranged to minimise the impact of the site gradient and incorporating enhanced car-parking provision for retained properties would replace the cleared housing. The Details of these interventions is covered in pages 29-30 of the report attached as appendix 1.

3.45 **(West ) Chilton  
Current Issues**

3.46 Proposals for (West) Chilton have been developed to recognise a rapidly deteriorating Housing Market situation, based upon low demand and abandonment



3.47 Chilton generally but the Western side more markedly is a divided community with ongoing community cohesion tensions and issues surrounding the maintenance and stability of different tenures.

3.48 Significant investment has and continues to be directed towards Chilton however, with the recent bypass and associated Durham road improvement scheme to be complemented by further investment in open space and recreational facilities.

3.49 Given its location on the A167/ A689, Chilton provides strategic locational advantages which should assist in stimulating interest and demand if stock is in line with market requirements.

### 3.50 **Opportunities**

3.51 Recent Private Development on the Eastern side of the A167 proved to be extremely popular, while on the western side, the core properties which are largely Local Authority or former Local Authority homes prove popular, are of sound physical fabric and where in private ownership exhibit signs of significant investment. The surrounding terraces are generally of significant length with poor parking provision and little defensible space. Significant problems are encountered in this area, in part linked to issues of Anti-Social Behaviour and the proportion of void properties from the private rented sector.

### 3.52 **Scale and Scope of Intervention**

3.53 The proposals for West Chilton are perhaps the most radical of the three neighbourhood plans, resulting in the removal of 217 properties and the development of 68 new units. In addition further dedicated car parking and significant areas of public open space are proposed. The Details of these interventions is covered in pages 35-36 of the report attached as appendix 1.

### 3.54 **Implementation** **Phasing**

3.55 A Basic principle identified in the original brief for the Masterplan was that physical improvements would require predominantly market led financial support and as such would be expected to come forward at different rates.

3.56 Issues of Ownerships, occupancy-and associated compensation packages, mean that a phased approach is required for the implementation of proposals. Consideration has been given to phases of work which can be delivered quickly or with little / no gap funding and a rollout of phases which seek wherever possible to cross-subsidise each other. This means that in reality, redevelopment work

will progress in all three priority areas with a staggered start to allow for developer engagement and increasing the capacity to consult and deliver schemes of this size

- 3.57 The programme as set out is however recognised as being a lengthy undertaking, providing an mixture of short, medium and long term intervention opportunities, in line with the indicative programme highlighted below.

<b>Opportunities and Proposed Interventions</b>	<b>Dean Bank</b>	<b>Ferryhill Station</b>	<b>West Chilton</b>
<b>Years 1-3</b>	<p>Develop Praxis Site</p> <p>Demolish, redevelop and environmentally improve in the Faraday and Stephenson Street area.</p> <p>Environmentally improve un-named road along A167</p>	<p>Demolish the remainder of "The Rows" excluding the south side of Haig Street</p> <p>Redevelop and environmentally improve area</p>	<p>Demolish, redevelop and environmentally improve in the Dale Street / Oswald Terrace area and the Victoria / Hunter Terrace area</p>
<b>Years 3-8</b>	<p>Demolish, redevelop and environmentally improve the Newton/Davy Street area , the Bessemer Street area and the Rennie Street area</p>	<p>Assess situation in Church Street and Charlton Street for possible future interventions</p>	<p>Demolish, redevelop and environmentally improve the Dene Terrace area and the Raby / Ford Terrace area</p>
<b>Longer Term</b>	<p>Review potential for future development land</p>	<p>Review potential for future development land</p>	<p>Review potential for future development land</p>

3.58 **Risk**

- 3.59 The programme of activity as identified, presents a number of risk factors, which because of the intended use of the Masterplan information, have been considered in detail as the report has been

developed. The most significant risk centres on the control of costs of implementation and given that there is a perceived funding gap, which will have to be filled by the Public Sector, such considerations have been extensive. Risks to overall costs are covered in the main report, which undertakes a review on the basis of Optimism bias. This process identifies that in dealing with a number of implementation risks, overall costs could rise by 16%, from 56,541,578 £to £65,701,314.

3.60 A number of the detailed risk factors that may influence this figure are covered in tabular form, along with risk mitigation factors.

3.61 **Delivery Vehicles / mechanisms**

3.62 One of the central differences to the Masterplan commission as opposed to earlier pieces of work has been the emphasis on delivery and the provision of advice to allow the proposals to be progressed rapidly. This was seen from the outset as being essential if the community buy-in developed through the collaborative approach to progressing the Masterplan was to be maintained and carried forward into a period of time when there will be significant changes within the three neighbourhoods.

3.63 A number of factors have been considered as part of the deliberations on the delivery model including:

- Timing
- Capacity
- Strategic Fit
- Future proofing
- Operational / financial flexibility

3.64 Alongside all of the above, interaction with active Registered Social Landlords has been considered, given the number of properties within the priority areas in RSL ownership.

3.65 Initial phases of work can be progressed utilising existing partnership arrangements and can be brought forward relatively quickly. However, it is recognised that a longer ( upto 10-15 year) term programme of activity will require a specific model of delivery structure which can operate within the following criteria:

- Ability to recycle capital receipts
- Be a 'watertight' entity
- Capacity to run a programme of capital receipts and spending
- Robust to changes in governance or political context
- Operate within a flexible constitution – in respect of capital investment, response to market conditions, property cycle, etc.

3.66 From these criteria a number of delivery mechanisms have been identified, which are considered in detail in pages 48-52 of appendix 1 and in more detail in appendix 4.

3.67 **Immediate opportunities**  
**Group repair schemes**

3.68 The approach adopted through the Masterplan process is to provide a mix of redevelopment and improvement. As part of this process, opportunities present themselves to direct funding to bring about a significant improvement in a localised area under the auspice of a Group Repair Scheme.

3.69 Opportunities to progress such an intervention have already been acted upon with a Group Repair Scheme covering 31 properties, funded through the SHIP process being undertaken in (West) Chilton. Further opportunities exist in a number of the areas, particularly in Dean Bank. The progression of the Masterplan will have to take account of opportunities such as this and the availability of funding – including external funding, which can be used to deliver these improvements.

3.70 **Private Landlords licensing**

3.71 The Housing Act 2004 introduced provisions relating to the licensing of the private rented sector. This represents the opportunity to regulate a sector of the housing market, which has had a negative impact on a number of communities across the Borough. A separate supporting report covers the options for implementing the Licensing of the Private Rented Sector.

4. **RESOURCE IMPLICATIONS**

4.1 The Masterplan report identifies projected costs for the redevelopment on numerous sites across the three priority Neighbourhoods. Financial modelling of Costs of acquisition and redevelopment against receipts suggest a funding gap as indicated below. This funding gap is the basis of work at a sub regional level seeking resources through English Partnerships and the Regional Housing Board as part of next years Comprehensive Spending Review process.

4.2 Figures provided are as at current prices and the changing nature of the housing market could lead to significant changes. They are however provided as indicative and subject to Risk Assessment and alteration to the overall plans which may occur between the Masterplan blueprint and the securing of detailed planning permission.

Area	Investment	Income	Gap
Dean Bank Area 1 – Praxis	3,836	3,330	506
Dean Bank Area 2 – Newton/Davy	3,394	280	3,114
Dean Bank Area 3 – Faraday/Stephenson	6,289	1,245	5,044
Dean Bank Area 4 - Bessemer	5,202	3,360	1,843
Dean Bank Area 5 – Rennie/Holyoak	6,391	3,920	2,471
<b>Sub-total Dean Bank</b>	<b>25,113</b>	<b>12,135</b>	<b>12,978</b>
<b>Ferryhill Station Sub-total</b>	<b>11,671</b>	<b>10,500</b>	<b>1,171</b>
West Chilton Area 1 – Victoria/Hunter	3,043	1,960	1,083
West Chilton Area 2 -Dale/Oswald	5,862	2,520	3,342
West Chilton – Area 3 (Raby/Ford)	7,545	2,520	5,025
West Chilton Area 4 – Dene Terrace	3,306	1,400	1,906
<b>Sub-total West Chilton</b>	<b>19,756</b>	<b>8,400</b>	<b>11,356</b>
<b>Total</b>	<b>56,542</b>	<b>31,035</b>	<b>25,507</b>

- 4.3 This funding gap is significant and illustrates not only the need for public sector intervention but also the emphasis on securing external financial supports, as seen by the work with the Durham Coalfields Partnership. The Masterplan was intended from the outset to provide the framework within which to develop a range of further activity/interventions, which holistically assist in delivering the vision for Dean Bank, Ferryhill Station and (West) Chilton.
- 4.4 On a practical note, the commission for the Masterplan has extended in time beyond that originally envisaged, due to the extend of the Community consultations undertaken further requirements in respect of Delivery options and working at a pace acceptable to residents in the early Stages. To comply with emerging information requirements and address internal capacity issues, additional sections have been incorporated to allow the document to be used as the basis for the Area Development Frameworks required by English Partnerships and the Durham Coalfield Housing Renewal Partnership.
- 4.5 These additional tasks have led to a cost over-run on this project from the tendered £150,000 to a final figure of £172,331. This represents a project overspend of 14.8%. Funding for this work has been drawn from the Single Housing Investment Pot Allocation and capacity exists to meet the overspend from the same budget.

## 5. **CONSULTATIONS**

- 5.1 The Coalfield Housing Masterplan exercise has been undertaken with a view to incorporating a number of consultation events throughout the process, while the commission itself has reported to a steering group, which consisted of Borough Council Officers and Members, Town/Parish clerks and representatives from the three local residents associations.

- 5.2 As part of the development process, discussions have been held internally with colleagues from Housing Management, Valuation and Planning services and a presentation was made to cabinet members and ward members in October 2005.
- 5.3 Given the nature and scope of the work it is recognised that enhanced consultation (one to one with potentially affected residents, and wider localised consultation thereafter) will be required. The commission provided for the development of a framework for ongoing consultation, which itself is linked to a supporting report on the staffing requirements for the delivery of such a scheme.

## 6. **OTHER MATERIAL CONSIDERATIONS**

### 6.1 **Links to Corporate Objectives / Values**

The proposals set out within this report contribute to the delivery of the Council's Corporate Ambitions and fit within the Council's approved Key Policy Framework. In particular, they support the delivery of the Council's Key Aims, to create: A Prosperous Borough – by Tackling disadvantage and promoting Social Regeneration, An Attractive Borough - by improving Towns, Villages and the countryside and Strong Communities – by securing quality sustainable housing. The principles adopted in developing and taking forward the Masterplan also fit with the Council's corporate value of Engaging with our Communities.

### 6.2 **Legal Implications**

The main implication linked to consideration and progression of the Masterplan report relates to the potential requirement to utilise Compulsory Purchase powers in order to deliver development parcels in each of the priority neighbourhoods. Significant assistance has been provided previously in taking forward CPO's for the early stages of clearance at Ferryhill Station and the cost / resource implications of this programme will require detailed consideration.

6.3 The element of the work related to Delivery Mechanisms has significant legal implications in respect potentially establishing special Purpose vehicles to deliver programmes or entering into joint venture development agreements. This element of the Masterplan process will require a further report following discussions with the Council's Legal Section.

6.4 A further issue relates to the status and management of the information contained within the report and its accompanying plans. A Freedom of Information enquiry has already been resolved in respect of this matter given the imminent future publication of the work.

### 6.5 **Risk Management**

Given the high level nature of the work for this ADF, we have considered the impact of optimism bias on capital expenditure rather than carry out a detailed quantitative risk assessment in accordance with HM Treasury Green Book 2003 methodology. Guidance suggests that for standard buildings, optimism bias in capital expenditure ranges from 24% to 2%. We have started our analysis with the upper range, i.e. 24% and based our assessment on the highest total cost for the project

6.6 Table 43 (p47) of the Full report provides an overview of the project risks associated with the implementation of the Masterplan and potential mitigation.

### 6.7 **Sustainability**

One of the cornerstones of the Masterplan commissions was to move towards creating sustainable communities. This vision extends not only to the physical fabric of the housing areas, but also underpinning local service, providing better management and maintenance of open spaces and opportunities to underpin and enhance employment in the settlements.

## 6.8 **Equity and Diversity**

Equity and Diversity considerations have been factored into the masterplanning project. All residents and businesses were invited to participate in consultation events. Proposals developed recognise the differing circumstances of individuals in the community and have led to the generation of a number of methods of providing assistance for home-loss and compensation to mitigate the effects of limited or fixed household incomes.

## 6.9 **Crime and Disorder**

Localised Crime and Disorder issues typically relating to Anti-social behaviour were recognised from the outset as one of the factors, which reduced the attractiveness of the residential offer in the priority neighbourhoods. Security and comfort are main headings within the Design Principles, which have been extended to the areas considered while crime and disorder issues were specific results of the various rounds of public consultation

## 6.10 **Procurement**

The identified next phase of works brings with it a number of procurement issues, in terms of potential joint ventures with a range of Partners and ultimately consideration of the legal structures that may be advisable to best re-use receipts from this process to the benefit within our priority neighbourhoods.

## 7. **OVERVIEW AND SCRUTINY IMPLICATIONS**

7.1 A sub group of Overview and Scrutiny Committee 3 has completed a review of the interventions available to deliver the regeneration of Neighbourhoods with older private sector housing. The review was accepted by Overview and Scrutiny 3 on the 8th November 2005 and was considered by Cabinet on the 16th February 2006. This proposed restructuring in this report takes account of the recommendations of the review.

## 8. **LIST OF APPENDICES**

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**Wards:** Chilton, Ferryhill, Broom

### **Key Decision Validation:**

Implementing the Masterplan is likely to result in the local authority incurring expenditure, or making savings of £100,000 or above and is likely to have significant impact on two or more wards



**Background Papers:**

North East Regional Housing Board – Regional Housing Strategy 2005

North East Assembly – Regional Spatial Strategy ( draft) 2005

One North East – Regional Economic Strategy 2003-2005

County Durham Strategic Partnership – County Durham Strategic Vision 2003

Sedgefield Borough LSP – Sedgefield Borough Community Strategy 2004

Draft Report – Older Private Sector Housing Regeneration – Developing the capacity to deliver renewal May 2006.

Draft Report – Private Sector Capital Programme 2006/7

Regeneration of Neighbourhoods with Older Private Sector Housing. Report of Overview and Scrutiny 3

**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"/>

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**Sedgefield Borough Council**

**Coalfield Housing Market Renewal Study**

**Development Frameworks for Dean Bank, Ferryhill  
Station, and West Chilton**

Final Report

33994

Winter 2005

Prepared by  
Llewelyn Davies Yeang  
in association with  
DTZ Peda Consulting, WoodHolmes, Arup & Tribal HCH



# Sedgefield Borough Council

Coalfield Housing Market Renewal Study

Development Frameworks for Dean Bank, Ferryhill  
Station and West Chilton

Final Report

Winter 2005

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Tribal HCH





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- Annex 2 - Overview Geotechnical and Contamination Desk Study - Arup
- Annex 3 - Options for the provision of financial assistance – Tribal HCH
- Annex 4 - Consultation Handover Briefing Note – WoodHolmes Group
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## Executive Summary

This Report is the Final Report of the Sedgfield “Coalfield Housing Market Renewal” project, carried out by a team of consultants led by Llewelyn Davies Yeang. It provides an “Area Development Framework” for three neighbourhoods in and around Ferryhill: Dean Bank, Ferryhill Station, and Chilton West. The project was guided by a Steering Group comprising Sedgfield Borough Council officers and residents’ representatives, and was the subject of public consultation at various stages.

It focuses on housing market issues and responses, but relates these to the wider context and to parallel non-housing programmes and initiatives which affect the area.

It responds to a context of long-run economic change and restructuring, which are coupled with and interacted with pressures in the housing market - leading to low demand for housing, especially the older terraced stock, and associated problems in each of the three communities, especially associated with the private rented sector. (Chapter 3)

The prospects for change are reviewed in Chapter 4, which suggests that, in a housing development context where this is little net growth potential, these three neighbourhoods nonetheless have assets and attributes which can be used to help them regenerate and improve.

For Dean Bank, the study proposes replanning five sub-areas to create attractive places, widen the choice of housing, and improve public open space, the environment and safety. Some new build is proposed (80 new homes), and demolition of 124 of the current 685 terraced properties – so a net stock reduction of 44.

For Ferryhill Station, where market failure began earliest and the response has already involved two rounds of demolition, the vision for the future is to recreate a coherent settlement, albeit at a lower density than hitherto, along the main road; 75 new homes would be built, replacing 65 to be demolished and 70 already cleared – a net stock reduction of 60.

In the case of Chilton West, the proposals start from a recognition that the position has deteriorated very quickly there recently, and hence a more radical strategy is proposed. It involves considerable demolition – 217 of the 312 terraced houses, though many are vacant - and only 60 replacement homes (net reduction = 157). The new housing should be able to capitalise on the locality’s assets as a well-located outer area of Ferryhill in a green setting.

The last two chapters of the Report propose two important initiatives to support the physical interventions in each area – a Private Landlords Initiative, and a well-designed relocation “package” to support affected residents. They also set out a suggested phasing of the proposals, with early action in all three communities; and provide an estimate of the broad order of costs and public sector funding needs; as well as outlining the key delivery and project management issues for the implementation phase – including a possible “Regeneration Vehicle” or organisation.



# 1 Context & Purpose

## 1.1 This Report

This is the Final Report of the Sedgefield “Coalfield Housing Market Renewal” project, carried out for Sedgefield Borough Council by a consultant team led by Llewelyn Davies Yeang and also comprising DTZ, WoodHolmes, Arup and Tribal HCH. The study was commissioned in January 2005.

The focus is on three small former coalfield settlements on the outskirts of Ferryhill:

- Dean Bank, just to the west of Ferryhill town centre`
- Ferryhill Station, about 1.5 km to the east; and
- Chilton West, part of the freestanding settlement of Chilton, 2.5km to the south.

The report broadly follows the recommended content and structure for Area Development Frameworks provided by English Partnerships (EP) to help them consider the priority settlements in the former coalfield.

## 1.2 The Context

The context behind this and similar studies is one of long-run economic decline and weak local housing markets, which has left these communities at risk of housing stress, social problems and in some cases property abandonment.

## 1.3 National Policy

Policy at national level has, since 2002, developed an emphasis on the issue of low-demand housing and the consequent problems, with the most high-profile initiatives being the Housing Market Renewal Pathfinders in twelve conurbations in the Midlands and North, introduced as part of the Deputy Prime Minister’s Sustainable Communities Plan. In parallel, EP have been working with the Coalfields Task Force to seek solutions to the similar problems in the former coalfields – of which County Durham is an important example.

## 1.4 Regional Policy

Regionally, this is now developing as a set of initiatives engaging several key partners: EP themselves, Government Office for the North East (GO-NE), One North East as the Regional Development Agency, the Regional Housing Board and the local authorities. GO-NE have stressed since 2003 that, although it is clear that the former coalfields communities need extensive housing market restructuring, there will not be a further round of Pathfinder initiatives and funding; so that the partners in the Durham coalfield will need to use resources from themselves, the private sector and others where available; including possibly cross-boundary ways of working. EP have supported two studies of the former coalfields’ housing markets (by DTZ) and the hierarchy of settlements (by Jacobs Babtie), and these provide a structure and background for a possible integrated programme of responses and support. A Durham Coalfields Housing Renewal Partnership is the local authorities’ (and RSLs’) formal vehicle for developing and progressing these approaches.

At the same time, planning policy has been evolving in recognition of the profound structural adjustments needed in the housing, economic and spatial spheres. The Draft Regional Spatial Strategy (RSS) lays stress on the need for great care in controlling and guiding new housing development, given the fragility of many of the region’s housing sub-markets. It proposes a concentration of development on the existing settlement pattern, led by the main conurbation cores and following down through a hierarchy of settlement size. Ferryhill, which is the settlement at the heart of this present study, is considered an important element in the Sedgefield District’s structure.

The Regional Housing Strategy, produced in July 2005, is aligned with regional planning policy. It confirms the North East's housing priorities (all of them with resonance for Sedgefield) as:

- Developing housing to meet 21<sup>st</sup> Century demands and replacing market failure with high quality housing and sustainable and cohesive communities.
- Meeting requirements for new housing resulting from household growth and aspirations for better housing.
- Improving and maintaining existing housing
- Addressing specific community housing needs including affordability in certain rural locations, the needs of an ageing population and the special needs of other groups.

The Regional Economic Strategy has recently been revisited and submitted to Government for approval, and like the Draft RSS it strongly stresses the main conurbations as the focus of effort. Its key priorities in realising "strategic transformational regeneration" are stated to be:

- 1 Developing and Implementing Prioritised and Evidence Based City Regional Development Programmes
- 2 Developing and Implementing a Strategic approach to Market Towns and Rural Service Centres
- 3 A Better Quality Choice of Homes to Support Economic Development
- 4 Regeneration Delivery and Quality

## **1.5 Purpose of the ADF**

This report is therefore the Area Development Framework (ADF) for the coalfields housing initiative in Ferryhill. Its purpose is:

- to explain the case and need for change;
- to identify and evaluate options for restructuring the housing market in these three residential areas;
- to show how the local communities have been engaged in this process of review
- to make the case for the recommended strategy in each case, including the case for support from the public authority partners; and
- to provide guidance on delivery of the recommended solutions.

## **2 Audit - the Situation Today**

### **2.1 Introduction**

This section presents the consultant team's findings and research, which formed the Audit for the preparation of the Area Development Frameworks (ADFs) for Dean Bank, Ferryhill Station and Chilton West.

The audit focuses on analysis and research of these key areas:

- Spatial Context
- Centres and Services
- Housing Market – an analysis of the local residential property markets
- Working with the community – description and engagement with the community
- Linked Strategies

The purpose of the section is to give an analysis of the study area from an economic and planning perspective, from which the study and ADF's have been taken forward. The analysis drawn from this section has supported the later stages of the project.

### **2.2 Spatial Context**

The North East has become the most deprived region in England, following a process of economic, social and political upheaval in recent decades. The physical evidence is most pronounced, and most embedded, in locations such as Dean Bank, Ferryhill Station and Chilton West.

With the withdrawal of many traditional, and significant employers, the region is characterised by a polarisation of popularity and demand. Dean Bank, Ferryhill Station and Chilton West are at the wrong end of this scale, experiencing population decline, and, subsequently, areas of low housing demand. Prices have fallen and levels of voids have increased. As communities struggle to adapt, the presence of speculative absentee landlords and their tenants can blight the housing stock and the local environment.

Forecasts of future growth must be viewed against this background. The difference between the Regional and UK average growth has led to a 'productivity gap' identified by ODPM. The Northern Way initiative is intended to reduce the disparity over the next decade. A significant influence on the current problems in the region is the dip in GVA per head over the period 1995 to 1999. This has created the gap, which now requires above national average growth to recover.

These long running and fundamental changes in the regional economy are inevitably reflected in the prospects for settlements like Ferryhill, and the smaller neighbourhoods in its orbit. Once highly reliant on local activity – the coalmines, quarries and factories in each township – many of the County Durham settlements have still to find a satisfactory future role. For Ferryhill, however, the role and function is relatively straightforward. It operates, as a small local centre and commuter settlement offering a "small town" lifestyle close to open countryside, only a few kilometres from the larger centres and employment in Newton Aycliffe, Durham and Spennymoor. It is well located for connections to the A1(M) motorway, and has good bus connections (on average every 15 minutes) to Darlington, Durham, Spennymoor and Bishop Auckland. The town centre is a pleasant and characterful main square with one other principal shopping street running into it; the prospects for further retail development could be examined as part of any consideration of a strengthened local service role. We note the suggestion in the Jacobs Babbie report that Ferryhill could be considered for reclassification as a "Main Town".

The three smaller neighbourhoods which are the focus of this report are all more or less part of Ferryhill, and share its prospects. Dean Bank is the closest –

only 100 metres from the town centre, and Chilton the more remote, since it is in fact freestanding, although it has as few neighbourhood services as the other two localities. The next sections examine the three localities in more detail.

## **2.3 Centres and Services**

Without innovative intervention, the communities of Dean Bank, Ferryhill Station and Chilton West will die. Pressure is placed on resources, scarce community facilities and services, which are experiencing declining patronage. Once these facilities disappear, they are unlikely to return. But the communities in most need of these facilities are often the least mobile, lacking access to adequate public transport or private cars.

### **2.3.1 Dean Bank**

Dean Bank was built at the turn of the 20th century to house miners from the Dean and Chapter colliery. The neighbourhood is located immediately west of the A167 and consists of terraced streets running east-west on both sides of Merrington Road.

Arup's desk study (available as a separate annex) shows clearly how short the area's mining and industrial history actually is. The area was largely empty until 1900, almost all was in place by 1920, the Colliery had closed by 1970, and the Praxis factory came and went in the post-war years. The report advises that there is a low contamination risk arising from previous development, but that care will be needed in relation to old shafts and shallow workings.

Dean Bank has no significant service role, and is served principally by Ferryhill. Residents of Dean Bank utilise the town centre and take advantages of bus services in Ferryhill, which has very good bus links to Darlington, Durham, Bishop Auckland and Newton Aycliffe. Given that 41% of the Dean Bank population do not own a car, public transport accessibility to other main towns and major centres from Ferryhill centre is a necessity. The emerging LTP seeks to improve this further and create more integrated transport provision between 12 main towns.

Other than local shops and services, Dean Bank residents are largely reliant on employment opportunities in Bishop Auckland, Newton Aycliffe and Spennymoor. It is therefore important that good public transport links are maintained.

Dean Bank itself has a limited number of retail units, but two thirds are currently vacant and residents seem to rely on Ferryhill town centre for the majority of day-to-day retail provision. Recent townscape and environmental improvements have raised the quality and outlook of Cuthbert Terrace; however, there is still the need to fill vacant retail units in Dean Bank through appropriate local intervention.

With regard to education, Dean Bank Junior school is within the settlement, and Ferryhill Comprehensive and further education college is located immediately west of the settlement. The junior school has surplus capacity, currently forecast to be approximately 40% by 2008; however there is limited surplus capacity in the secondary school.

There is one doctor within the settlement. However the dentist and doctors in Ferryhill also serve Dean Bank. Other community facilities include Dean Bank & Ferryhill Literary Institute, which has recently benefited from refurbishment and houses several community activities including basic computing, aromatherapy, art, crafts, first aid, basic food hygiene, reflexology, youth club, sign language, beginners languages, basic counselling, childcare and many more to meet student needs. The centre has proved popular with local residents and has reported high attendance rates.

### **2.3.2 Ferryhill Station**

Ferryhill Station is a small linear settlement of mainly pre-1919, terraced homes alongside the main East Coast railway line. The Arup desk study shows that the station and associated hamlet were already developed by the mid-nineteenth

century, making this one of the older settlements of this type locally. A series of mines and quarries has opened and closed, dominated by the Mainsforth Colliery (closed during 1970s) and the still-extant Lime Works. The housing has grown up somewhat spasmodically, interspersed with other uses and open land. The history of extractive industry means that care will be needed over ground conditions; no particular contaminative risk is however noted.

Another former mining community, the settlement has suffered from years of under investment in its ageing housing stock. This has contributed to significant levels of disrepair, large numbers of empty dwellings, low property values and a general poor local environment. As a neighbourhood within Ferryhill, it lacks any significant services apart from a primary school, and has poor public transport links to Ferryhill town centre.

Public transport accessibility to other main towns and major centres from Ferryhill Station centre is limited. Minor routes provide access to J60 of the A1 (M); however 36% of the population do not own a car. The potential for a new railway halt to serve Ferryhill Station is no longer a short – medium term priority in LTP2.

To the east of the railway is Mainsforth Industrial Estate, which provides employment opportunities. Some other local employment runs along Chilton Lane. However it is likely that residents are dependent on employment opportunities elsewhere, including Bishop Auckland, Newton Aycliffe and Spennymoor. Ferryhill Station includes only a small number of independent retailers. It relies on other retail areas, including Ferryhill town centre, for the majority of its retail provision.

Recent environmental enhancement has included improvements to the main junctions and creation of a Doorstep Green, developed in partnership with Ferryhill Town Council.

There is one school with the settlement, Ferryhill Station Primary, which is also a base for Sure Start presence in the community. It currently has a surplus of 28%, which is forecast will increase to 40% by 2008. There are no medical facilities; Ferryhill dentist / doctors serve this area.

The future of Ferryhill Station is linked to the wider function and role of Ferryhill, as it is reliant on Ferryhill for the majority of its services and facilities.

### **2.3.3 Chilton West**

Chilton West is a neighbourhood of Chilton, lying between the former main road (Durham Road) and the A167 Chilton bypass. The Arup desk study shows how it was initially developed in relation to the two main pits (Chilton and Windlestone Collieries), with the terraced housing being built in one burst at the turn of the century and then municipal housing added, mainly interwar, as Chilton Colliery expanded. Both pits closed over thirty years ago. There are few associated problems of ground conditions or contamination, though there are known to be old shafts within the existing built-up area and park.

There is no specific centre within the settlement, however there are a number of retail units on Durham Road. Chilton West has many attributes that make it a commuter settlement; these include its good accessibility profile and proximity to a number of main towns / employment destinations. It also has a small Industrial Estate.

The settlement has good access to the A1, via the A167 and A689. Darlington, Bishop Auckland and Newton Aycliffe can be accessed by bus.

In terms of shops and services, the proximity to Ferryhill and Newton Aycliffe mean that the community only have local provision. Reliance on local and independent retailers is limited, as Chilton West only contains one newsagent, and although there are a number of other retail units most are closed.

There is one primary school within Chilton, which has surplus capacity, forecast to be approximately 22% by 2008. There is 1 dentist within settlement; the

dentist and doctors in Ferryhill also serve Chilton West. Other community facilities include a Working Men's Club on Durham Road, and a family centre has been established providing a range of services to families within the area. These Sure Start services include early years education, childcare, family and adult learning, healthy living initiatives, advice and information.

## 2.4 Housing Market

### 2.4.1 The Housing Stock

This section, like section 3.2 below, draws on the fuller Housing Market Assessment annex prepared by DTZ as part of this study.

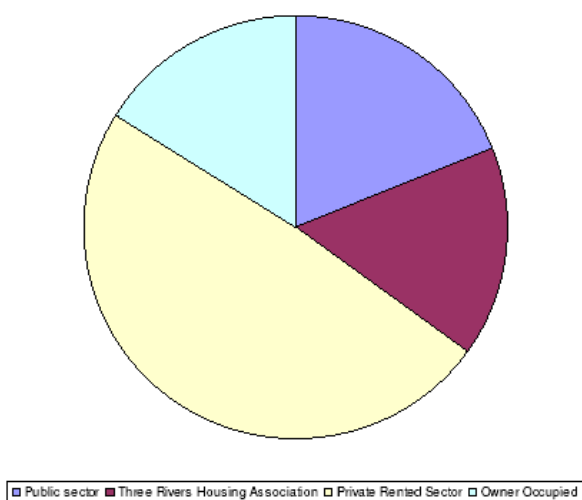
**Housing Type:** the three small study areas are dominated by terraced housing, built around the turn of the 20<sup>th</sup> Century to serve mine workers and their families. The terraced form is also the most common house type in Sedgefield Borough as a whole. The 2001 Census figures for the smallest area published ("Super Output Areas" or SOAs) show the following statistics:

- Ferryhill Station: 404 out of 524 properties
- Chilton West: 312 out of 984 properties
- Dean Bank: 685 out of 806 properties

In Dean Bank, the vast majority of the terraced properties listed above fall within the tight grid of streets on either side of the main road; whilst in the very small target area in Ferryhill Station, (a) all but one of the properties form part of terraces and (b) the number left standing is now lower than at 2001 because of clearance.

**Tenure:** the 2001 Census also records tenure breakdown at that time for each study area. At that time, nearly 70% in the Ferryhill Station SOA, nearly 60% in the Dean Bank SOA and over 40% in the Chilton West SOA were owner-occupied; owner-occupation was the dominant tenure except in Chilton, where over 50% were social-rented. Private renting, though below 20% in all three SOAs, was already higher than across the Borough or in the region as a whole. This tenure is also (a) more concentrated in the actual study areas than in the Census SOAs and (b) known to have risen as a proportion since then, at the expense of owner-occupation. Notably, in the Dean Bank study area itself, 49% of homes are private-rented, 35% social rented, and only 16% owner-occupied.

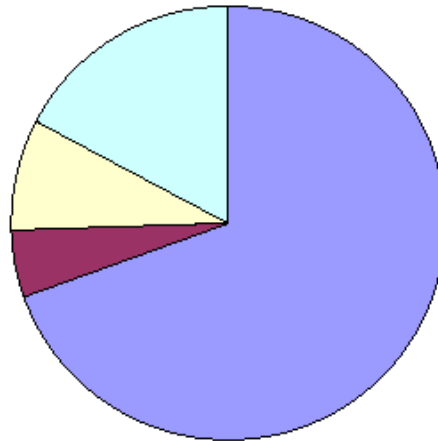
Profile of Homes in the Dean Bank Area



Source: Sedgefield Borough Council Internal Management Systems



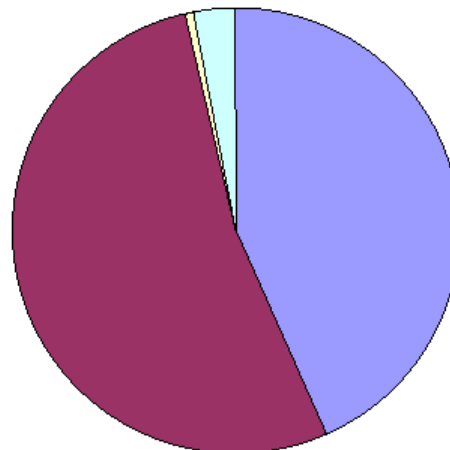
Profile of Homes in the Ferryhill Station Area



Owner Occupied Public Sector Three Rivers Housing Association Private rented sector

Source: Sedgefield Borough Council Internal Management Systems

Profile of Homes in the West Chilton Area



Owner Occupied Public Sector Three Rivers Housing Association Private rented sector

Source: Sedgefield Borough Council Internal Management Systems

**Standard of Housing:** The physical standards of the properties across the three study areas vary depending largely upon whether they are in the private or public sectors. The Council is working towards achieving Decent Home Standards throughout its stock; clearly, where properties have been earmarked for demolition, little investment into the properties has occurred from the public sector. A number of long-term owner-occupiers have properties that are maintained to a high standard, whereas the condition and external appearance of properties in the private rented sector is often poor, which must be associated with the lower spending on maintaining their assets by, in particular, absentee landlords. In Dean Bank and Ferryhill Station 8% of all properties have no central or thermostatically controlled central heating. In Chilton West only 1% of the properties have no controllable heating. These compare to figures of 2% across Sedgefield, 3% across Durham and 4% across the North East.

#### 2.4.2 Demand for Housing

*Market areas:* the three small areas studied are part of a Ferryhill / Chilton sub-market within which there is both locally-generated demand and, of course, linkages to a wider sub-regional market driven by proximity to employment

locations such as Durham (10km to the north of Ferryhill), Spennymoor (4 km north west), and the Tyneside, Teesside and Wearside conurbations further afield.

More than 50% of the population of Dean Bank work within less than 5km of their home with a large number of residents reported to walk to work. 18% of residents in Dean Bank travel less than 2km to work and 23% travel between 2 – 5 km. In Ferryhill station, 12% of the population travel less than 2km to work and 19% between 2-5km. In Chilton West, 14% of people travel less than 2km to work and 16% travel between 2-5km; 31% of people travel between 5-10km, and this is high when compared to the other settlements. The detailed breakdown and comparison with local and regional factors can be seen in Table 2.1 below. They demonstrate that working people in these three small settlements tend to have to travel further for work than the regional average – in a pattern which is not, however, very different from the national average.

**Table 2.1 : Places of Work**

	Dean Bank	Ferryhill Station	West Chilton	Sedgefield	Durham	North East	England
Mainly at/from home	5%	8%	7%	7%	8%	8%	9%
Less than 2km	18%	12%	14%	20%	19%	20%	20%
2km to less than 5km	23%	19%	16%	17%	16%	22%	20%
5km to less than 10km	20%	20%	31%	18%	18%	21%	18%
10km to less than 20km	21%	27%	18%	23%	22%	17%	15%
20km to less than 30km	5%	6%	4%	7%	7%	4%	5%
30km to less than 40km	2%	2%	2%	3%	2%	1%	2%
40km to less than 60km	0%	0%	0%	1%	1%	1%	2%
60km and over	2%	2%	3%	2%	3%	3%	3%
No fixed place of work	3%	5%	4%	3%	3%	3%	4%

*Market perceptions:* local estate agents provided their view on the three study areas, and stressed how different they are from the wider Sedgefield borough perception. In summary:

- Dean Bank: seen as a target for first-time buyers given its proximity to Ferryhill town centre and good road links to rest of Sedgefield; characterised by long-established owner-occupiers, but also increased recent penetration of outside investors renting-out privately, perceived to be associated with increase in anti-social behaviour;

- Chilton West: seen as having potential, but suffering from long term stigma, and this tending to be worsened by recent increase in private renting and behaviour problems;
- Ferryhill Station: seen as very problematic and stigmatised, with many voids, and record of CPO activity – though this could herald revival. The area is seen by a number of agents as ripe for redevelopment, and large scale transfer of land to a private developer is what is expected in the market place.

*Low demand indicators:* Census 2001 figures report vacant properties in the three study areas which cover the study areas, and show figures at that time which in the cases of Dean Bank (9%) and Ferryhill Station (8%) were above the ODPM threshold for concern (7%); in the case of Chilton West, at that time the equivalent figure for this study area was only 3% (which is equal to the national average). However, these only tell a very partial story:

- Voids: in Chilton West the position has worsened dramatically since 2001, and indeed this is one of the key reasons why it is a target area for study and action. Our current estimate (and it is a very volatile situation) is that in some streets as many as 3 in 10 properties could be void. Indeed, this figure might be higher, since landlords do not always register their properties as empty. In contrast, the position has improved in Dean Bank: the Council and Three Rivers Housing both report (as at mid-2005) very low void levels (3 out of 130 and 0 out of 113 respectively); in the private rented sector it is much higher. In Ferryhill Station substantial recent demolition has still left at least 53 of 79 homes empty;
- Turnover: Council and Three Rivers Housing report this as having been high in their stock in Dean Bank (36%), but now declining; the Council stock in Chilton West (which is not c.1900 terraces) has low turnover; Ferryhill Station figures, whilst reasonably low (11%), mean very little in the current context of clearance and transition;
- Lettings, Offers & Transfer Requests: recent performance in the Council's Dean Bank stock has been quite good (40 applications, 37 lettings). The number of transfer requests is quite low (15, mid-2005), indicating that the population in the social stock is fairly stable. Reasons for wanting to move are mainly need for larger property, and environmental issues. Equivalent data is not available for other tenures;
- Right to buy: Half of the 146 Council semis in the central core of West Chilton are now in private ownership from tenants exercising right to buy;
- There are no figures for Dean Bank and Ferryhill Station, since the study areas do not contain council built properties other than bungalows. Houses currently in council ownership are traditional terraces, predominantly former mining properties, but not in large numbers.

Street level performance: A general rule for all three settlements is that the most popular and stable housing (highest proportion of owners) is at the edges of the blocks, originally provided for colliery foremen and low level managers. These houses are built to higher specifications and room standards than the main bulk of terraces, often with bay windows, front gardens and generous front-to-front distances:

- Dean Bank: we find the highest levels of owners at the north side of B6267 Merrington Road, then along the streets running at right angles to this, and also at the edges of the settlements where the views are greater. Newton Street boasts a considerable proportion of owners, due to larger than average houses;
- West Chilton has a core area of popular council properties with stable tenancies and a high uptake of right to buy. The most popular of the terraces is Dene Bridge Row at the western edge of the village, but both West Chilton Terrace and Eden Terrace has a good proportion of private owners;
- Ferryhill Station: the most stable housing is located along the full length of Chilton Lane.

*Market Prices:* in the last quarter of 2004, the average terraced house price in County Durham was £73,000, and for Sedgefield Borough £69,000. By way of comparison, the equivalent Q4 prices for semi-detached homes were £107,000 and £98,000 respectively. Terraced housing in Dean Bank at that time was fetching an average of £57,000; for the postcode area (DL17 0) covering both Ferryhill Station and Chilton the figure was a much lower £38,000 – but with quite a large number of transactions, reflecting outside investor interest in this very cheap stock. DTZ note that property prices (all house types) in the study areas have increased at about the same rate (+70-75%) as the national average in the four years to Q4/2004; however, this differs from the County Durham (+94%) and Sedgefield (+80%) growth rates for the same period.

*Affordability & choice:* housing is thus cheap in the three study areas, and in that sense affordable despite the low average incomes recorded by the DCA Housing Needs Assessment study for the Borough: 27% of household incomes less than £10,000 p.a. (2003); only 21% over £30,000 p.a.; income support levels 30% and 38% higher than the England average in Chilton and Ferryhill wards respectively. The issue is more one of choice – where an area is run-down or unattractive and even stigmatised, and properties are all old and often of low quality and in poor condition, many buyers will be taking them because they have no other option, not as a positive choice. In a fairly buoyant market, as in recent years, this may work, but it does not bode well for long-term sustainability, and indeed for much of the previous two decades it was exactly such a rejection that helped undermine these communities.

*Household composition:* one final point on actual and potential demand relates to the issue of the structure of households in the areas. DTZ's analysis of household composition (2001 Census SOAs) indicates that there are large numbers of single-person households in the study areas: generally approaching 35% of households compared with an England average of below 30%, and with a smaller proportion of larger / family-sized households. This may be partly a function of the available stock, and also an indicator that smaller homes (if in an acceptable state and environment) may suit at least an important sector of the potential market.

## **2.5 Working with the Community**

The key to the project has been to involve the community in the process as much as possible. This begins with the Project Steering Group which consists of at least two resident representatives from each of the settlements.

In terms of wider initial consultation, each of the settlements is at a different stage in the regenerative cycle and as such different approaches were taken. In Dean Bank, a “planning for real” type exercise was run across the course of a week with ideas and opinion being generated throughout the week by the community, stakeholders and the consultant team. This event was widely advertised through household leafleting and through the Residents Association

In West Chilton, a “planning for real” exercise was also undertaken but on a smaller scale reflecting the smaller population in this settlement. This event was also advertised through leafleting and via the Residents Association.

In Ferryhill Station, one to one consultations were held with all remaining owner occupiers (except two) of the terraced rows. These consultations merely acted as an introduction to the study. All of these consultations were facilitated by the Residents Association.

In addition to this activity the team has arranged a well attended residents field trip to Northmoor Homezone in Manchester.

We have had several one to one meetings and written submissions from residents and wider stakeholders. Stakeholders include;

- Mr T Walton (Ferryhill Station)
- Ferryhill Allotment Society

- Ferryhill Town Council
- Colin Dale (West Chilton Resident)
- Three Rivers Housing
- Private Landlords in the Area

Finally, the team also attended the Dean Bank family fun day and have created a video record of the Dean Bank Planning for Real Event. This is due to be edited and voiced over by pupils from Ferryhill College. We have also contributed written material to the Dean Bank newsletter.

The outputs of all these events has fed into the development of the masterplans.

## **2.6 Linked Strategies and Programmes**

Planned improvements, either currently being developed or under investigation, will influence the future role of settlements/neighbourhoods within the District. It is necessary to identify existing planned improvements so that their potential impact can be assessed. Examples of planned improvements include new or modernized schools, public transport investment, new or upgraded strategic highway access and new retail facilities. The planned improvements have been determined following a discussion with Borough Council officers.

### **Accessibility**

In terms of improvements to accessibility, the Chilton Bypass has recently been completed and opened. It consists of a single carriageway western bypass of Chilton, 2.3kms in length from a point on the A167 south of West Close, rejoining the A167 at the A689 Rushyford roundabout, south of Chilton. A new roundabout is provided serving the C36 and the existing industrial estate.

East of this roundabout, through traffic on West Chilton Terrace has been removed by the provision of a parallel route set further to the north, with the existing road remaining as a service road for the properties.

In theory there remains a possibility of the reopening of Ferryhill Railway Station. This is to some extent dependent on the re-opening of the Leamside Line, a long-closed freight and passenger line which leaves the main line just north of Ferryhill. This is supported in the emerging RSS and Durham City Local Plan, but the potential for the station is no longer a short –medium priority in the emerging LTP, and the SRA policy was known to be generally opposed to the idea of new local stops on the busy main line. The emerging LTP seeks to create more integrated transport provision between the main towns with the County. This is supported in the emerging RSS and by Sedgfield Borough Council.

### **Regeneration**

The County Council has developed a programme of regeneration with a wide range of partners, particularly the district councils, to promote sustainable regeneration, which benefits local people, the local economy and the environment. The Urban & Rural Renaissance Programme aims to improve the vitality of many of the County's smaller towns and villages. Efforts have been concentrated on physical improvements to the centre of settlements i.e. streets, footpaths, green areas and buildings. Traffic and pedestrian safety, public transport facilities will also be improved. The Urban and Rural Renaissance Initiative is a 5 year programme, which commenced in April 2003.

### **Chilton West**

There are currently proposals to improve Chilton's main street (Durham Road). The road provides some local services and facilities for the people of Chilton and so has an important role in the local area. The project seeks to support and facilitate the regeneration of the main street by providing the environment in which people are comfortable and businesses are confident to invest.

The project includes a range of works in public areas including the enhancement of the pavement areas in high quality materials, new street furniture street lighting, parking bays and environmental landscaping.

The first element of the project involved developing the design for the main street. This was done with the local community, its retailers and stakeholders. Such improvements are identified as being a key element in the overall regeneration strategy for Chilton which seeks to realise the economic, social and environment resources of the village, making it a more attractive place to live, work and visit.

The areas identified for improvement are:

### **Traffic calming**

- Re-alignment of the Durham Road to slow traffic and increase pavement width and pedestrian comfort
- Increase the width of the main street pavement in front of the shops/businesses (Durham Rd)
- Installation of protected parking/loading bays
- Installation of safe and meaningful access points along original A167 road through Chilton
- Improved provision of pedestrian crossing facilities

### **Improvements to accessibility and public transport provision**

- Re-organisation of traffic patterns with formalised car parking areas
- Provision of bus lay bys and bus shelters

### **Environment Improvements**

- Installation of new paving
- Installation of street furniture i.e. street lighting litter bins and seating areas
- New areas of landscape improvement
- Clear demarcation of functional areas such as lay-bys through the use of different types of materials
- Group repair scheme, Eden Terrace (implementation 2006)

### **Dean Bank**

A sum of £400,000 is being invested in Dean Bank regeneration and aims to improve the image and appearance of Dean Bank providing enhanced living conditions and personal safety.

Plans are currently underway to redesign the lighting of the area and place overhead services underground. New railings, walls, paving, plants and street furniture will be supplied in appropriate areas to improve the visual quality of the area, and an increase in parking provision provided. An action plan has been agreed to upgrade the landscaping of the Dean Bank over the next 3 years

### **Ferryhill Station**

Ferryhill Station has also benefited from environmental improvements to the main junctions and improvements to access to site and creation of a Doorstep Green, developed in partnership with Ferryhill Town Council.

### **Community Facilities**

In terms of community facility improvements, the redevelopment of Dean Bank & Ferryhill Literary Institute has had a big impact. The main aim of this project was to provide a high profile Community Centre that would form the 'heart beat' of community activities. It allows for the development and support of voluntary activities in Ferryhill through the refurbishment of one of the most important community facilities in the town. This was delivered in July 2002. The

centre has proved popular with local residents and has reported high attendance rates.

In addition to this the Sure Start Programme has helped establish family centres providing a range of services to families within the area. The Family Centre at Dean Bank provides the main office accommodation for Sure Start staff and a range of training and community facilities which will enable families to access the full range of Sure Start services including early years education, childcare, family and adult learning, healthy living initiatives, advice and information.

### **Education**

In terms of planned interventions for education, Sedgefield Borough's SRB5 Local Package – "Sedgefield Learning Borough" supports community-based adult learning and initiatives to be established across the Borough incorporating the concept of Borough wide co-ordination. This has already been implemented in Ferryhill.

### **Health**

Within the Sedgefield PCT prospectus it is proposed that the PCT are to pay for work to improve some of the poorest buildings, which include Ferryhill Health Centre and Chilton Health Centre

### **Community Safety**

Community safety embraces a multitude of issues, but is generally regarded as being concerned with the protection of everyone's right to live without fear for their own or other people's safety. It embodies environmental and crime reduction measures, road safety and fire safety.

Interventions in this area need to focus on reducing the opportunity for crime and offences to be committed, reducing the fear of crime, harassment and intimidation and support for victims of crime and anti-social behaviour. The reduction in drug and alcohol use and the associated crime should be a key goal. This study includes a number of interventions which seek to design out crime which should be introduced in tandem with less physical community safety interventions.

Sedgefield Borough Council are currently developing a Community Safety Strategy which will support the objectives of the Crime and Disorder Partnership in tackling crime and anti-social behaviour. In recent years they have introduced a number of new initiatives including:

- Neighbourhood Wardens
- Community Consultation on tackling anti-social behaviour
- Community Interagency Initiatives
- Community Closed Circuit Television Surveillance (CCTV)

In relation to Dean Bank and Ferryhill Station, Police Community Support Officers have been introduced. Their role is to assist the police in their commitment to increase public confidence. They also enhance the Constabulary's ability to reassure the public and reduce low-level anti-social behaviour issues by providing a uniformed presence in local communities. They work closely with beat teams in these areas attending beat surgeries, residents associations and Neighbourhood Watch meetings. However, the majority of their time is spent on foot patrol interacting with local people and using their powers to deal with local problems. They are also involved in joint operations with beat officers targeting specific community issues particularly in relation to anti-social behaviour.

In addition a Neighbourhood Warden has been implemented in Ferryhill Station and Dean Bank. Based in Faraday Street, Dean Bank, the Neighbourhood Wardens have set up a number of initiatives: Drugs Awareness Days, a Needle

Bin requirement survey, Property Marking, Fire Awareness Days, Dusk 'til Dawn lights, Smoke Alarm installation and Inclusion Activities.

Within Chilton West the "Chilton Hate Crime Action Plan" has been produced by a sub-group of the Crime and Disorder Reduction Partnership in Sedgefield. One of the main aims of the plan is to tackle the issues of racism, which are a problem within Chilton West. The plans tackles this through education, wardens and schools working with youths to educate, and through enforcement via the police.

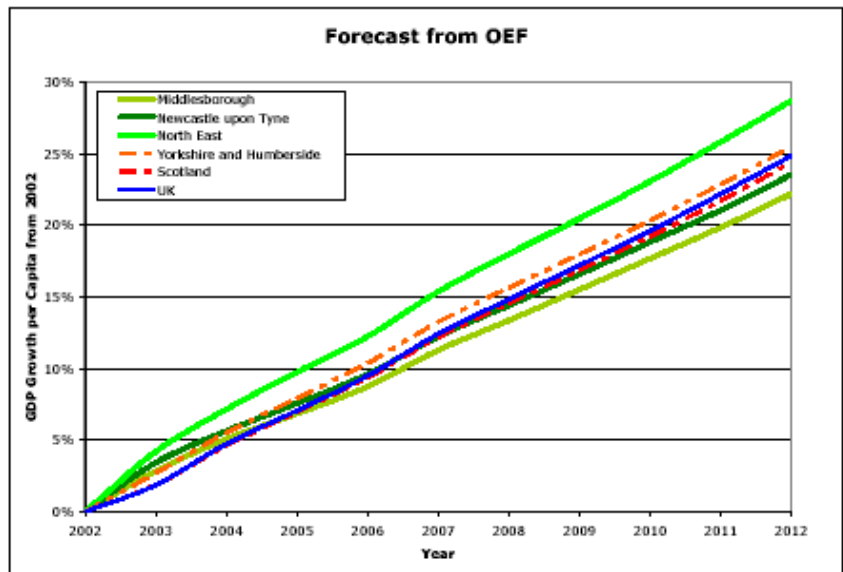


### 3 Shaping the Future

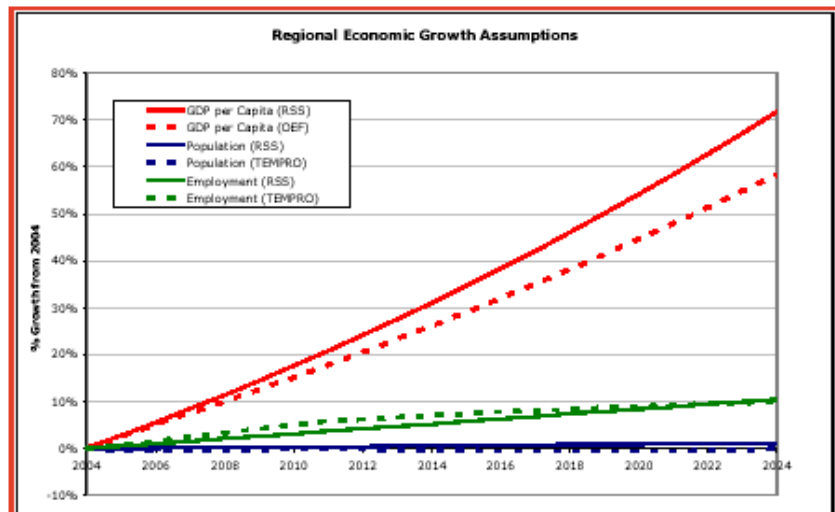
#### 3.1 Prospects & the Case for Change

Looking ahead at the prospects for the housing market, and for local areas within Sedgefield, has of course to start from the expected performance of the economy that will drive demand for housing and the associated services.

This section very briefly outlines current economic forecasting for the region. It starts with work produced for the rail operators' group ATOC. ATOC commissions regular economic forecasts from OEF. They are highly disaggregated, allowing the changes to be examined at a sub-regional level. The graph below shows these forecasts for the North East region and its two main conurbation centres. The key point to note is that whilst the two centres are forecast to grow at below the national average and that for the adjacent regions, the region as a whole is predicted to grow much more strongly. This implies growth outside the two centres.



The RSS forecast is even more optimistic, as shown by the solid red line on the second graph. This figure has not been disaggregated. We have used the OEF relationships to disaggregate the CEBR forecast for modeling purposes.



The available forecasts show the region growing more strongly economically than the level achieved in recent years. This is almost entirely reflected in an increasing wealth per head.

The work done for the Draft RSS makes it clear that it is only by achieving higher-than-trend economic growth that the North East can break out of its equivalent trend of static or declining population and very low household growth: patterns which expose areas like Ferryhill to continued risk of low demand for housing.

## 3.2 Housing Market Prospects

### 3.2.1 New build: the underlying picture

The long-term demand in the three study areas currently looks poor, if current trajectories continue unamended. A buoyant area with high demand would have much better take-up rates on tenancy offers, a smaller number of transfer requests, with fewer voids and/or its concomitant, less of a history of demolitions. Housing Market Renewal aims to deal with this low demand, and to improve the sustainability of local housing markets, by ensuring a better match between available properties and the aspirations of existing and future residents.

### 3.2.2 Projected household change

Forecast change on the demand side can be drawn from census-based projections which, although they show the same broad picture – a regional and local picture of little or no growth – do vary somewhat in detail depending on the underlying assumptions (as noted, mainly about economic growth). The Durham County / DCA projections for Sedgefield show almost no change in total population between 1999 (the base year: population = 88,390) and 2021, with the population falling slightly to 2006 (to 87,020) but then rising slightly in the second part of the forecast period (to 88,900 at 2021). Because average household sizes are still falling, this implies that household numbers will increase, albeit quite slowly. Table 3.1 below outlines the household formation forecasts for Sedgefield in the 15-year period from 2001 to 2016 based on the statistics provided by Durham County Council/DCA.

**Table 3.1 : Forecast Change in Households in Sedgefield, 2001 - 2016**

	Census 2001*	2001	2006	2011	2016	Change
<b>Households</b>	37,512	36,275	37,410	39,152	41,513	
<b>Household Change</b>	1,237		1,135	1,742	2,361	5,238
<b>% Change</b>	3.4%		3.1%	4.7%	6%	14.4%

Household formation is forecast to rise at over nine times the level of population increase; due to a large increase in single person households through elderly people living longer, separation and divorce and young people forming single person households.

For the three local study areas, this implies a background demand pattern which is quite flat, but not in actual decline – how much they are affected will then be a function of what the balance of (supply-side) change is between existing and new housing areas.

### 3.2.3 Projected housing stock change

On the supply side, the draft Regional Spatial Strategy (RSS) recognises the restricted scale of new demand. It proposes that net new dwelling provision in Sedgefield should be 235 per annum up to 2021, so a net addition of some 3,500 homes from now till 2021. That is to say, new house-building minus any allowance for dwellings demolished should run at this level. This compares with a total stock level 40,253 of dwellings, so it is obvious that only relatively marginal (net) change is envisaged. It also compares with an average completion rate over the year April 2004-March 2005 of 497 units; and an average demolition rate of 1 (so a net change of 496 – more than the RSS average allocation. It is therefore clear that the situation is extremely

constrained, and that the Borough cannot “build its way” out of housing problems.

### 3.2.4 Consequent risks

The tightness of the housing balance means that faster new building rates, and / or slow or stopped demolition activity, could increasingly produce a local housing market characterised by a widening gap between total demand and total supply: too few households looking to buy or rent in too many houses. In those circumstances, the effects will not be spread evenly between areas and places: as now, it will be the weakest stock types and locations which will show the effects most markedly. So more streets in more villages, where they have predominantly the smallest and often oldest terraces, and where they are not immediately next to strong demand areas, will risk seeing more vacant properties, more speculative private landlord purchases, more high-turnover tenancies with attendant social problems, and eventually abandonment. For the small Ferryhill / Chilton communities, these are very real risks, and indeed are processes already evident, in different ways, in each of the three.

## 3.3 The Case for and Nature of Change

The case for change is thus clear – it rests on:

- A weak sub-regional market background, and the reality that it will remain so;
- The vulnerability of the predominant stock type, and in particular the;
- smallest properties, to the prospect of demand vanishing almost completely;
- The three communities’ location away from places with very tight housing markets which might “force” interest even in smaller older property: notably, even though such stock in Durham City (only 12km away) will sell or rent, the reality is that there are so many other intervening opportunities that the hot Durham market has negligible influence on Ferryhill / Chilton ;
- The unacceptability of a “do nothing” response – just leaving it to the market will condemn hundreds of households to living in an increasingly unattractive, derelict and insecure environment for many years.

The change needed does not however have to be based on an entirely negative reading, or entirely driven by problem-solving, as some of the foregoing text might imply. A vision for a more positive future can be derived which draws on their opportunities and strengths:

- For *Dean Bank*: 5 minutes' walk from Ferryhill's pleasant town centre; directly on the main N/S A167 link; views out to open countryside and towards Durham Cathedral; some range of choice of house types despite over-representation of smaller terraces; strong and active local community with a commitment to their area;
- For *Ferryhill Station*: surrounding small linear community has marketable housing in a range of types, and two small clusters of local services; reasonable access by road to A1(M) Junction 60 (though public transport links poor); and the cleared sites, and willingness to envisage further demolition, offer prospect of deliverable development area of some size;
- For *Chilton West*: part of a larger Chilton which has a good range of house types and tenure, including the social housing which is the stable core of Chilton West; directly adjoining main street with some shops and services, now to be upgraded following traffic relief from bypass; again directly positioned on A167, and only 4 km from Junction 60 on the A1(M); open countryside to north and east.

## 3.4 Development Framework

### 3.4.1 Strategic Principles

The strategy for coalfield housing market renewal in these three small settlements may be summarised as:

1. *housing-led regeneration* to create sustainable communities which will be locations of choice for both new and existing residents over the coming decades;
2. coupled with *supporting interventions* to create new local open space, provide better links into and through the areas, tackle problems of housing ownership / management and anti-social behaviour, and support Ferryhill's role as a viable local centre for its immediate hinterland;
3. *no net increase* in housing stock, and generally a mixture of targeted demolition combined with new building at somewhat lower densities;
4. in particular, reduction in the numbers of *small terraced houses*, the stock type which is most likely to carry on exhibiting the problems of low demand
5. focus on the *most vulnerable streets and terraces*, where the urban form and the prevalence of private renting are associated with continuing decline
6. in parallel, *coherent replanning* to create attractive places within the three locations and to provide some replacement housing over a range of house types and resident needs.

Options for change have been identified as through environmental improvements within the area, repair and improvements to existing housing stock, new construction and selected redevelopments. Emphasis will be on creating a series of open spaces, improving the pedestrian environment and access throughout.

Any redevelopment and regeneration proposals must be sufficiently dramatic in scale and nature to effect a permanent change in the character of the area. This requires a bold statement probably involving demolition and clearance of some of the high-density housing stock. In addition, there is a need for a reversal of the current tenure balance by introducing to the market new houses that meet the demand of homebuyers as well as stable long-term tenants. It is important that in future tenure types are not easily distinguished by house designs and quality, as this would undermine efforts to bring about the image change for the area.

### 3.4.2 Principles for Design

The proposals contained in this report are not a detailed blueprint from which building can go straight ahead. They are an illustration of the way in which the study team believes these three settlements could and should be recast to secure their future.

When specific developments do start being drawn up, whether by the public or private sectors, it is important they stick to certain key principles of good urban design,

This section summarises such principles, and they are set out more fully in the annex "Principles for Design", to which reference should be made.

The guidelines in the annex are aimed in particular at new development replacing or complementing the existing housing stock, but also at upgrading the public realm and movement routes throughout the areas. The aim is to guide development and movement principles in Dean Bank, Ferryhill Station and West Chilton and to create quality places within a sustainable local community.

The principles draw extensively from guidance in national policy guides, especially the Government's 'By Design' document, the "Better Places To Live" companion guide to PPG3 "Housing", and the *Urban Design Compendium* produced by Llewelyn Davies for English Partnerships, CABE and the Housing Corporation.

The design guidance in the annex is arranged under seven headings, and includes emphasis on certain points within each:

- *Quality Space*: all public spaces, including streets, should be fronted by buildings with main doors and windows opening onto them and overlooking the public realm. The primary means of access to the building should be from the street.
- *Local Identity*: Ferryhill Station, Dean Bank and Chilton each have their own distinctive history and character. New developments should fit into this context, to help in strengthening the communities by building sympathetically alongside what is already there.
- *Ease of Movement*: a flexible and variable "grid" of public routes ranging from public highway to cycle and footpaths. All car parking should be convenient, properly overlooked, secure and well maintained, preferably integrated with the streets and spaces, and interspersed with planting.
- *Density and Diversity*: layouts must not waste space, and they must incorporate a careful mix of built forms, heights and spaces.
- *Security and Comfort*: "See and Be Seen" - internal layouts and design of windows should enable residents to see activities taking place in the street, footpath and adjacent open space. This natural surveillance helps make residents feel safer, strengthens their governance of the public realm, and helps enable a quick response to incidents. To "see and be seen" can also affect the conduct of non-residents passing by.
- *Environmental Sustainability*: new construction should be to best modern "green" standards, and good design will seek to minimise a scheme's environmental impact
- *Management and maintenance*: these must be taken into account at the design stage, to avoid a successful "capital" scheme being impossible to run for "revenue" reasons.

### **3.4.3 Principles for Community Cohesion**

As well as physical change, Ferryhill Station, Dean Bank and Chilton West need change and support in terms of their role as communities. The communities and their representatives have stressed, throughout the study process and consultation, that they both (a) believe in the future of their home areas and (b) have serious concerns about particular aspects. The strategy has to respond to those views. Some of the elements are summarised below.

#### **Community safety and behaviour**

The development proposals must be coupled with actions to tackle anti-social behaviour and must ensure safety is intrinsic to design (of new) and modification (of existing) housing.

#### **Housing management**

The interventions must include measures to minimise the effects of poor and irresponsible housing management by private landlords, an issue which is interwoven with the problems of anti-social behaviour.

#### **Integration**

The aim is for each of the three settlements to be attractive to residents of all ages and to a range of sectors of the housing market. New and refurbished housing should be "tenure blind", so that whether it is for sale or rent, the quality is good and there are no enclaves of one sort or another. Dean Bank even now shows both how to do this and how not to do it: the main road has

an attractive mix of houses (types, sizes, price ranges, target markets),; whereas the south of the settlement shows a sharp cleavage between newer private “executive” houses and older cheaper terraces.

### **Coping with change**

Residents will be experiencing a lot of change and uncertainty as the proposals go forward. They must be reassured that a clear and fair “package” is available if they are having to move, one which responds to their circumstances whilst still being equitable and affordable to the Council. The challenge for the Council and its partners is wider than this too: implementation will need a delicate mixture of flexibility and adaptability (to respond to specific cases and detailed scheme design issues) with clarity of purpose – the overall strategy must remain in place so that people are not living with blight and uncertainty unnecessarily.

## 4 Options for Change: Dean Bank

### 4.1 The Starting-Point

Proposals for Dean Bank's regeneration have to start with the recognition that there is quite a lot of "history" to ideas for change in this part of Ferryhill. In particular, an earlier study presented three options, and residents voted for the most radical of the three (40% demolition) - though it was not clear which 40% and whose homes would be involved, and a £45 million price-tag meant that such a strategy could not be delivered. The challenge now is to bring about successful market renewal with a programme that is realistic, acceptable to the majority of local people, and bold enough to start transforming the perception of the area.

#### 4.1.1 Urban Design Overview

Dean Bank is a clearly defined area with strong boundaries to all sides: natural steep slopes north and south, open countryside to the west, and to the east the severance from the town centre by the A 167 road cutting. The urban fabric is predominantly high density Victorian, with houses accessed straight off pavements. High quality buildings like the primary school and the library acts as local focal points. The houses are in a fair condition, and the general impression suggests few voids.

The street pattern running east/west gives the community an enclosed feel despite open country to the north and south. There are few opportunities for long vistas. Two main green spaces lie within the study area: an informal landscaped park to the south, and a large open space at the centre, somewhat undefined in shape and purpose. This was formerly the Praxis factory, currently held by the Council as unofficial open space, though originally acquired and cleared with the long-term aim of redevelopment.

The central area of Dean Bank contains a few local shops, but suffers from the busy road as well lack of identity to the nearby open space.

#### 4.1.2 Existing Housing Stock and Tenure

The main issues identified can be summarised as follows:

- The study areas have a large proportion of small terraced houses; former coal board housing
- The rented sector accounts for a large proportion of the homes, with a mixture of Council properties, Three Rivers Housing Association and a multitude of private landlords.
- The terraces are built to a density inappropriate to current standards for this type of location.
- Low demand has led to problems of empty properties and high turnover of tenants, destabilising the communities.
- There is a lack of variety in house types, with a large proportion of existing houses being small 2-bedroom properties.
- A high proportion of the housing stock is in the private rented sector, and suffers from little investment and poor repair
- The study area is lacking in open space, planting and car parking
- There is insufficient supply of larger houses for families and also a demand for easy access properties suited to the needs of the elderly and infirm.
- Dean Bank has a strong existing core community

### 4.2 Defining & Testing the Options

#### 4.2.1 Defining the Options

English Partnerships' guidance for assessing a range of proposals that have a range of options in generic terms is wide. They include:

- Do nothing
- Settlement expansion
- Settlement contraction
- Qualitative improvement
- Integration with other settlements- combined role and function

In reality these vary from settlement to settlement. In Dean Bank the process of options consideration was broadly as follows. A radical change of intervention had already been considered neither affordable nor desirable, and the do nothing approach was discounted early on. Therefore what we did was to shift the scales of possible intervention, ranging from very little to a balance, which would see a stock reduction. These were tested in a judgemental way, which looked at:

- Viability
- Deliverability
- Place making
- Community acceptability

#### 4.2.2 Testing the Options

**Option 1:** Our starting point had to be of a different nature to the study presented 2 years previous; when people in principle wanted large amounts of demolition, but were not sure which properties would be affected. Inspired by the work in Northmoor, Manchester, we looked at the possibility of taking out a minimum amount of houses; creating breaks in the very long streets to provide some open space, permeability and car parking. With this model, a proportion of the properties would benefit from 2 into 1 conversions, addressing the problem of low demand for small 1½-bedroom houses.

The option was discarded by the community, as lacking in real impact. The streets were considered too narrow (10m) to create attractive Home Zones with private thresholds and adequate car parking. The “2 houses into 1” option was not favoured, as the houses would still have small rooms, inadequate car parking, no gardens and poor privacy front and back.

**Option 2** looked at expanding Dean Bank with new developments; a mixture of affordable homes and larger houses, at the open sites around the south, west and north edges of the community. Developing some allotment land would be considered to create larger sites that could encourage private investment. Money generated could be used to support environmental and home improvements within the existing housing stock. The scheme included some selected demolition.

Local residents felt that this proposal had two major flaws, in addition to the loss of allotment land: Firstly, a considerable amount of the new development would be aimed at a market of more affluent people from outside the local community, expanding the rift between the “have’s” and the “have not’s”. These potential new residents might not support local schools and services; yet most possibly create increased traffic, which could disadvantage many local people.

Secondly, it was felt that considerable numbers of new houses immediately surrounding Dean Bank, could further undermine the market for existing houses, exaggerating the problems of low demand, private landlords, high turnover of tenants, voids, lack of investment and a further deterioration of the community.

**Option 3** was developed after extensive consultation with local people, including a whole day model making session. It was felt that a more sensitive stitching together of Dean Bank was needed. Final proposals are based on the desire to make Dean Bank work in the long term both in the housing market and in its Urban Form. The proposals include:

- New and improved open space throughout
- Breaking up of long and narrow streets
- Resolving the situation of backs facing onto public open space (Alley-gating was considered, but rejected at this stage as an unproven response)



- Increase housing choice
- Creating a lower overall housing density by removing more properties than proposed to be built

### 4.3 A vision for the Future

#### 4.3.1 Overall Strategy

Dean Bank has, in the view of the study team, the elements that can help it have an assured future:

- It is 5 minutes' walk from Ferryhill's pleasant town centre;
- It is directly on the main north/south A167 link;
- It has views out to open countryside and towards Durham Cathedral;
- There is some (though limited) range of choice of house types, and despite the over-representation of smaller terraces, quite a lot of the terraced stock remains popular (and varied); and
- There is a strong and active local community with a commitment to their area.

However, there are problems too. As well as the housing problems reported, the urban form is less than ideal. Dean Bank suffers badly from exposed backs, weak edges and lack of positive open space. Streets are in some cases long straight monotonous enclosures, giving no inkling of the countryside beyond. And both the resident representatives and market players interviewed regard the choice of housing as inadequate, especially in the mid-range (currently £60-£100,000).

The overall strategy for the Sedgefield coalfield communities is housing-led regeneration, to create sustainable communities, which will be locations of choice for both new and existing residents over the coming decades. There will not be any net increase in the housing stock; generally there will be a mixture of targeted demolition, combined with new building at somewhat lower densities, to produce lower total numbers in revived communities.

For Dean Bank, this means:

- *replanning* of five particular small sub-areas to create attractive places and provide some new housing, over a range of house types and resident needs, to provide greater choice.
- *improved local open space, car parking and pedestrian access*, to create an attractive public realm which is safe, pleasant and easy to use: with active frontages to the streets and thus natural surveillance of spaces and property
- *demolition of rather more houses than are proposed for new-build*, with a focus on the most vulnerable streets and terraces, where the urban form and the prevalence of private renting are associated with continuing decline, and in particular, reduction in the numbers of small terraced houses, the stock type which is most likely to carry on exhibiting the problems of low demand. But also, some demolitions will be required to help make the place more coherent and attractive as a place to choose long-term – that is, for “replanning” reasons, not just because of existing specific problems. The net change proposed is thus the product of 124 proposed demolitions (out of some 685 terraced properties, i.e. 18%) with 80 new homes to be built: an overall stock reduction of 44.
- in parallel, there will be *supporting interventions*, to tackle problems of housing ownership / management and anti-social behaviour, to ensure that residents are treated fairly as the process of change gets under way, and to support Ferryhill's role as a viable local centre for its immediate hinterland.

The proposals for the five sub-areas are set out below (4.3.2). Section 4.3.3 then summarises the “complementary measures” which will support these interventions.

### **4.3.2 Proposals**

#### **Area 1: 'Praxis Site', Newcomen Street, Watt Street, Beaumont Street**

The proposal is for 18 new houses, all with off road or allocated car parking. An additional 36 parking spaces adjacent, as well as 1800m<sup>2</sup> of landscaped open space; a total loss of 8 existing houses and a disused chapel:

- Retain part of Praxis Site as central square for Dean Bank
- Develop new houses with active frontage to existing streets and proposed square.
- Demolish Chapel and 8 properties on Watt Street to allow for new home, car parking and planting
- Develop under-used space off Beaumont Street with new houses facing the existing terrace. Create additional car parking and open space.
- Improved access and service yard at back of shops with additional car parking for Sure Start Nursery.

#### **Area 2: Davy Street, Newton Street, Un-named Street along A167 Road Cutting**

This option proposes a total loss of 7 existing houses, with a gain of open space, planting, 20 or more new car parking spaces and 2 new houses placed to improve natural surveillance of pedestrian short-cuts:

- Improve existing short cut from Davy Street to Newton Street by taking out some existing houses.
- Develop new houses with active frontage to new open space.
- New space to provide pedestrian and vehicular access, car parking and planting
- Repairs to 'blank gables' including gable window at ground floor level
- Remove existing access restrictions to Newton Street and Davy Street. Both streets to receive resurfacing possibly Home Zone treatment
- Limit vehicular access to the street running parallel to A167; develop a linear park with pedestrian and cycle routes, incorporating some car parking and turning heads for each street. Repair gable ends facing new park, adding windows for improved surveillance.
- Group repair scheme to all properties where street improvements are carried out

#### **Area 3: Faraday Street, Stephenson Street, Kelvin Street**

Major intervention is envisaged for this area with a total of 41 existing houses proposed demolished. The main gain will be an open space covering 1200m<sup>2</sup> and a minimum of 30 new car parking spaces. 6 new houses are proposed to ensure overlooking of the new public space.

- Demolish houses in the middle part of Faraday Street and Stephenson Street to create an urban square in the centre of this high density area
- Re-development at ends of terraces with new houses facing square. High quality materials in new square; provide car parking spaces for local residence and recreation spaces suited to the aspirations of the immediate community.
- Remove access restrictions to Faraday and Stephenson Streets
- Resurface both streets; including car parking, planting and street furniture, possibly Home Zones
- All properties along improved streets receiving improvements to frontages (group repair)
- New houses on disused land at corner of Kelvin Street/ Merrington Road providing surveillance for access to shops and Nursery.

#### **Area 4: Bessemer Street, Hackworth Street, Garage Site**

The area south of Bessemer Street provides an ideal new housing opportunity within Dean Bank. The site is currently bordered by the back of houses on both sides, and a total of 31 houses is proposed demolished to give frontage to a new development of 24 family houses with in-curtilage parking. Front gardens to remaining properties on Bessemer Street, 1200 m<sup>2</sup> of open space and 60 additional car parking spaces will complete the long-term vision for this area.

- Clearing an area of unsightly garages provides an opportunity for a considerable new housing development within the existing community.
- Demolishing the south terrace of Bessemer Street allows active frontages facing new developments
- Providing good quality materials to streets, open space, planting and car parking areas
- Improving access and overlooking to existing pedestrian links.
- Group repair scheme to remaining terrace of Bessemer Street
- Landscaping treatment to back of Hackworth Street, improving visual relationship with public open space (alley-gating considered, but residents cautious)

#### **Area 5: Rennie Street, Holyoak Street, Hackworth Street, Hackworth Close, Allotment Gardens**

The proposal is for a remodelling of this area addressing the current problems of backs against fronts and public open spaces. It includes a loss of 37 existing houses with 28 new homes constructed in ways that mends the problems in the existing urban fabric. A large open space (2000m<sup>2</sup>), more than 50 car parking spaces, front gardens to the remaining properties on Rennie Street and improved access to the recreational park completes this option.

- Creating active frontage and improved surveillance to open space by demolishing the south side of Rennie Street.
- Realigning Holyoak Street.
- Developing new housing facing existing and improved routes, giving 'eyes on the street' throughout
- Improved access to Recreation Park.
- Improved green space with seating, play equipment and planting to meet local needs and aspirations

We should record at this point the main remaining concern of community representatives: although supportive of the broad approach and much of the detail, their worry is that the scale of intervention (18% of terraces demolished) will still not be enough to turn Dean Bank around. The consultants' response has been that it is important to see demolition as only one part of a 3-pronged attack, which must also include the Private Landlords Initiative (see below), and continued / augmented work on anti-social behaviour and policing.

#### **4.3.3 Complementary Measures**

As well as proposing change to the buildings and spaces of Dean Bank, the strategy proposes, and reports on, other initiatives which will support the regeneration effort. These are:

- 1 a Private Landlords Initiative (licensing *and* co-operation)
- 2 a Relocation Package; and
- 3 other local initiatives

#### **Private Landlords Initiative**

In the interest of community cohesion, the overall strategy must include measures to minimise the effects of poor and irresponsible housing management by private landlords, an issue which is interwoven with the problems of anti-social behaviour.

It is proposed that the Borough Council should consider introducing a Private Landlords Initiative to run a “twin-track” policy of (a) working in partnership with responsible landlords, and (b) intervening on property where co-operation cannot be secured. This should be able to draw on extra licensing powers available under the Housing Act 2004.

The effort on the co-operation side would be concentrated on an Accreditation Scheme, run if possible jointly with a district private landlords’ association (which would need to be set up). This would recognise and encourage landlords who are prepared to provide good quality accommodation at an appropriate rent; improve private sector rented housing conditions; promote good practices in the private rented sector; and provide tenants with confidence in quality and management.

The effort on the intervention side would, where co-operation proved unachievable, seek to acquire properties, whether by agreement or compulsory purchase, and to hold or dispose of them (whether to potential owner-occupiers, to other social landlords, or to accredited private landlords), generally in accordance with the development proposals in this strategy. In some cases this might involve demolition. Powers available include dwelling management orders, planning and housing powers and, as noted, new licensing provisions in the 2004 Act.

### Relocation “package”

It is also an important aspect of community cohesion that residents have real support in coping with change, via a clear and fair “package” available if they are having to move, which responds to their circumstances whilst still being equitable and affordable to the Council.

The Council are in the process of preparing such a package (report made to Management Team, November 2005), and are considering various options for assistance schemes, shared ownership formulae, home-swaps, and so on. The team accept that this cannot be finally adopted until the expected cost implications are better understood. Nonetheless, we urge that this be given high priority so that the “package” can be in place ahead of the actual implementation process. We also welcome the Council’s readiness to draw on good practice, notably the experience of Stockton Council and their “Helping Hand to Homeowners Toolkit”.

### Parallel programmes

Parallel programmes cover other aspects of the regeneration effort too. For Dean Bank they are, in summary:

Programme	Agency	Comments
Key SBC Priority Area (Most Disadvantaged Neighbourhoods)	SBC	Aim to improve social & economic conditions
Lighting, services & landscape upgrade	DCC Urban & Rural Renaissance	£400,000 allocated; works already completed include undergrounding of wiring, etc
Police Community Support Officers	Durham Constabulary	
Neighbourhood Warden scheme	ODPM/SBC/Police	
Sure Start	DfES./SSLP/SBC	Children’s Centre initiative may absorb

The Council accept that these measures will need to be augmented by a form of ‘Neighbourhood Management’ which will require resources and staffing to help community through the period of change.

## 5 Options for Change: Ferryhill Station

### 5.1 The Starting-Point

Proposals for the regeneration of the Ferryhill Station area have to start from the reality that many decisions have already been taken, and local people deeply affected. It was one of the first parts of Sedgefield to be affected by market failure, over five years ago, and it has already been the subject of quite radical intervention in the form of two waves of demolition.

Following a first CPO and demolition of the rows nearest the main road, there has been a second round in 2005 involving the middle streets. This reflects the fact that although the earlier options report proposed partial demolition in order to try to stabilise the area, this has not happened, and houses have continued to empty.

As a result, the community has been through a very unsettling process, but has remained engaged and committed to securing a satisfactory outcome

#### 5.1.1 Urban Design Overview

Ferryhill Station is a linear community, with individual pockets of terraced houses, stretching about 1 mile along Chilton Lane. There is a strong community spirit in the area, and the terraces along the main road fair well in the housing market. However, the denser terraces branching off Chilton Lane have seen a drop in demand in recent years, leading to major demolition in the area known as the “Rows”. The priorities for Ferryhill Station is now to recreate confidence in the area, provide suitable homes for the local population and bring enough residence back to sustain local services. Major new developments and some further demolition are recommended to secure a sustainable future community.

#### 5.1.2 Existing Housing Stock and Tenure

Ferryhill Station consists predominantly of Victorian terraced properties. The most popular stock is along Chilton Lane. The less popular houses are in two separate areas branching off this:

- Charlton Street and Church Street at the south end of Ferryhill Station consists of “2 up 2 downs” accessed straight off the pavements with small back yards. This area has in recent years, seen an increase in landlord owned properties; short term lets and voids; resulting in a weakening of the community.
- The Rows: This area is located centrally in the community and consists of steep, long and narrow terraces set on an easterly slope facing the railway line some of the houses are reasonably large but the stock is problematic, suffering badly from low demand. Of the 79 properties still standing after clearance, 53 are currently void. The ownership is divided between Council, Three Rivers Housing Association and private owners.

### 5.2 Defining & Testing the Options

#### 5.2.1 Defining the Options

English Partnerships’ guidance for assessing a range of proposals that have a range of options in generic terms is wide; they include:

- Do nothing
- Settlement expansion
- Settlement contraction
- Qualitative improvement
- Integration with other settlements-combined role and function

In reality these vary from settlement to settlement – in the case of Ferryhill Station the options are heavily constrained by the recent history of intervention including two rounds of demolition.

In Ferryhill Station the process was broadly as follows: radical intervention had already begun, and the do nothing approach was impossible. Options for intervention, ranging from a balance, to stock reduction, were tested in a judgemental way, which looked at:

- Viability
- Deliverability
- Place making
- Community acceptability

### **5.2.2 Testing the Options**

**Option 1:** Separating the community, (based on an assumption that the Rows are coming down); concentrating development in the area around the school opposite Charlton Street and Church Street at the south end of the community, to strengthen and support the community and existing services here. The proposal included looking at pockets of underused industrial land for new housing, possibly developing into a commuter community with direct road links to A1 (M) and other centres. Secondly, this proposal supported further housing developments at the north end of Ferryhill Station along the road leading to Ferryhill town, linking the main part of Ferryhill Station more firmly with the town.

This proposal was rejected by local residents on the basis that it would weaken the community, taking the built mass away from what they see as their historic centre: the crossroads between Eldon Arms and the disused railway station. The post office, which forms an important part of the community facilities, is currently located in this area.

**Option 2** looked at the possibility of again delaying development in the Rows (still assuming that they will come down), moving the housing mass to three sites around the Eldon Arms junction (both side of Mainsford Lane and the under used land(former Quarry) on the top of the hill behind Croft Gardens and Eldon Terrace. This proposal has the potential to create a strong vibrant community; strengthen existing services around the natural “hub”, and improve links to Ferryhill town.

This proposal was discarded by the community partly for the same reasons as above, but also because of foreseen difficulties in developing current industrial land. This proposal would further sever the south end of the community, and weaken the future of the school as people might choose alternatives in Ferryhill town. There seems to be a strong feeling in Ferryhill Station to keep their local identity and some level of independence as a community.

**Option 3** was closer to the presented preferred option, but it concentrated developments to the north of the land currently The Rows, combined with developments on some of the quarry land to the north. This proposal would improve links from The Rows to the communities on the south/east edges of Ferryhill as well as to the town centre. It was rejected in consultation for the same reasons as option 2: the notion that Ferryhill Station will lose its identity, and the threat to school and services (especially as regards the Post Office)

The preferred option has been developed in consultation with the community.

## **5.3 A Vision for the Future**

### **5.3.1 Overall Strategy**

Ferryhill Station has, despite its problematic recent past, attributes which can form a sound basis for its regeneration:

- the surrounding small linear community has marketable housing in a range of types and price-bands;
- there are two small clusters of local services, immediately to the north at the T-junction, and further south near the primary school;
- it has reasonable access by road to A12(M) Junction 60 (though bus services are limited in direction and timetabling);

- the cleared sites, and willingness to envisage further demolition, offer the prospect of a deliverable development area of some size; and
- private-sector (and social) housing investment on the scale proposed should be capable of removing the stigma attached to this location, and ought to help stabilise the remaining terraced streets nearby, at Carlton and Church Streets, provided the redevelopment is accompanied by work with tenants and landlords to manage that stock carefully.

The proposals set out below seek to take advantage of these assets, by proposing redevelopment of the Rows area for housing and open space, though at a lower density than hitherto and thus with a net fall in the number of units (75 new build, replacing 65 to be demolished and 70 already cleared). However, given the number of empty properties and the scale of recent demolition, this would mean an increase in the number of occupied homes, including for families, with consequent likelihood of more use of / custom for local facilities such as school and shops. The proposals include a preferred option which leaves one street of terraced housing, at the southern end of the Rows.

### **5.3.2 Proposals**

#### **The “Rows”: Haig Street to Clive Street, site of Hall and former Church site.**

Two alternatives were developed for the final options, one for the redevelopment of the entire site, and the other retaining the south side of Haig Street as part of the final plan. The community chose to go with the proposal to retain 14 houses on Haig Street – this was also the preference of the professional team, largely on urban design grounds, but also because of its potential for housing choice, and flexibility in the decanting process. The remaining total of 65 properties is proposed demolished, leaving a development opportunity for 75 new units with in-curtilage car parking, additional parking for existing houses on Haig Street, improved permeability, planting and landscaping.

- Develop town houses/three storey terraces along main road (parking to the rear), creating strong frontage and identity to the area.
- Demolish remaining terraces: Nelson Street, Wolseley Street, Clive Street and part of Haig Street
- Building new housing with mixed tenancy to meet local needs. Developing horizontal and diagonal route to deal with the steepness of the site. Tree lined streets will bring greenery into the area.
- Multiple connections to surrounding open space compensating for absence of recreational spaces within the development.
- Creating permeable movement patterns with “eyes on the street” everywhere, and accommodating connections to possible future development on Allotment Land.
- Group Repair scheme for Haig Street.

Other proposals for Ferryhill Station must be considered very carefully, given the priority need to deal with the Rows and their problems:

- Future developments along the ridge from the car park behind Heather House to the Allotment Gardens could strengthen the community and create better linkages and access to services – their acceptability would largely depend on the position with regard to housing land allocations and planning policy;
- The NECOL site: this former industrial land is the subject of development interest at present. It should be assessed as part of a response to the whole of the settlement, and must in any event not be advantaged in any way (e.g. in respect of environmental standards) which could hinder the prospect of redeveloping the Rows.
- Local resident representatives, whilst generally supportive of the thrust and the detail of the proposals, stressed that any new housing must make satisfactory provision for older people, preferably in bungalows well-located for the main street.

### **5.3.3 Complementary Measures**

As well as proposing major change to the buildings and spaces of Ferryhill Station, the strategy proposes, and reports on, other initiatives which will support the regeneration effort. These are:

1. a Private Landlords Initiative (licensing *and* co-operation)
2. a Relocation Package; and
3. other local initiatives

#### **Private Landlords Initiative**

In the remaining terraces at Ferryhill Station, there is still a danger that a combination of the continued low demand background, irresponsible private landlords and anti-social behaviour will force a continued decline leading to abandonment and clearance of the sort already experienced in much of the Rows.

In the interest of community cohesion, the overall strategy must include measures to minimise the effects of poor and irresponsible housing management by private landlords, an issue which is interwoven with the problems of anti-social behaviour.

It is proposed that the Borough Council should consider introducing a Private Landlords Initiative to run a “twin-track” policy of (a) working in partnership with responsible landlords, and (b) intervening on property where co-operation cannot be secured. This should be able to draw on extra licensing powers available under the Housing Act 2004.

The effort on the co-operation side would be concentrated on an Accreditation Scheme, run if possible jointly with a district private landlords’ association (which would need to be set up). This would recognise and encourage landlords who are prepared to provide good quality accommodation at an appropriate rent; improve private sector rented housing conditions; promote good practices in the private rented sector; and provide tenants with confidence in quality and management.

The effort on the intervention side would, where co-operation proved unachievable, seek to acquire properties, whether by agreement or compulsory purchase, and to hold or dispose of them (whether to potential owner-occupiers, to other social landlords, or to accredited private landlords), generally in accordance with the development proposals in this strategy. In some cases this might involve demolition. Powers available include dwelling management orders, planning and housing powers and, as noted, new licensing provision in the 2004 Act.

#### **Relocation “package”**

It is also an important aspect of community cohesion that residents have real support in coping with change, via a clear and fair “package” available if they are having to move, which responds to their circumstances whilst still being equitable and affordable to the Council.

The Council are in the process of preparing such a package (report made to Management Team, November 2005), and are considering various options for assistance schemes, shared ownership formulae, home-swaps, and so on. The team accept that this cannot be finally adopted until the expected cost implications are better understood. Nonetheless, we urge that this be given high priority so that the “package” can be in place ahead of the actual implementation process. We also welcome the Council’s readiness to draw on good practice, notably the experience of Stockton Council and their “Helping Hand to Homeowners Toolkit”.



## Parallel programmes

Parallel initiatives cover other aspects of the regeneration effort too. For Ferryhill Station they are, in summary:

<b>Programme</b>	<b>Agency</b>	<b>Comments</b>
Ferryhill Station Police Community Support Officer	Durham Constabulary	Scheme in operation
Key SBC Priority Area (Most Disadvantaged Neighbourhoods)	SBC	
Improved bus links between major towns	DCC Local Transport Plan (LTP)	Possible that interurban route could run via this locality
Ferryhill rail station reopening	Possibility noted in LTP	But unlikely in foreseeable future
Ferryhill Station Police Community Support Officer	Durham Constabulary	Scheme in operation

The Council accept that these measures will need to be augmented by a form of 'Neighbourhood Management' which will require resources and staffing to help community through the period of change.



## 6 Options for Change: Chilton West

### 6.1 The Starting-Point

Proposals for Chilton West have to start from a fast-changing and difficult situation. Five years ago, the area, although known to have some low-demand streets, was not of particular concern, and seemed little different from many other similar clusters of terraced housing in Sedgefield. But the position has worsened markedly recently, especially since a major private landlord was forced into bankruptcy – empty properties, sales, instability, anti-social behaviour and insecurity have sent some streets into a sharp downward spiral of decline.

The community is quite divided. Not only is this western part of Chilton seen as distinct from the generally more stable eastern side. Within it, too, there is a big difference between the Council estate (some now privately-owned) in the middle, and the privately rented and owned terraces around it on three sides. The Residents' Association began with people from the central estate, and it is based in the Community House on Keats Road, though it has now expanded to take in concerned residents in the surrounding terraces.

#### 6.1.1 Urban Design Overview

This area is contained within one compact urban block, yet consists of two distinctly different communities. The terraced properties located at the edges show signs of voids, disrepair and problems associated with high turnover and private lets. There are more visible signs of dereliction and vandalism than at Dean Bank and Ferryhill.

The central core consists of stable housing, showing signs of regular up-keep and investment; many are privately owned. A row of bungalows, predominantly in council ownership, creates the western edge.

The area has suffered severance from more stable parts of Chilton and local services due to its location between two major roads. The recent construction of a new by-pass presents an opportunity to create better links and a more integrated and permeable community.

#### 6.1.2 Existing Housing Stock and Tenure

The council built semis as well as the bungalows are in steady demand; there are no particular issues with regard to maintenance or repair. Many of the houses have converted to private ownership under right-to-buy, and show levels of further investments: conservatories, paved driveways and new windows. The terraces create a “U” shape around the core of lower density properties. Some of the houses are reasonably large and although there is an issue with long narrow streets, most terraces face open country or areas of semis. Still, the signs of deterioration are very pronounced here: properties look run down; there are clear signs of empty units, and evidence of vandalism. There is a high level of private lets in the area, with no Council or housing association ownership in the terraces. There is an anti-social behaviour problem, and some of the streets have an unfriendly even threatening feel.

### 6.2 Defining & Testing the Options

#### 6.2.1 Defining the Options

English Partnerships' guidance for assessing a range of proposals that have a range of options in generic terms is wide. They include:

- Do nothing
- Settlement expansion
- Settlement contraction
- Qualitative improvement
- Integration with other settlements- combined role and function

In reality these vary from settlement to settlement. In Chilton West the process was broadly as follows. Radical intervention was bound to be on the agenda, given the pace and seriousness of recent decline, and the do nothing approach was discounted early on. Starting with stock reduction, on a limited scale, we steadily extended the possible scale of intervention as options were developed. These were tested in a judgemental way, which looked at :

- Viability
- Deliverability
- Place making
- Community acceptability

### **6.2.2 Testing the Options**

The community was involved from the early stages of the design project; influencing the process as well as the final options.

**Option 1:** In our first meeting with the community, we presented examples of work from Northmoor, Manchester, to inspire residents to believe in a future for at least some of the historic colliery terraces. Our first proposal was for a small amount of demolition in the area around Victoria and Hunter Terraces; open West Chilton up towards Durham Road; integrating with proposed environmental improvements in the village centre, combined with proposals for group repair schemes and road resurfacing throughout. These ideas were rejected by the community on the grounds that they were not radical enough.

**Option 2** took on board the issues local residents have with the surplus of terraced houses: too many in an area where the demand is for houses with gardens and off street car parking. We looked at the potential for large scale clearance combined with identifying development sites at the edges of the community for replacement homes and new homes for sale. This option was popular with regards to the scale of demolition, but there were concerns over the level of new build so close to the existing community.

**Option 3** (preferred option), which began by originally suggesting slightly less demolition than option 2, had as its main difference the new housing in the initial stages concentrated within the core community. The proposal has evolved in consultation with the community, and the final preferred option is presented with some two-thirds of the terraces proposed cleared. The opportunities presented will support new housing, new open space, improved permeability, more car parking and better access to community facilities.

## **6.3 A Vision for the Future**

### **6.3.1 Overall Strategy**

Chilton West, despite its acute problems, is not without assets which can be drawn on to change its direction and bring about its regeneration:

- it is part of a larger Chilton which has a good range of house types and tenure, including the social housing which is the stable core of Chilton West;
- Chilton West directly adjoins the main street with some shops and services, now to be environmentally upgraded following traffic relief from bypass;
- the boundary terraces in the through roads (to east and north) are more popular and generally better looked-after, with more investment under offer via an enveloping scheme (S.H.I.P. money);
- it is directly positioned on the A167, and only 4 km from Junction 60 on the A1(M), so the bypass now means it can take advantage of its major road location without paying the previous cost in terms of traffic nuisance, road safety and community severance;
- it gives straight out onto open countryside to north and east.

Despite these advantages, the position in Chilton West is serious, and the overall strategy is therefore a radical one. It involves considerable demolition - in order to remove low-demand and declining stock which is stuck at the bottom of the

market and causing problems, and in order to develop some new housing (though smaller total numbers) which will capitalise on the area's assets, offer a wider range of choice, and help provide a safe attractive layout of houses and spaces in future.

Physically, then, the proposals seek to improve overlooking and this natural surveillance, and "permeability" of routes on foot through the area. There is a need to create open space and improve the public realm throughout, as well as creating opportunities for new family housing. The history of anti-social behaviour and vehicle crime/misuse means that design must be very sensitive to the security issues. These goals too require extensive demolition in the long, dense terraces, to recast the urban form in a more open safe and attractive way.

The net stock reduction proposed is thus very substantial. It would involve demolishing 217 terraced properties (out of Chilton West's total of 312, i.e. nearly 70%) and building 60 new homes.

### **6.3.2 Proposals**

#### **Area 1: Hunter Terrace, Victoria Terrace, Norman Terrace, Durham Road.**

This area experiences problems partly relating to the tight and enclosed urban form. The proposal is for the removal of 25 existing properties, to be replaced with 22 family houses, improved frontage to movement routes, new open space and car parking.

- Environmental improvements to Durham Road, in the area between Hunter Terrace and Norman Terrace, to create an attractive village centre (square) for the whole of Chilton. The road to be shared between pedestrians and vehicles and designed to slow traffic. New street furniture, planting and trees in this area.
- Redevelop Hunter Terrace, Victoria Terrace and Norman Terrace. Provide family housing with frontage to existing and improved street layouts.
- Create tree-lined avenue in Norman Terrace, forming an important access to the new 'square'.
- Direct link from new houses on Hunter Terrace to Durham Road, through Old Post Office site
- Renovations and improvements to existing boundaries and buildings facing 'the square'.
- Convert the existing health centre building into community facility if Health Centre moves.

#### **Area 2: Raby Terrace, Ford Terrace, Burns Road and Victoria Terrace**

This area will see the most drastic remodelling, with the proposed demolition of two entire terraces, 87 properties in total. The future vision is for a relatively small number of new homes, 20, a large open space, short routes connecting Burns Road to Rosewood, street improvements and car parking.

- Demolish Raby Terrace and Ford Terrace to give room for new houses.
- Create direct links between Byron Road and Rosewood
- Create informal open space fronted by housing
- Street improvement scheme to Burns Road and Ford Terrace, including landscaping features and car parking

#### **Area 3: Dale Street, Oswald Terrace, Denewood Terrace, Tennyson Road, Norman Terrace, Eden Terrace**

Major demolition is envisaged in this area, taking out the long narrow streets currently suffering from low demand. 71 properties are proposed removed, replaced with 18 new family houses, 40 extra car parking spaces, and a community open space of 1750m<sup>2</sup>.

- Demolish Oswald Terrace, Denewood Terrace and part of Dale Street and Norman Terrace to create opportunities for new family housing and open space.
- High quality new developments with frontages to existing and new street layouts and open space.
- Recreate Norman Terrace as tree-lined avenue.
- New open space to serve immediate community with recreational space to suit local needs.
- Car parking facilities for surrounding terraced houses to be integrated with planting and landscaping, in areas with good natural surveillance.
- Gated access to back of Eden Terrace providing access to existing and additional car parking and service yards.

#### **Area 4: Dene Terrace, Wordsworth Road**

The proposal is to take out 34 properties in the middle of this problematic Dene Terrace. 8 new properties are proposed to create a visual barrier to the backs of West Chilton Terrace.

- Demolish middle part of Dene Terrace to break this very long continuous row, replace by houses with side gardens.
- Group repair to fronts of remaining properties on Dene Terrace
- Street improvements to Wordsworth Road including landscaping and car parking.
- New small square off Wordsworth Road with planting and additional car parking spaces

Resident representatives are generally satisfied with the proposals, though sceptical of the likely effectiveness of the part demolition proposed for Dene Terrace (because it is such a problematic street).

#### **6.3.3 Complementary Measures**

As well as proposing change to the buildings and spaces of Chilton West, the strategy proposes, and reports on, other initiatives which will support the regeneration effort. These are:

1. a Private Landlords Initiative (licensing *and* co-operation)
2. a Relocation Package; and
3. other local initiatives

#### **Private Landlords Initiative**

Even with a major programme of clearance as proposed, there is still a danger for Chilton that a combination of the continued low demand background, irresponsible private landlords and anti-social behaviour would force a continued decline leading to abandonment and dereliction.

In the interest of community cohesion, the overall strategy must include measures to minimise the effects of poor and irresponsible housing management by private landlords, an issue which is interwoven with the problems of anti-social behaviour.

It is proposed that the Borough Council should consider introducing a Private Landlords Initiative to run a “twin-track” policy of (a) working in partnership with responsible landlords, and (b) intervening on property where co-operation cannot be secured. This should be able to draw on extra licensing powers available under the Housing Act 2004.

The effort on the co-operation side would be concentrated on an Accreditation Scheme, run if possible jointly with a district private landlords’ association (which would need to be set up). This would recognise and encourage landlords who are prepared to provide good quality accommodation at an appropriate rent; improve private sector rented housing conditions; promote good practices in

the private rented sector; and provide tenants with confidence in quality and management .

The effort on the intervention side would, where co-operation proved unachievable, seek to acquire properties, whether by agreement or compulsory purchase, and to hold or dispose of them (whether to potential owner-occupiers, to other social landlords, or to accredited private landlords), generally in accordance with the development proposals in this strategy. In some cases this might involve demolition. Powers available include dwelling management orders, planning and housing powers and, as noted, new licensing provisions in the 2004 Act.

### **Relocation “package”**

It is also an important aspect of community cohesion that residents have real support in coping with change, via a clear and fair “package” available if they are having to move, which responds to their circumstances whilst still being equitable and affordable to the Council.

The Council are in the process of preparing such a package (report made to Management Team, November 2005), and are considering various options for assistance schemes, shared ownership formulae, home-swaps, and so on. The team accept that this cannot be finally adopted until the expected cost implications are better understood. Nonetheless, we urge that this be given high priority so that the “package” can be in place ahead of the actual implementation process. We also welcome the Council’s readiness to draw on good practice, notably the experience of Stockton Council and their “Helping Hand to Homeowners Toolkit”.

### **Parallel programmes**

Parallel programmes cover other aspects of the regeneration effort too. For Chilton West they are, in summary:

<b>Programme</b>	<b>Agency</b>	<b>Comments</b>
Chilton Health Centre	PCT	Siting & rebuild under review
Chilton Hate-Crime Action Plan	SBC	
Industrial Estate expansion	SBC Planning proposal	Site allocated following bypass completion; to expand existing 450-job Chilton Industrial Estate
Main road environmental enhancement, Chilton	DCC Highways / Urban & Rural Renaissance	Follows on from opening of bypass
Family Centre	SBC	In operation; provides early years support /childcare, healthy living advice and initiatives, etc.

The Council accept that these measures will need to be augmented by a form of ‘Neighbourhood Management’ which will require resources and staffing to help community through the period of change.





## 7 Projects, Phasing & Initiatives

### 7.1 Projects and Phasing

The proposals for the three areas cannot of course all be carried out at once. The funding, organisational and land availability issues all impose a need for a rolling programme over a decade or so. However, there is a need for visible change in each of the places, and table 7.1 below suggests a programme of priorities. Details of these proposed interventions can be found at 4.3.2 for Dean Bank, 5.3.2 for Ferryhill Station and at 6.3.2 for West Chilton.

**Table 7.1 : Suggested Programme of Intervention Priorities**

<b>Opportunities and Proposed Interventions</b>	<b>Dean Bank</b>	<b>Ferryhill Station</b>	<b>West Chilton</b>
<b>Years 1-3</b>	<p>Develop Praxis Site</p> <p>Demolish, redevelop and environmentally improve in the Faraday and Stephenson Street area.</p> <p>Environmentally improve un-named road along A167</p>	<p>Demolish the remainder of “The Rows” excluding the south side of Haig Street</p> <p>Redevelop and environmentally improve area</p>	<p>Demolish, redevelop and environmentally improve in the Dale Street / Oswald Terrace area and the Victoria / Hunter Terrace area</p>
<b>Years 3-8</b>	<p>Demolish, redevelop and environmentally improve the Newton/Davy Street area , the Bessemer Street area and the Rennie Street area</p>	<p>Assess situation in Church Street and Charlton Street for possible future interventions</p>	<p>Demolish, redevelop and environmentally improve the Dene Terrace area and the Raby / Ford Terrace area</p>
<b>Longer Term</b>	<p>Review potential for future development land</p>	<p>Review potential for future development land</p>	<p>Review potential for future development land</p>

It must also be recognised that the change process will inevitably have some negative side effects, particularly disruption (to households involved in moves) and blight and uncertainty (especially in Years 3-8 where some streets will see no positive interventions for quite a long time). The Council and its partners will need to invest in neighbourhood management, community support, and housing advice in order to help the three neighbourhoods through the process.

## 7.2 Initiatives

### 7.2.1 Two sets of initiatives

As well as the development and change proposals / projects, a suite of other initiatives help form an integrated group of responses to the regeneration challenge in the coalfield communities of Sedgefield.

These fall into two groups, dealt with in turn below:

- 1 Proposals for measures to support the process of development and change, needed to reassure residents, and to complement the physical interventions with management measures in the private-rented sector; and
- 2 Parallel programmes, mainly already running, which cover many other aspects of the regeneration effort, either in the three small settlements or in the wider Ferryhill area.

### 7.2.2 Supporting the development process

#### **Proposal: "A Private Landlords Initiative"**

One of the "Principles for Community Cohesion" set out in section 3.4.3 above is that the overall strategy must include measures to minimise the effects of poor and irresponsible housing management by private landlords, an issue which is interwoven with the problems of anti-social behaviour.

It is proposed that the Borough Council should consider introducing a Private Landlords Initiative to run a "twin-track" policy of (a) working in partnership with responsible landlords, and (b) intervening on property where co-operation cannot be secured, and drawing on extra powers available under the Housing Act 2004. This can draw to quite a large extent on current good practice, believed to be operating successfully in Derwentside District (DDC) and the West End of Newcastle.

The effort on the co-operation side would be concentrated, as in Derwentside, on an Accreditation Scheme, run if possible jointly with a district private landlords' association (which would need to be set up). The objectives of the DDC scheme are stated to be:

- recognise and encourage landlords who are prepared to provide good quality accommodation at an appropriate rent;
- improve and promote the public image of the private rented sector, and private sector rented housing conditions;
- improve liaison and communication between landlords and local authority;
- promote good practices in the private rented sector; and
- provide tenants with confidence in the quality and management of the accommodation they are renting.

The effort on the intervention side would be the use of an officer team and Council funding, where co-operation proved unachievable, to acquire properties, whether by agreement or compulsory purchase, and to hold or dispose of them (whether to potential owner-occupiers, to other social landlords, or to accredited private landlords), generally in accordance with the development proposals in this strategy. In some cases this might involve demolition and would exercise various powers available including dwelling management orders, planning and housing powers and, as noted, new licensing provisions in the 2004 Act.

The Government has announced an intention to bring in, during 2006-7, a system of "Selective Licensing" for private landlords. Whilst a welcome additional set of enforcement powers (subject to their being approved for this area), this would not remove the need for the initiative proposed here.

## Proposal: adopted relocation “package”

Another of the “Principles for Community Cohesion” set out in section 3.4.3 above relates to support for residents in coping with change, via a clear and fair “package” available if they are having to move, which responds to their circumstances whilst still being equitable and affordable to the Council.

The Council are in the process of preparing such a package (report made to Management Team, November 2005), and are considering various options for assistance schemes, shared ownership formulae, home-swaps, and so on. There is, we believe, general acceptance of the study team’s earlier advice (June 2005) to the Council that “*the Council’s current range of assistance packages are likely to require enhancement in order to meet the needs of residents affected by the market renewal activity*”. The team accept that this cannot be finally adopted until the expected cost implications are better understood. Nonetheless, we urge that this be given high priority so that the “package” can be in place ahead of the actual implementation process. We also welcome the Council’s readiness to draw on good practice here as well, notably the experience of Stockton Council and their “Helping Hand to Homeowners Toolkit”.

### 7.2.3 Parallel programmes

Parallel programmes cover many other aspects of the regeneration effort, either in the three small settlements or in the wider Ferryhill area. We summarise them below, starting with those of wider application before looking at any specific to Chilton West, Dean Bank, or Ferryhill Station.

**Table 7.2 : Wider Area Programmes**

Programme	Agency	Comments
SRB5 Sedgefield Learning Borough		Running in Ferryhill
Ferryhill Health Centre		Siting & rebuild under review
Sure Start (based in Dean bank)	DfES./SSLP/SBC	Children’s Centre initiative may absorb
Improved bus links between main towns	Strategy in LTP	Particular need is for better evening services

**Table 7.3 : Dean Bank Programmes**

Programme	Agency	Comments
Key SBC Priority Area (Most Disadvantaged Neighbourhoods)	SBC	Aim to improve social & economic conditions
Lighting, services & landscape upgrade	DCC Urban & Rural Renaissance	£400,000 allocated
Police Community Support Officers	Durham Constabulary	
Neighbourhood Warden scheme	SBC	Initially Dean Bank & Ferryhill Station, then Borough wide

**Table 7.4 : Ferryhill Station Programmes**

Programme	Agency	Comments
Ferryhill Station Police CSOs	Durham Constabulary	
Ferryhill rail station reopening	Noted in LTP	Unlikely in foreseeable future
Key SBC Priority Area (Most Disadvantaged Neighbourhoods)	SBC	Could be policy “hook” for priority in allocating resources for the Neighbourhood Management approach needed in all 3 areas.

**Table 7.5 : West Chilton Programmes**

<b>Programme</b>	<b>Agency</b>	<b>Comments</b>
Chilton Health Centre	PCT	Siting & rebuild under review
Chilton Hate-Crime Action Plan	SBC/Partners	With Sedgefield Crime & Disorder Reduction Partnership
Main road environmental enhancement, Chilton	DCC Highways / Urban & Rural Renaissance/SBC	Follows on from opening of bypass; to commence 2006
Industrial Estate expansion	SBC Planning proposal	Site allocated following bypass completion; to expand existing 450-job Chilton Industrial Estate
Family Centre	SBC	In operation; provides early years support /childcare, healthy living advice and initiatives, etc.

## 8 Delivery Plan

### 8.1 Introduction

This chapter deals with the actions, policies and finance needed to make the regeneration plans happen.

It looks in turn at:

- the scale of *costs* needed for the proposals in this study, and what the “investment gap” is that will require special support: the key estimates are an intervention cost in the order of £57 million and a funding gap of some £26 million;
- the *funding* that could be available from the public and private sectors, including some “soft market testing” with developer interests: where the study concludes that there would indeed be market interest in the proposed interventions, and value created, albeit not at a level to cover all the costs – and that there are appropriate public sector programmes which might be able to bridge the gap;
- a treatment of the *risks* of the proposed programme, in line with Government guidance, looking at both cost risks and other possible risk areas, together with a suggested approach to the issue of the *monitoring of impacts* as the programme is implemented;
- a recommendation on the crucial issue of *project organisation*, as to what sort of delivery mechanisms should be used. The conclusion, in summary, is that the most appropriate approach is to begin to implement the intervention strategies in the three areas through dedicated SBC resources and/or a delivery Steering Group. The work of this group should also include the defining and refining of the likely role and partners for a more formal delivery vehicle structure in the future.
- coupled with that, a suggested *Short-term Delivery Plan*. This outlines the broad financial flows for the short-term actions required and highlights the need to get going in terms of setting up the medium to long term delivery vehicle.

### 8.2 Funding Requirement and Strategy

The funding for the regeneration of these communities will be a mixture of public and private money. The estimated costs of the interventions proposed in Chapter 7, and the potential income associated with them, are set out below, and an “investment gap” identified.

The private and public investment sources which might meet these costs and close the gap are then reviewed briefly, to draw conclusions on the development approaches which might be adopted

#### 8.2.1 Funding Requirement

Through the review of the market, an analysis of the data available and the consultation process, the options have been developed for intervention in an effort to act as a catalyst for the restructuring of the local markets – see Chapter 7. The appraisals, and key assumptions upon which they are based, are contained in a separate annex. This sets out the basis upon which the options have been assessed which has been developed from the data analysis and community consultations. The revenue generated, delivery costs and any funding gap are summarised for each settlement (£000s) in Table 8.1.

**Table 8.1 : Costs, Income, Gap**

Area	Investment	Income	Gap
Dean Bank Area 1 – Praxis	3,836	3,330	506
Dean Bank Area 2 – Newton/Davy	3,394	280	3,114
Dean Bank Area 3 – Faraday/Stephenson	6,289	1,245	5,044
Dean Bank Area 4 - Bessemer	5,202	3,360	1,843
Dean Bank Area 5 – Rennie/Holyoak	6,391	3,920	2,471
<b>Sub-total Dean Bank</b>	<b>25,113</b>	<b>12,135</b>	<b>12,978</b>
<b>Ferryhill Station Sub-total</b>	<b>11,671</b>	<b>10,500</b>	<b>1,171</b>
West Chilton Area 1 – Victoria/Hunter	3,043	1,960	1,083
West Chilton Area 2 -Dale/Oswald	5,862	2,520	3,342
West Chilton – Area 3 (Raby/Ford)	7,545	2,520	5,025
West Chilton Area 4 – Dene Terrace	3,306	1,400	1,906
<b>Sub-total West Chilton</b>	<b>19,758</b>	<b>8,400</b>	<b>11,358</b>
<b>Total</b>	<b>56,542</b>	<b>31,035</b>	<b>25,507</b>

### 8.2.2 Estimated Investment Gap (000s)

A number of factors will inevitably impact on the funding requirement for these projects we have estimated a funding requirement of £26m as illustrated in Table 8.1. This figure is based on the appraisals carried out as part of this study and current market conditions but clearly it is not set in stone and section 8.3 identifies risks associated with this estimate.

It is of course unlikely that such a figure will be made available immediately or through any one source. However careful planning of the delivery, including phasing, will result in initial phases being delivered which will be targeted so as to encourage further private sector investment on a rolling basis. The delivery strategy should be prepared and adopted by the local authority for implementation taking a view over the whole project lifetime and scale.

### 8.2.3 Public Funding

Delivering the intervention programme will, as noted, require a combination of both public and private funding. Whichever funding sources are targeted through a funding strategy, there will be a requirement to demonstrate sustainability and value for money. In demonstrating these points, alignment of the programme with the national, regional and local policy framework is essential, as is compatibility with the requirements of public funding. The major sources of funding in this context are set out below, and discussed in turn; they are: English Partnerships; the Housing Corporation; and the Single Housing Investment Pot (SHIP) discretionary element

#### English Partnerships

English Partnerships' National Coalfields Programme has funding available to assist in the regeneration of coalfield communities. The wider Durham Coalfields Community is subject to possible funding for housing market intervention; however no funds have yet to be explicitly committed.

In addition, English Partnerships has supported the creation of a Housing Gap Funding Scheme as an investment tool available to the public sector to support regeneration initiatives that, in turn, leverage private sector investment. However, changes to the allocation of budgets and priorities may limit the availability of access to such funds.

#### The Housing Corporation

The Housing Corporation has a National Affordable Housing Programme.

Bids to the Corporation, in an effort to access a share of £3.3 billion allocated by the Government for the delivery of new affordable housing over the next two

years, will be required to demonstrate support for the priorities and plans set out in the Regional and Local Housing Strategies.

## **SHIP**

SHIP funds are allocated by the Regional Housing Board to local authorities to fund the maintenance of stock, private sector renewal and new social housing. SBC have benefited from SHIP monies previously and will pursue such funding as may be available.

It should be noted that the Regional Housing Board have approved SHIP funding for years 2006/07 and 2007/08 already.

### **8.2.4 Private Sector Funding**

Any public funding packages must lever in additional private sector investment. SBC, in procuring this study, have recognised that the development of a strong vision and delivery framework is essential, and will in particular provide confidence to private sector developers. Clarity of objectives and outputs, particularly in terms of the physical intervention, are provided by this framework. This must then be coupled with clarity about the arrangements through which it is to be delivered, and the commitment from SBC to use all necessary powers to achieve the objectives.

Soft market testing has been incorporated in the study to gauge private sector appetite for the study areas. The testing comprised a series of discussions with a spread of developers including national, regional and niche developers who, in some cases, have the ability to not only deliver new product but also undertake contracting in terms of refurbishment/group repair.

It is clear that specific developers with sound experience of regeneration and renewal programmes are willing to work with other stakeholders to deliver the vision. However, the scale and location of each particular opportunity, should a fragmented approach to delivery be necessary, will be assessed by private sector partners on each occasion with the risk profiling process then being reflected in their anticipated return.

Certainty of delivery, in terms of commitment of the client to use all resources and endeavours to bring forward schemes, will provide confidence to the development partners.

The structuring of any delivery framework, whether through partnering or a Regeneration Vehicle (RV), will be key to leveraging investment from the private sector at the most appropriate stage.

The mitigation of the risks, which could be faced by the developer, will be facilitated by a clear understanding of the scale and scope of the project.

This will also allow clearer mapping of the financial implications for all parties. In addition, such clarity will improve the probability of competitive interest from developers/consortia. To aid delivery, SBC's approach must be to deliver those conditions that developers consider to be essential. Section 8.5, below, explores some of the ways in which this response could be structured: both short and long term.

## **8.3 Risk Assessment**

The risks associated with the project have been considered in two manners:

- 1 **costings:** a quantitative approach has been adopted to consider the sensitivity of the programme costings to a change in the development costs; with
- 2 **other risks:** a "traffic light" method having been used to illustrate how other risks to the programme can be measured and managed.

## Optimism Bias

Given the high level nature of the work for this ADF, we have considered the impact of optimism bias on capital expenditure rather than carry out a detailed quantitative risk assessment in accordance with HM Treasury *Green Book* 2003 methodology. Guidance suggests that for standard buildings, optimism bias in capital expenditure ranges from 24% to 2%. We have started our analysis with the upper range, i.e. 24% and based our assessment on the highest total cost for the project (see Table 8.2)

**Table 8.2 : Optimism Bias Summary Table for Capital Expenditure**

<b>(a)</b>	<b>Estimated Cost</b>			<b>100%</b>	<b>£56,541,578</b>
<b>(b)</b>	<b>Upper bound Optimism Bias</b>			<b>24%</b>	
	<i>Risk Area</i>	<i>Gross Contribution to optimism bias (%)</i>	<i>Mitigation factor (%)</i>	<i>Net Contribution (%)</i>	
	<i>Late contractor involvement in design</i>	20%	0%	0%	
	<i>Complexity of contract structures</i>	20%	0%	0%	
	<i>Environmental impact</i>	10%	50%	5%	
	<i>Poor Project Intelligence</i>	10%	75%	7.5%	
	<i>Business case/funding</i>	30%	50%	15%	
	<i>Community involvement</i>	2.5%	100%	2.5%	
	<i>Site Characteristics</i>	5%	0%	0%	
	<i>Economic</i>	2.5%	100%	2.5%	
<b>(c)</b>	<b>Total % by which upper bound OB can be mitigated</b>			<b>32.5%</b>	
<b>(d)</b> <b>= b*c</b>	<b>Less managed OB contribution</b>			<b>7.8%</b>	
<b>(e)</b> <b>= b-d</b>	<b>Unmitigated OB</b>			<b>16.2%</b>	
<b>(f)</b>	<b>Cost of risk management</b>			<b>nil</b>	
<b>(g)</b> <b>= e+f</b>	<b>Total OB</b>			<b>16.2%</b>	
<b>(h)</b> <b>=a+e+f</b>	<b>Total cost adjusted for total mitigated OB</b>			<b>116.2%</b>	
<b>(i)</b> <b>=h*a</b>	<b>Cost adjusted for total mitigated OB</b>				<b>£65,701,314</b>

As this high level, the assessment shows the gross cost for the project could go up by 16% to £65.7m based on the risks assumed above and consequently so could the public sector contribution needed to make this project viable. However, it is important to bear in mind that we have been conservative in our estimates of costs, especially in relation to compensation packages and as a result gross costs for the project may indeed not go up by as much once it goes "live".



**Table 8.3 : Risk Factors**

<b>Risk Name</b>	<b>Description of Risk</b>	<b>A - Financial Impact (1-3)</b>	<b>B - political Impact (1-3)</b>	<b>C - Chance of occurring (1-3)</b>	<b>Project Management Priority Score A x B x C</b>	<b>Mitigation</b>
Acquisition costs	Acquisition costs for properties higher than budgeted.	2	2	3	12	Announcement of project and CPO process to be announced as soon as possible so that risk of “carpet bagging” and rises in property prices because of regeneration speculation is avoided
Design	Scheme design not undertaken as yet and so, once this is carried out, risk that scheme will prove more expensive than assumed.	3	1	3	9	Developer competition may be undertaken if sufficient interest. This should ensure efficiency in costs. Failing that, careful discussions with selected partner would be needed to manage costs
Securing a private sector developer	Lack of appetite from the private sector to intervene in an area of low demand	3	3	1	9	Public sector support and funding for the scheme as well as a reasonably attractive profit may encourage private sector to participate in this project.
Development costs	Site investigations not yet undertaken and therefore risk that site abnormalities, infrastructure provision etc will be high	2	1	2	4	Carry out site investigations as soon as project is given go ahead
Funding	Funding from English Partnerships and other potential project funders not obtained	3	3	2	18	Early discussions with English Partnerships and other funders need to be undertaken as soon as possible to determine whether there is funding available, as well as level
Delay in project	Negotiations with owners, funders and private sector take longer than anticipated with the risk that costs for the project may go up substantially and rise not covered by increased values	3	3	2	18	Management of expectation and realistic discussions with potential partners regarding timescales.
Sales values	Lower values achieved than assumed in appraisal	3	1	1	3	Soft market testing has indicated that this level of sales values is achievable
Demand	Lower demand for units leading to developer stopping project halfway through and so not all sub-areas within each settlement benefiting from investment	3	3	1	9	The net reduction in stock partly mitigates the issue of low demand.

Other risk factors must be analysed and managed throughout the programme. This can be done on a qualitative basis. An example of the risks and their assessment is provided below (see table 8.3). This is very much a working illustration rather than a concluded consideration of all the risks associated with the delivery. It should be acknowledged that risk identification and management will remain an ongoing process throughout the programme lifetime, and the risks and their likelihood and impact should be reviewed regularly.

## 8.4 Monitoring Impacts

Future monitoring of programme impacts will be able to draw on the objectives of the programme (through the delivery of the vision for each settlement) which have been clearly set out, and on the costs associated with the planned programme implementation. The measurement of the outputs, aside from the physical impact, can be made using a set of sustainability criteria. A bespoke matrix for the measurement of the impacts has not been prepared within the scope of this study. However, typical parameters which would be measured through such analysis include:

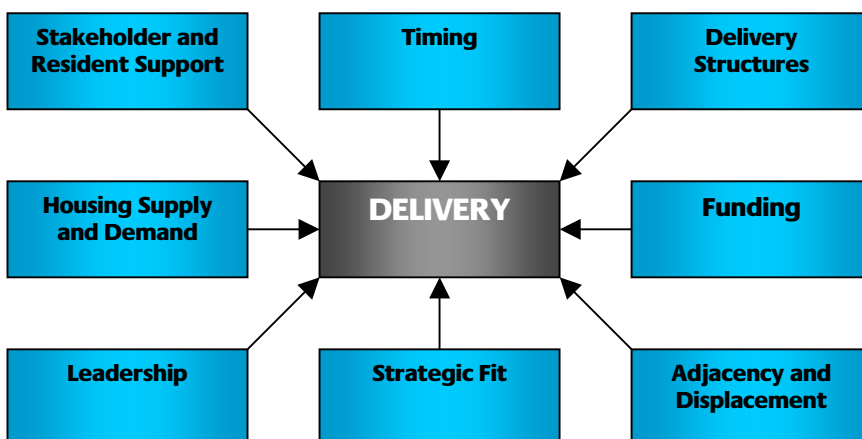
- Demographic, economic and migration statistics;
- Housing market assessment including void rates, function of private rented sector, values, tenure mix, property type;
- Developer activity in the settlements;
- Repair and maintenance of property/decency standards;
- Quality of public environment and open space.
- Resident perception of / satisfaction with quality of life

## 8.5 The Delivery Process

### 8.5.1 General principles: programme alignment

Having reviewed the order of costs, possible funding and risks, the study also addresses the process of delivery. Whatever programme and mechanisms are adopted, it will be important to achieve alignment with the regional, sub regional and local policy context.

In principle effective delivery should re-affirm the strategic links with sub-regional housing market activity, provide a framework in which to develop a case for compulsory purchase (should it be necessary), and develop effective programme management that can demonstrate sustainability and value for money (VFM). The key elements to be considered in delivery are set out in the diagram below:



Recent criticism of many housing market renewal programmes has been on the lack of physical delivery and this underlines the fact that final delivery is the core focus of this work.

In order to maintain community confidence and buy-in to the proposals, effective and early identification of suitable partners for the delivery of the affordable housing element of the proposals is imperative. There is a specific set of choices in relation to affordable housing and the role of RSLs:

- increasing competition in the provision of affordable housing, with innovative products being introduced and the new ability of developers to apply directly for Social Housing Grant. This increased competition in the provision and delivery of affordable housing is a factor within the market.
- once a development brief has been prepared, direct negotiation to deliver the programme with the co-operation of the preferred RSL(s) will facilitate the most time efficient implementation.
- Clearly, the implementation of the proposals will involve detailed negotiations with Three Rivers HA, as a major stakeholder in two of the three locations.
- where Three Rivers HA do not have an existing presence, in the absence of a preferred social housing provider in the district, there is an opportunity to invite interest from a wider range of potential partners in the delivery. This will assist in ensuring best value, allow the programme to be opened up to new and innovative delivery as new modes of delivery of “affordable housing” being introduced to the market. This is often driven by the private sector and offers a further facet to the leverage of private sector investment into the programme.

The mode of delivery will also be a function of funding. The availability of external funding, through SHIP or English Partnerships, will dictate the scale of initial projects which may be undertaken. The initial phasing plan (see chapter 7) has been structured to provide physical activity in each settlement within the first three years of the programme. This assumes initial funding through SBC budgets. This may then be complemented by other external funding and the recycling of any capital receipts/profit sharing across the three settlements. In addition, the alignment of the programme to wider issues and initiatives will be critical to meeting the wider objectives.

### **8.5.2 General principles; governance**

The study to date has been successful in bringing together the local communities through the creation of the Steering Group, reporting to both SBC and through officers to the Coalfields Steering Group. Whilst this could be a mechanism for continuing dialogue and working in partnership, more direct targeting of resources may be required for delivery.

This points to a distinction between the *short term priority* – getting going on the basis of existing arrangements – and a longer term perspective - which might involve the setting up of a new Regeneration Vehicle (RV) to operate in the *medium to long term*.

If a RV was to be taken forward, a wide remit that allows the best opportunity to address key issues should be supported. There is an important implication however in taking this route. Meaningful improvements in socio-economic factors take time. The RV or strategic partnership will therefore need to have a medium to long-term time horizon.

In the short term, the Steering Group will need to continue to understand any changes to the strategic framework in which interventions are to be delivered. Secondly, the role, partners, governance and operations arrangements and the legal standing of any potential RV will need to be developed. The steering group will, as part of the implementation strategy, identify suitable partners and their roles. The setting of objectives which a RV may need to meet will also need to be developed in the early stages for each area in order to be able to determine the form of any future vehicle and to allow evaluation of projects throughout delivery. The amount of work necessary to realise this should not be underestimated and this should be being developed in parallel with the short term actions.

### 8.5.3 Mechanisms: the options

There are a number of options available when considering the establishment of a Regeneration Vehicle (RV) which might be appropriate for the medium and longer term. Possible structures include:

- Urban Regeneration Company (URC)
- Registered Social Landlord (RSL)
- Housing Regeneration Company (HRC)
- Public Interest Company (PIC)
- Community Interest Company (CIC)
- Company Limited by Guarantee
- Industrial and Provident Society (IPS)
- Unconstituted Partnership (Strategic Partnership)

These are tabulated and discussed more fully in a separate annex.

However, the first consideration in terms of the structure will be the nature of its role. The legal structure should serve the desired roles of the RV rather than dictate it. The key factors in general terms in choosing a RV structure are:

- What activities are proposed, and is a RV the best way of delivering these?
- Will a vehicle be entering into contracts and, if so, how will members be protected from liability?
- Will the new vehicle be involved in owning housing stock, or in managing housing?
- Will a new identity help focus those involved?
- Will the new organisation be trading, and thus need to be tax efficient?
- Does the new organisation need to be a registered charity?
- How will the organisation be accountable to the community?

These are general considerations. Local circumstances will also be critical in deciding which option is best suited for this intervention strategy in this particular area. Any RV must meet the identified local needs and priorities. For the issues that face Sedgefield, it would appear that the essential criteria for the RV include:

- Ability to recycle capital receipts
- A “watertight” entity
- Capacity to run a rolling programme of capital receipts & spending
- Robust to changes in governance or political context
- A constitution which gives it the ability to be flexible - in its receipt of capital investment, in its response to market conditions / property cycle, etc

### 8.5.4 Procurement: the preferred approach

**In the short term**, the procurement route should be a pragmatic mixture of site-specific responses. In Ferryhill Station, the fact that Three Rivers HA have a substantial interest already means that the Council needs only one further partner, for the private sector component. In the other areas, the choice of social housing partner may be wider; it is noted that this discussion should be informed by an awareness of the increasing involvement of the private sector in the delivery of affordable housing and the new products now being offered. In all three areas, the search for a private-sector partner can be done either by tender, by competitive dialogue, or by private treaty.

The negotiation should be informed by a site development brief, which should not be so prescriptive as to dictate every variable, or as to deflect worthwhile developer interest, but should nonetheless state the key objectives and characteristics sought.

**In the longer term**, it is not part of the remit of this study to design the “institutional architecture” of the RV, and indeed it would be inappropriate at present given the number of variables in play. However, the key issues surrounding forms of incorporation are outlined in table 8.4 below:

**Table 8.4 : Delivery Vehicles Summary of Key Issues**

<b>Form</b>	<b>Key Issues</b>
<b>Company Limited by Shares</b>	Generally a profit distributing company. Will not be able to register as a charity so may not enjoy public confidence Very flexible
<b>Company Limited by Guarantee</b>	Wide use in the not-for-profit sector Can register as a charity Likely to enjoy more public support than a Company Limited by Shares Comparatively easy to change constitution Very Flexible
<b>Co-operative IPS</b>	Significant public support in some quarters Difficult to involve statutory bodies Less Flexible
<b>Community Benefit IPS</b>	Alternative to guarantee companies offering many of the same advantages Recently acquired ability to lock in assets. Less Flexible
<b>Limited Liability Partnership</b>	Hybrid between traditional partnerships and limited companies Lack of outside regulation and public accountability may be a concern for the community Fairly Flexible

The way forward at present has to recognise, however, a desire to have a short term impact complemented by a longer term strategy. This suggests that the issue is not “unconstituted versus constituted”, but that there are several key issues:

- Any delivery vehicle needs to support 4 key fundamentals: fundability, sustainability, accountability and flexibility.
- Recognising where Sedgefield Borough Council are currently, the unconstituted approach would best support short term objectives.
- Such an approach has been adopted at Cleadon Park, South Shields. This is a residential led regeneration scheme with the Local Authority entering a partnership with an RSL, E5, and private sector developer (Bellway) to deliver a mixed tenure development. Phase plans are promoted to the Local Authority for approval with a base land value to be paid to the LA for each phase, which is expected to be supplemented by overage payments in due course. A similar arrangement is in place at Walker Riverside, Newcastle.
- Thus we would recommend that a number of the components of a constituted delivery vehicle are developed and applied, to ensure that a stronger delivery framework is established which, in turn, will protect the Council and its partners in response to any changes in the policy, planning and strategy frameworks.
- In addition, the approach should remain flexible – up to the point of constitution – to allow for the consideration of any new development vehicles which evolve in the interim.
- Principal among these is the Minority Protection Agreement (sometimes known as a members, stakeholders, shareholders or procedure agreement), which is a binding agreement and supports two main goals. First it regulates the frameworks of how the vehicle will be run; and secondly, each of the stakeholders, including the council are given rights of veto before the vehicle can commit on such key issues as incurring capital expenditure and borrowing, for example. The Minority Protection Agreement has been successfully used by Passmore Urban Renewal in the London Borough of

Newham and Meden Valley Making Places in coalfield areas in the East Midlands.

Both short and long term, it has to be recognised that such a decision depends on a host of factors, including the Council's perception of how appropriate any given solution is given its other commitments, and the nature and timing of the interventions which such a body would be tasked with delivering. It may also be influenced by the governance requirements of external funders (EP, RHB, etc) from whom financial support is to be sought and timescales associated with the establishment of the RV

## **8.6 Short Term Delivery Plan**

In this final section, the consultant team recommend a short term Delivery Plan, for delivery by the Council and its key partners.

It is based on:

- the phasing of projects suggested in chapter 7 (Section 7.1);
- the costs and funding analysis at the start of this chapter (Table 8.1); and
- the discussion of mechanisms and possible project risks in the preceding sections of this chapter.

The resulting plan contains a series of steps needed over the next 3 years together with the estimated costs, which are based on the worst case scenarios in some instances, most particularly in assessing acquisition costs.

In addition, it does not allow for the assumed finance and developers profits. These have not been included as this is intended to provide an overview of the next key steps. The return to a developer and the finance costs of any specific project will vary according to the delivery mechanism.

Table 8.5 set outs a crude income and expenditure programme should all of the specific sites be brought forward. There are likely to be some cost savings should CPO not be required to acquire all the property during site assembly.

In parallel with the delivery of the short term actions it will be necessary to progress work to establish the RV if it is to be operational by the end of year 3. The RV will need to be designed to meet Sedgefield's particular requirements and a clear view on issues of membership, rights of veto, exit strategies, memorandum and articles, etc will need to be decided early on. The form of the RV needs to respond directly to its function and experience suggests that a fully constituted vehicle can take anything from 6 months to 3 years to establish. It is therefore imperative that such work is progressed quickly and an initial scoping study should be commissioned as soon as possible to bottom out these issues.

**Table 8.5 : Years 1 – 3 Broad Order Income and Expenditure**

<b>Project / Activity</b>	<b>Yr 1 (000)</b>	<b>Yr 2 (000)</b>	<b>Yr 3+ (000)</b>	<b>Funding Assumption</b>
<b>Eden Terrace</b>				
<b>Income</b>				
<b>Expenditure</b>	<b>400</b>	<b>400</b>		
Group Repair Scheme	(400)	(400)		SHIP (£800k)
<b>Praxis site</b>			<b>3,330</b>	
<b>Income</b>				
<b>Expenditure</b>	<b>291</b>	<b>1,238</b>	<b>1,409</b>	
Acquisition Costs	(261)	(260)		SBC
Site Brief	(10)			SBC
Procure/Market	(20)			SBC
Agreement / Legals		(10)		SBC / Private
Site Investigation		(10)		Private
Permissions		(20)		Private
Group Repair		(270)		SBC
Demolition		(27)		Private
Construction		(641)	(1,284)	Private
Marketing/Legals			(125)	Private
Sales			3,330	SBC / Private
<b>Ferryhill Station</b>			<b>5,250</b>	
<b>Income</b>				
<b>Expenditure</b>	<b>874</b>	<b>2,895</b>	<b>3,187</b>	
Acquisition Costs	(834)	(835)		Major Regen Cap Prog
Site Brief	(15)			SBC
Procure/Market	(25)			SBC
Agreement / Legals		(10)		SBC / Private
Site Investigation		(15)		Private
Permissions		(30)		Private
Haig St Group Repair		(315)		SBC
Demolition		(195)		Private
Construction		(1,495)	(2,990)	Private
Marketing/Legals			(197)	Private
Sales			5,250	SBC / Private

<b>Project / Activity</b>	<b>Yr 1 (000)</b>	<b>Yr 2 (000)</b>	<b>Yr 3 (000)</b>	<b>Funding Assumption</b>
<b>Stephenson / Faraday St Income</b>				
<b>Expenditure</b>		<b>925</b>	<b>2677</b>	
• Acquisition Costs		(890)	(891)	SBC
• Site Brief		(10)		SBC
• Procure/Market		(15)		SBC
• Agreement / Legals		(10)		SBC / Private
• Site Investigation			(10)	Private
• Permissions			(15)	Private
• Group Repair			(1,608)	Major Regen Cap Prog
• Demolition			(153)	Private
<b>Dale St Income</b>			<b>2,520</b>	
<b>Expenditure</b>	<b>1,686</b>	<b>2,323</b>	<b>987</b>	
• Acquisition Costs	(1646)	(1647)		Major Regen Cap Prog
• Site Brief	(10)			SBC
• Procure/Market	(20)			SBC
• Agreement / Legals	(10)			SBC / Private
• Site Investigation		(10)		Private
• Permissions		(10)		Private
• Group Repair			(12)	SBC
• Demolition		(216)		Private
• Construction		(440)	(880)	Private
• Marketing/Legals			(95)	Private
• Sales			2,520	SBC/Private
<b>Victoria / Hunter St Income</b>			<b>1,960</b>	
<b>Expenditure</b>	<b>646</b>	<b>1,011</b>	<b>870</b>	
• Acquisition Costs	(606)	(607)		Major Regen Cap Prog
• Site Brief	(10)			SBC
• Procure/Market	(20)			SBC
• Agreement / Legals	(10)			SBC / Private
• Site Investigation		(10)		Private
• Permissions		(10)		Private
• Group Repair			(75)	SBC
• Demolition		(23)		Private
• Construction		(361)	(722)	Private
• Marketing/Legals			(73)	Private
• Sales			1960	SBC / Private



## **8.7 Conclusion**

This delivery chapter has concentrated on very specific project based outputs - the scale of costs associated with the proposals in this study, some indication of funding sources, an overview of the risks that might be associated with delivering the proposals, a short term delivery strategy and a discussion of potential future delivery vehicles and it is hoped that this will form the basis for the future delivery of the interventions proposed for Dean Bank, Ferryhill Station and West Chilton. However, consideration must also be given to the raft of other measures that will need to be put in place if truly successful neighbourhoods are to be created. These include neighbourhood management arrangements, maintenance regimes, policing, support for the most vulnerable in the community, programmes to tackle barriers to work, improving educational attainment and lifelong learning, support for the existing community through the regeneration process and support for their continued involvement, etc, etc

This study is only the start of a long journey that will see the eventual regeneration of Dean Bank, West Chilton and Ferryhill Station.



## 9 Glossary of Terms and Acronyms

ADF	Area Development Framework
ATOC	Association of Train Operating Companies
CABE	Commission for Architecture & the Built Environment
CEBR	Centre for Economics & Business Research
CPO	Compulsory Purchase Order
DCA	David Coultie Associates
DCC	Durham County Council
DDC	Derwentside District Council
DFES	Department for Education & Science
EP	English Partnerships
GO-NE	Government Office for the North East
GVA	Gross Value Added (a measure of productivity)
LA(s)	Local Authority (-ies)
LTP	Local Transport Plan – the highway authority’s 5-year integrated transport plan and investment programme (for Durham, prepared by the County Council)
LTP2	The second round of LTPs, submitted in mid-2005
ODPM	Office of the Deputy Prime Minister
OEF	Oxford Economic Forecasting
PCT	Primary Care Trust (health service)
Permeability	Urban design term to describe layouts that are easy to get through and around
PPG3	Planning Policy Guidance Note 3 “Housing”
Q1, Q4, etc	First, fourth quarters of the year (etc)
RSL	Registered Social Landlord (mainly Housing Associations)
RSS	Regional Spatial Strategy
RV	Regeneration Vehicle (company, agency or joint body)
SBC	Sedgefield Borough Council
SHIP	Single Housing Investment Pot (funding source)
SOA	Super Output Area (Census 2001)
SRA	Strategic Rail Authority (role now assumed by Network Rail and Department of Transport)
SRB	Single Regeneration Budget (programmes and expenditure)
SSLP	Sure Start Local Partnership
VFM	Value for Money





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**Sedgefield Borough Council**

**Coalfield Housing Market Renewal Study**

**Options for the provision of financial assistance**

Annex 3

33994

Spring 2005

Prepared by  
Tribal HCH





**SEDGEFIELD BOROUGH COUNCIL**

**COALFIELD HOUSING MARKET RENEWAL**

**OPTIONS FOR THE PROVISION OF FINANCIAL  
ASSISTANCE TO PROPERTY OWNERS**

**May 2005**



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## 1 INTRODUCTION

- 1.1 Sedgefield Borough Council (SBC) is exploring options for replacement of housing in the three small settlements of Chilton West, Dean Bank and Ferryhill, as part of the Coalfield Housing Market Renewal Study.
- 1.2 Clearly, renewal options generated must be practical, affordable and acceptable to key stakeholders: particularly residents in the communities affected and Sedgefield Borough Council.
- 1.3 There are numerous strands of development of a suitable regeneration strategy, this paper focuses on the issue of housing support packages for those residents displaced as a consequence of agreed interventions. Following consultation, the agreed range of support packages will need to be costed and incorporated into the preferred option for the three settlements.
- 1.4 The offer of suitable packages is likely to prove instrumental in gaining community acceptance to the overall programme. SBC will need to ensure packages are appropriate and justifiable in terms of value for money.
- 1.5 Existing home ownership models (outright purchase or Low Cost Home Ownership - LCHO) do not always work in low value areas where there is inevitably a concentration of low income households. Regeneration areas are inevitably linked to low value areas and on-going sustainability requires new models to bridge the gaps between costs and value and meet client side affordability criteria (i.e. affordability to residents).
- 1.6 This report sets out brief details of some models that are suitable for the provision of financial assistance to owner-occupiers affected by regeneration schemes, as in use within the sector.



## 2 CURRENT MARKET PRACTICE

### 2.1 Sedgefield BC current assistance policy

- 2.1.1 The Council's current range of assistance packages are likely to require enhancement in order to meet the needs of residents affected by the market renewal activity.
- 2.1.2 The policy of allocating owners required to move a mixture of 50% interest free equity loans and 50% grant, subject to a comparatively modest overall limit on assistance, is likely to require revision or supplement.

### 2.2 Low Cost Home Ownership (LCHO)

- 2.2.1 The standard RSL low cost home ownership model provides a route to part ownership for those displaced households that cannot afford outright purchase.
- 2.2.2 The RSL providing the replacement dwelling requires a capital grant to fund the proportion of equity not to be purchased by the part owner. A rental is paid on the equity retained by the RSL, typically ranging from 2.5% to 4% of value. The share of equity sold to the part owner would be equivalent to the compensation paid to the owner on acquisition (via a CPO or voluntary basis).
- 2.2.3 The part owner may "staircase" to purchase the remainder of the equity, typically in minimum tranches of 10% at a time, and at the then current market value. There is no obligation on the part owner to purchase more equity.
- 2.2.4 The RSL achieves a return on investment via the rental and may enjoy significant capital gains on the retained equity, if subject to later 'staircasing'. The part owner is responsible for all repairs and maintenance costs.
- 2.2.5 This option would only be viable for displaced owner-occupiers with some income due to the obligation to pay rent.
- 2.2.6 A typical example would be as follows:

<b>Conventional LCHO Model</b>		
		<b>£</b>
a	Market value	120,000
b	Capital cost to RSL	100,000
c	Equity sold (compensation) @ 50%	(60,000)
d	Grant paid to RSL (20% of cost)	(20,000)
e	Balance of cost (funded from loan)	20,000
f	Rental charge (per week) @ 3%	34.62

2.2.7 Clearly the compensation, and hence equity sold, may be lower than £60,000. In the above model for each £10,000 reduction the rental would need to increase by £17.30 per week. In addition, the part owner would need to budget for maintenance and other ownership related costs (insurance, etc), although these costs ought to be broadly similar to the displaced owner's current out-goings.

## **2.3 Variants on basic LCHO model**

2.3.1 The main variant on the above conventional LCHO RSL model involves finding options to defer the rental element, which may not be affordable for the part owner, particularly if the current property is mortgage free and where this new out-going would represent an unaffordable burden.

2.3.2 Deferral of rental would be possible if the RSL providing the new property is prepared to forego this income (used to meet interest payments on debt) either by: anticipation of future capital gains on the retained equity, in return for an increased share of capital gains on the sold equity, or some combination of both elements. The exact balance of the above options to defer rental would depend upon the characteristics of each case, but it is likely that the part owner would need to be prepared to sacrifice some or all of their future equity gain in return for a rent-free share in a new property. This approach can also be used to meet (defer) maintenance costs.

2.3.3 It should be noted that in this example the RSL would have to finance annual interest payments as and when they fall due and therefore rental deferral would require cross-subsidy from other sources until such time as capital gains are realised, which may not be for many years. It would be reasonable to expect RSLs actively engaged in the regeneration, and developing a number of other new properties for sale or rental on conventional terms, to offer a proportion of new LCHO units developed for occupation on a deferred rental basis. It would not be reasonable to expect an RSL to offer this option on a large scale without such opportunities to generate income to support overall cash flow and help meet interest payments in the early years. Capital gains are also uncertain as to both value and timing; this route would therefore present increased risk to RSL partners.

## **2.4 Homeswap**

2.4.1 The 'Homeswap' model, pioneered by the Salford / Rochdale HMRA Pathfinder, involves provision of an interest free equity loan to bridge the gap between equity acquired in a new property by the displaced owner occupier (i.e. compensation received for the property acquired for the regeneration scheme) and the value of the new home provided. A legal charge is placed against the property equivalent to the equity loan.

2.4.2 The basic model involves amortisation (i.e. writing down and eventually writing off) of the equity loan over a period of years, typically ten years. The aim here is to encourage residents to remain in occupation in order to help



stabilise the community and promote achievement of wider regeneration objectives. If the property is sold then the remaining equity loan is repaid, but without interest. The 'write-off' aspect is discretionary and the model is likely to be attractive to residents even if the equity loan is not written off but eventually repaid on sale.

- 2.4.3 This option is attractive to home-owners and should be an effective mechanism for ensuring overall scheme objectives are met. However, 'write-off' of the equity loan is expensive and would require substantial subsidy. Using the figures in the above example, an equity loan of £60,000 would be needed and may be written off (£120,000 value of new provision less £60,000 compensation for the property acquired for regeneration). Of this sum, £40,000 would represent actual expenditure written off (£100,000 construction cost less £60,000) rather than market value gain foregone.

## **2.5 Homebuy**

- 2.5.1 Homebuy involves the displaced owner-occupier using compensation to purchase a 75% equity share in an existing property purchased on the open market. The individual identifies the property that he or she wishes to purchase. An RSL provides an interest free loan for the 25% balance of equity, funded by a Housing Corporation grant.

- 2.5.2 Only existing properties can be acquired with the scheme, exactly 25% of the equity must be purchased by the part owner, and the RSL partner must obtain a grant allocation from the Housing Corporation. However, despite this rigid framework, the scheme can be attractive and more affordable to owners as no rental or interest is paid on the 25% equity share retained by the RSL. On eventual sale the part owner pays 25% of the sale proceeds to the RSL and the RSL recycles the proceeds into a further project.

## **2.6 Enhanced Homebuy / Interest bearing equity loans**

- 2.6.1 Variations on the standard Homebuy model include:

- allowing Homebuy on new build properties if the RSL is able to find an alternative funding source to Social Housing Grant (e.g. use of cash backed reserves or debt);
- advancing a 25% interest-bearing equity mortgage in addition to the 25% interest-free equity loan. This model would require the part owner to fund just 50% of the acquisition cost via a conventional mortgage loan (or CPO / other compensation received). The model, developed by the Joseph Rowntree Foundation, can significantly increase the purchasing power of displaced owners. If the equity loans are provided by the same lender they can be merged into a single loan with a low interest charge. This model can both minimise grant requirement and stretch affordability (e.g. the grant required can be less than half of that for a conventional Homebuy property).

## **2.7 Step Ladder mortgage**

2.7.1 A product marketed by Bradford and Bingley Building Society which involves:

- 100% loan (subject to income);
- 30% of the loan interest free (for ten years);
- remaining 70% interest free for three years, then conversion to a repayment mortgage at a slightly higher interest rate;
- lender takes a share of equity appreciation when realised:
  - first 2% in full;
  - 30% of next 10%.

## **2.8 Revenue top-up to loan repayment**

2.8.1 Funded via a reduced interest rate in order to avoid tax liabilities, this is a simple form of non-repayable subsidy. Payments would normally reduce over time, as income is assumed to rise. The advantage of this model is that the up front PSBR costs of subsidy is more affordable than capital subsidy. Also, payments would cease when the recipient sells and moves, which may provide better value for money for public expenditure. However, an administrative infrastructure is needed to channel subsidy into loan repayments, which makes this option less attractive for smaller scale regeneration projects.

## **2.9 Option Renting**

2.9.1 Similar in concept to an Islamic home finance method, this is a mechanism to facilitate an individual to acquire an interest in a property while occupying it as tenants and paying rent.

2.9.2 An RSL or Special Purpose Vehicle owns the property and receives a deposit from the occupier. The occupier pays a cost rent that reflects the level of deposit made. The occupier has a pre-agreed contractual right to buy on an agreed, normally discounted, basis which reflects the value of the deposit.

2.9.3 Rental attracts more generous Housing Benefit entitlements than mortgage payments which makes this model more suitable for those in low paid employment or at risk of unemployment

## **2.10 Right to buy repurchase**

2.10.1 A useful model for regeneration schemes involving refurbishment of former local authority owned properties where owners can no longer afford the burden of owner occupation.

2.10.2 The property is repurchased from the owner on the basis of the net present value of the future cash flow (net rent) to be derived from the property post rehabilitation, probably representing a discount to open market value.

2.10.3 In return for foregoing some capital on acquisition, the former owner reverts to a secure or assured tenancy paying an affordable rent. The owner would need to prove eligibility for social housing on the RSL's / local authority's normal allocation criteria.

## **2.11 Equity release / equity loans**

2.11.1 There is a well developed market in equity release / equity loan products which can be appropriate for households where renovation schemes are proposed and require funding, particularly where these lead to an increase in value.

2.11.2 Such products normally involve sale of equity to an insurance company in return for a lump sum or income. Interest can be deferred, although this can result in rapid erosion of equity.



### **3 COSTS, RESOURCES AND POWERS**

- 3.1 The suitability of the various options outlined will of course vary depending upon the exact nature of interventions, the current tenure mix, prevailing market values and the cost of re-provision.
- 3.2 Some schemes, e.g. Homeswap are attractive to residents but expensive to operate.
- 3.3 Repayable equity loans may be expensive in the short to medium term, but offer the near certain prospect of full repayment in future years.
- 3.4 Schemes operated in conjunction with RSLs are likely to be particularly attractive. In effect, there is an opportunity to lever some of the balance sheet capacity of the RSL to bridge the gap between the advance and repayment of equity linked loans. As part of a mixed package that provides the RSL with more 'profitable' scheme development, it should be possible to obtain co-operation from a financially strong RSL. However, it should be noted that some schemes will also require a source of capital grant or subsidy (e.g. Homebuy).
- 3.5 Legal powers (e.g. re: local authority funding) for engagement in provision of displacement packages would need to be established, but new powers granted to local authorities under the Regulatory Reform Order and Housing Act 1996 provide considerable scope to support and fund action either via RSLs or direct.

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**Sedgefield Borough Council**  
**Coalfield Housing Market Renewal Study**  
**Consultation Handover Briefing Note**

Annex 4

33994

Winter 2005

Prepared by  
WoodHolmes Group





## Sedgefield Coalfield Housing Market Renewal

### **Consultation Handover Briefing Note**

#### **Introduction**

This note has been prepared as a result of conversations held at the Coalfield Housing Market Renewal Steering Group on the 18th October 2005.

#### **Issues**

As the study approaches its final stages there are requirements to consult with each settlement community on the options that are being put forward for their settlement and to ensure that this consultation is seen as the start of the process. This implies careful planning of the consultation approach along with organisational alignment activities to ensure a consistent, fair and inclusive approach is adopted.

Sedgefield Borough along with the consultancy team have strived to develop and obtain, as far as is practicable, all of the information that those affected by the proposals will require.

It is vital for the programmes forward momentum that forward consultation and communication be well thought out and planned

#### **Settlement Overview**

Each of the three settlements (Dean Bank, Ferryhill Station and Chilton West) will require different consultation approaches given the nature of the interventions proposed at each location. In addition, there will also be common elements required across the settlements.

#### **Dean Bank**

We are aware that some owner occupiers will be impacted by proposals and this will need to be addressed. Also, the residents of Dean Bank are keen to see a planning for real model or VR model which visualises the proposals developed.

#### **Ferryhill Station**

The engagement approach to date has very much been focussed on the remaining owner occupiers in the rows. This should probably continue.

#### **West Chilton**



The scale of proposed intervention in West Chilton is larger than the other settlements. At this stage it is unclear as to how many owner occupiers v private rented properties are impacted and this will need to be accurately pinned down. The dominance of private rented properties here will require engagement with landlords. The Borough will also need to assess any duty of care it has toward tenants in private rented property.

### **Planning the Consultation - Methodology**

We would propose to use the remaining time element to hold half day brainstorming workshops with steering group residents from each of the settlements, along with key stakeholders from Sedgefield Borough, Three Rivers Housing etc.

The workshop has two objectives:

- To revisit proposals so that all involved can understand and translate why certain things are happening and when.
- To design a forward consultation process which tackles the issues, is inclusive as possible and mitigates

We would undertake to write the outputs of the workshop up and place them into a practical work programme.

### **Key Questions**

The key questions/issues that the workshops will need to address would be:

Who is affected? How and when do we approach them?

Do we understand the project phasing?

What Materials do we need? Eg large scale plans, Planning for Real model, 3D VR model?

What are the cost implications?

Do we have a single point of contact? If so where are they based? Onsite ?

Do we have mechanisms of engagement with private landlords?

Is the project phasing and finance clear? eg can we consult on phases which are scheduled to take place in 10 years. What impact would this have on housing market?



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**Sedgefield Borough Council**  
**Coalfield Housing Market Renewal Study**  
**Delivery Mechanisms Review**

Annex 7

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Winter 2005

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## Delivery Mechanisms – Review

The following table illustrates how role can define the range of legal structures available:

Overall Role	Role of Vehicle	Options	Implications/Possibilities
Involvement in housing ownership/ management	Owning Housing Stock	New Stand alone RSL	Needs to own sufficient units for Housing  <b>Corporation to register</b>  Financial Viability  Likely to be either charitable Industrial and Provident Society (IPS) or charitable Company Limited By Guarantee (CLG)
		Subsidiary of existing RSL	More flexible in terms of units  Again would need to register with Housing Corporation  Financial viability remains issue  Again likely to be charitable IPS  or charitable / non charitable CLG  Some flexibility as to form
		Non-registered housing company	Unlikely to succeed in current climate –  ODPM likely to require on HC registration
	Not owning stock	Involvement in housing management	Non registered  subsidiary managing housing on behalf of RSL owner; or TMO model exercising right to manage
Neighbour-hood Management Organisation	Resident service organisation	Fully mutual co-op	Unlikely to easily facilitate stakeholder partners  Popular structure with resident activists  Able to deliver services
	Regeneration delivery body	CLG	Non charitable CLG will give maximum flexibility but may be less tax efficient  Charitable CLG will be restricted to charitable purposes
		Community benefit IPS	Much the same possibilities as CLG though at present less flexibility as to structures
Wider Strategic	Urban regeneration company	Often CLGs	Would require approval from ODPM and require a wider strategic approach
	Urban Development Corporation	Created by government legislation	Only recently revived by ODPM; unlikely to be an option here due to scale of area; also politically contentious

Despite the wide array of descriptions, there are in reality a relatively small number of distinct structures available to any new organisation.

The first key decision when considering a new organisation is the question of whether or not to incorporate the new body in some way.

## **1 Advantages of Incorporation**

The main advantage of incorporation is that it creates a new legal identity and therefore protects the members of the organisation from liability. It can therefore enter into contracts and own assets without exposing members to personal liability.

Incorporation can also increase confidence in the new organisation. If the new organisation were a company then it would be regulated by Companies House. If it becomes a charity, it will be regulated by the Charity Commission. Both of these increase the transparency of the organisation as the public have a right to inspect certain documents of both companies and charities and regulation introduces a further degree of confidence.

Incorporation also creates a new identity, which other organisations and residents may take more seriously.

## **2 Disadvantages of Incorporation**

Incorporation can take time and there are costs involved. There are fewer administrative burdens for an unincorporated body as there is no requirement for publishing information or making returns to a regulator. In certain circumstances informality can be an advantage.

If the new organisation wishes to enter into contracts, acquire assets (particularly property), employ people, provide or buy services or deliver major projects itself then it will be better protected in all of these circumstances if it is incorporated as a separate organisation. Incorporation is often a significant step for fledgling neighbourhood governance vehicles that adds to their ability to make an impact.

## **3 Options for the Regeneration Vehicle**

The main options to consider are as follows and are outlined in greater detail below:

### **3.1 Unincorporated Bodies**

- Unincorporated Association
- Trust
- “Legal” Partnership

#### **Unincorporated Association**

An unincorporated association is an organisation of two or more people who are working together for a common purpose, not for profit. Many clubs, societies and other informal groups would fall into this category. The association can have a constitution, may have a management committee and can even be suitable for registering as a charity.

In this option, no new separate legal body is created and so any property will be held by the members of the association and any contracts will be entered into by individual members of the association who will therefore be liable under those contracts. Where the new organisation is proposed to have substantial activities, this is therefore not a suitable form to be used. Many residents’ associations are unincorporated associations, and this clearly limits their potential role.



## **Trust**

A trust is formed where a number of people who are known as “trustees” hold money or property on “trust” for a specific purpose for the benefit of others.

There will generally be some governing instrument or deed which will set out the responsibilities of the trustees and the purpose of the trust. The trustees have a personal duty to make sure that the money or property is used only for the purposes laid down in the governing instrument. Trusts are subject to a fairly complex legal regime. They can be registered as charities if the purposes of the trust are recognised by the Charity Commission as being charitable. This is a suitable form for grant making organisations but not those carrying out commercial or service delivery activities as again in those circumstances the trustees will be personally liable.

## **Legal Partnership**

A legal partnership is formed where two or more individuals come together to operate as a business with a view to making a profit. Each of them will be entitled to a share in that profit. This arrangement is subject to some legal regulation, but there is no requirement for publishing any information about the partnership. It is only suitable for an organisation which intends to trade for profit making purposes and where the individuals involved are prepared to be liable.

## **3.2 Incorporated Bodies**

- Private Company Limited by Shares
- Private Company Limited by Guarantee
- Industrial and Provident Society
- Limited Liability Partnership

### **Company Limited by Guarantee**

This is the usual vehicle for non-profit making organisations, including charities which are companies. It is a well known vehicle which is recognised by funders. A company limited by guarantee cannot distribute profits to its members. The members of the company undertake to pay a nominal sum (usually £1) in the event of the company being wound up and this sum is the limit of their liability. It has a two-tier structure with members making up those who “own the company” and directors who are responsible for its management.

A limited company can hold property, can employ staff and carry out the full range of legal functions. It is relatively straight forward to set up, but will be regulated by Companies House and subject to company law. If it is registered as a charity, it will also be subject to regulation by the Charity Commission. It can form part of a group structure.

Many community based organisations have chosen this structure. The structure provides a means of undertaking the full range of regeneration initiatives, with a separate legal identity giving a strong focus for the community.

### **Company Limited by Shares**

This is the usual vehicle for profit making trading organisations. There is a similar two-tier structure except that, with a share company, the owners of the company are referred to as “shareholders” and their liability will be limited to the extent of their share in the company. There will be directors who will manage the company. This is not a form which is suitable for charitable registration. It may, however, be appropriate in some regeneration contexts as an alternative to a guarantee company where, for example, commercial companies wish to establish joint venture vehicles for regeneration purposes.

## **Community Interest Companies**

Community Interest Companies (CICs) are a new variation on the company structure with 2 key new features; an “asset lock” to prevent conversion to a profit distributing body, and the ability to raise some equity finance in a non profit making context. It appears likely from the draft regulations that CICs may be subject to significant intervention by the proposed regulator, which may be a disadvantage of this new format.

## **Industrial and Provident Society**

There are two types of industrial and provident society (“IPS”); the co-operative and an organisation set up for the benefit of others in the area. As with companies limited by guarantee an IPS must be a non-profit making body. It will have a similar two-tier structure with members and a committee who are responsible for management.

An IPS is, however, less flexible than a company limited by guarantee in that it has a less flexible membership structure. Registration is a costlier and more complex process, and often model rules must be used to satisfy the regulator, the Registrar of Friendly Societies. It should be noted that recent changes to the law mean that assets owned by a IPS set up for the benefit of the community can be “locked in” to prevent them ever passing back into private ownership.

## **Limited Liability Partnerships**

Limited Liability Partnerships (LLPs) are a kind of hybrid between traditional partnerships and limited companies. They offer some of the protection of limited liability in that a new body corporate, the LLP, is created, and it is this body corporate that enters into contracts with third parties. Like a company, the LLP has to file annual accounts with Companies House, and company insolvency rules apply to the LLP. However, the LLP also has some characteristics of a partnership, in that the LLP itself is not liable to tax; the members are liable for tax on the income that they draw from the LLP. The constitution of the LLP can remain confidential between the members and it is for the members to decide how decisions are taken.

Some organisations involved in housing and regeneration have begun to use the LLP vehicle, particularly in relation to joint ventures with the private sector. If tax efficiency and the ability to draw an income from the work of the LLP were to be significant factors in choosing the vehicle, then the LLP model would merit further consideration.

The key principle in establishing any vehicle is that the form (outlined in the list above) must follow function. In helping to consider its function the following questions are worth considering:

- What activities are proposed and is the vehicle suitable to achieve them?
- Will the new vehicle be entering into contracts and, if so, how will members be protected from liability?
- Will the new vehicle be involved in owning housing stock, or in managing housing?
- Will a new identity help focus those involved?
- How easy will a new organisation be to set up and keep changing?
- Will the new organisation be trading, and thus need to be tax efficient?
- How will the new organisation be accountable to the community?

In considering leadership we would also include the prioritisation of delivery. The management of concurrent projects presents difficulties. The resource demands are often underestimated, with active and continuous community engagement a factor to specifically address.



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# Item 6

KEY DECISION

REPORT TO CABINET

13<sup>th</sup> July 2006

REPORT OF DIRECTOR OF  
NEIGHBOURHOOD SERVICES

## Portfolios – Social Regeneration and Partnership, Safer Communities and Housing

### OLDER PRIVATE SECTOR HOUSING REGENERATION - DEVELOPING THE CAPACITY TO DELIVER HOUSING RENEWAL

#### 1. SUMMARY

- 1.1 The Council has identified the three priority communities of Chilton West, Dean Bank, Ferryhill and Ferryhill Station for intervention through housing renewal, each area has a significant proportion of predominately pre 1919 terraced housing and is facing the issue of falling or static house prices, often high levels of empty homes, increased private landlord ownership and deteriorating quality of life for residents.
- 1.2 The Council appointed Llewellyn Davis in April 2005 to carryout a master planning exercise for the three priority communities. The master planning exercise was undertaken with resident involvement at its centre and its findings have suggested a number of interventions focused around the following themes:-
- Selective demolition.
  - New build to diversify housing stock and tenure in the communities.
  - Group Repair Schemes to improve housing that will be retained.
  - Improved environment including open spaces, car parking and other interventions to improve the movement of people through communities whilst maintaining natural surveillance.
  - Targeting long-term individual empty properties and derelict sites for intervention.
  - Tackling Anti Social Behaviour (ASB) linked to improved management of the private rented sector.
  - Maintaining effective community, partner engagement and support
  - Bending other mainstream resources to support the delivery of the programme.
- 1.3 The delivery of these interventions are subject to the availability of resources from a range of sources including the Council's Major Regeneration Capital Programme, Single Housing Investment Pot (SHIP) monies and any other public funding that could be attracted to the programme.

- 1.4 The Council has experience of a large housing led regeneration project in the past at Bessemer Park, Spennymoor where the majority of the housing stock was in Council ownership. The Council has, however, only limited experience of delivering intervention in areas where the majority of the housing stock is privately owned as in New Shildon and Ferryhill Station. The experience of intervening in these areas has shown that this is a resource intensive process due to the need to work with numerous individual owners, partners and other stakeholders. The lead in times to the delivery of interventions can be significant. Whilst we can begin to deliver some limited interventions with existing staff we will need to strengthen our operational capacity to deliver significant change in the priority communities.
- 1.5 The report takes account of the policy agenda around housing renewal, the potential impact of these issues on the Council's future performance under the new Comprehensive Performance Assessment regime and changes to the "tools" available for intervention in recent legislation. The report recommends increasing the capacity of the Community Services Division of the Neighbourhood Service Department to enable the delivery of housing renewal in the three priority communities.
- 1.6 In highlighting the need to maintain an effective community and partner engagement and support the master plan interventions we have recognised the learning points from past experience in regeneration. Physical interventions must be underpinned by interventions that sustain community cohesion and facilitate positive engagement between the community and the Council. A separate report will be presented on this matter setting out the rationale and funding proposals for this new function.
- 1.7 Whilst the symptoms of housing market failure are acute in the three priority communities there are signs of emerging housing market stress in some other areas of the Borough, which have a high proportion of older terraced housing. The restructuring proposed in this report additionally allows the Council to position its self to deliver non-capital interventions in these other communities to prevent further deterioration. The recently completed review of the regeneration of Neighbourhoods with Older Private Sector Housing undertaken by a sub group of Scrutiny 3 made a number of recommendations that have been considered in developing this report.

## 2. **RECOMMENDATIONS**

1. That the following posts be added to the establishment: -
  - Private Sector Renewals Manager POC
  - Senior Private Sector Renewal Officer SO1
2. That the Chief Executive Officer approve the following which relate to posts up to Scale 6 subject to agreement of this report by Cabinet: -
  - Private Sector Renewal Officer Scale 6 x 2
  - Private Sector Renewal Support Officer x 1 Scale 3
  - Private Sector Licensing Officer Scale 6
  - Private Sector Licensing Support Officer Scale 3.
3. That a separate report is presented on the new role in relation to community cohesion and engagement with the Council, and funding options.

### 3.1 **STRATEGIC CONTEXT**

3.1.1 The issue of failing housing markets in areas of older private sector terraced housing is not one that just faces Sedgefield Borough. The issue was identified in the late 1990s and led to the establishment of a Government Policy Action Team which reported in 1999. A direct result of this report was the establishment of the Housing Market Renewal Pathfinder programme in 2000. The pathfinder programme operates in 9 areas in the Midlands and North. It was clear however failing housing markets were not just limited to the large Pathfinder areas but is also an issue facing numerous smaller communities with many across the North of England. This emphasis on housing market renewal has continued through the development of the Government's approach to delivery of Sustainable Communities. The Government further strengthened its commitment to regeneration and housing renewal in the North of England through the development of the Northern Way Growth Strategy 2004. There has been increased emphasis on housing renewal in a number of key regional policy documents including the Regional Housing Strategy, Regional Spatial Strategy and the Regional Economic Strategy. A number of regional and sub regional studies have been commissioned to develop the evidence to support the case for intervention in areas other than the Pathfinders. This has resulted in the establishment of a number of sub regional cross authority partnerships which are beginning to develop approaches to interventions in the areas of housing market failure.

3.1.2 The County Durham Coalfields Housing Renewal Partnership was established in 2003 and brings together the County Durham local authorities, English Partnerships and other key stakeholders. The Partnership has commissioned a number of key studies into housing market failure in County Durham to identify the priority communities for intervention. This has formed the evidence base to allow the district authorities to work with English Partnerships to develop a funding submission to the Government to support intervention in these communities. This work is a long-term project linked to the next Comprehensive Spending Review to be carried out in 2007. The work of the partnership was the subject of a report to Cabinet early this year. The Partnership has been successful in attracting resources from the Regional Housing Board over with £300,000 being awarded in 2004/5 and £600,000 in 2005/6 to Sedgefield Borough. A funding submission has been made for the next two financial years by the Partnership, which has attracted funding in the order of £2.5m over this period into the Borough.

3.1.3 The studies carried out by the Partnership have been strategic in nature however in order to assist our priority communities the Borough Council has also developed a more focused approach for planning interventions. A master planning study was commissioned in April 2005 by Council to produce detailed interventions for Dean Bank, Ferryhill Station and Chilton West. The master planning exercise was undertaken by Llewellyn Davies with resident involvement at its centre and its findings have suggested a number of interventions focused around the following themes: -

- Selective demolition.
- New build to diversify housing stock and tenure in the communities.
- Group Repair Schemes to improve housing that will be retained.
- Improved environment including open spaces, car parking and other interventions to improve the movement of people through communities whilst

maintaining natural surveillance.

- Targeting long-term individual empty properties and derelict sites for intervention.
- Tackling Anti Social Behaviour (ASB) linked to improved management of the private rented sector.
- Maintaining effective community, partner engagement and bending other mainstream resources to support the delivery of the programme.

3.1.4 In recognising the need to maintain an effective community and partner engagement and support the master plan interventions have recognised the learning points from past experience in regeneration in Sedgefield Borough and other schemes across the country. Physical interventions must be underpinned by interventions that sustain community cohesion and facilitate positive engagement between the community and the Council. A separate report will be presented on this matter setting out the rationale and funding proposals for this new role.

### 3.2 **LEGISLATIVE FRAMEWORK FOR HOUSING RENEWAL**

3.2.1 Delivering area-based renewal will require the use of new and existing legislative tools. The tools for effective area based housing renewal have recently been strengthened through the introduction of a number of new pieces of legislation including the Planning and Compulsory Purchase Act 2004, the Housing Act 2004 and the Clean Neighbourhoods and Environment Act 2005. These have introduced changes to compulsory purchase with a focus on regeneration, powers to license private landlords linked to tackling low demand and Anti Social Behaviour (ASB).

### 3.3 **DEVELOPING THE CAPACITY TO DELIVER HOUSING RENEWAL**

3.3.1 The delivery of housing based renewal will require the strengthening of a range of working arrangements including: -

- Strategic procurement
- Management of community and partner relationships
- Cross Departmental working arrangements

These strategic arrangements must be underpinned with operational staff to deliver the interventions in local communities.

3.3.2 The Council has limited experience in New Shildon and Ferryhill Station of delivering intervention in areas where the majority of the housing stock is privately owned. The experience of intervening in these areas has shown that this is a resource intensive process due to the need to work with numerous individual owners, partners and other stakeholders. The lead in times to the delivery of interventions can be significant.

3.3.3 The Home Improvement Agency has assisted in the delivery of some strategic interventions such as Group Repair Schemes and selective clearance at Ferryhill Station. However, increasingly, its focus is around the delivery of assistance to vulnerable households and its capacity to support more strategic interventions is now very limited.



- 3.3.4 In order to implement elements of the master plan we propose to increase the capacity within the Community Services Division of the Neighbourhood Service Department to enable the delivery of housing led renewal of the three priority communities.
- 3.3.5 There will also be a need to refocus the activity of some other service areas within the Neighbourhood Services Department to support the delivery of the strategic objectives for intervention, for example the deployment of Neighbourhood Wardens, CCTV, environmental services activity etc.
- 3.3.6 The report presents phased options to develop the capacity to deliver interventions in the priority communities and in areas of older private housing which are beginning to show signs of housing market stress. This includes:
- Developing a Private Sector Renewals Team
  - Selective Licensing of the Private Rented Sector

Staffing structures (including brief summaries of the duties of each proposed post) and the revenue costs are set out in Appendix 1.

#### 3.4 Private Sector Housing Renewals Team

- 3.4.1 The establishment of the Private Sector Housing Renewal Team will be linked to the level of capital resources available and the ability to capitalise the salary costs for the team. The table below sets out the predicted level of capital expenditure available over the next three years including estimates of the amount of income from land sales, based on the initial findings of the master plan study.

Funding source	2006/07 £000's	2007/8 £000's	2008/9 £000's	Total £000's
Major Regeneration Capital Programme,	1,600	3,000	3,000	7,600
Single Housing Investment Programme (SHIP)	400	600	1,000*	2,000
County Durham Coalfield Communities Resources	-	-	**	-
Total	2,000	3,600	4,000	9,600
Private Sector Leverage (Income from land sales/overage)	-	<b>1,000 ( The Rows, Ferryhill Station)</b>	<b>2,000 (Praxis Dean Bank)</b>	<b>3,000</b>
Total Expenditure	2,000	4,600	6,000	9,600

\* Subject to a further SHIP bid

\*\* Amount to be determine subject to the outcome of a bid as part of the comprehensive spending review

3.4.2 The table below is an indicative programme of work based on the initial findings of the master plan.

Programme element	2006/07 £000's	2007/8 £000's	2008/9 £000's
Eden Terrace GRS	400	0	0
Haig Street	600	200	0
Ferryhill Station Relocation Grants/CPO	500	1,000	0
Chilton	500	1,500	1,100
Dean Bank	-	1,000	3,000

3.4.3 The Private Sector Housing Renewals Team would be responsible for the delivery of physical interventions across the three priority communities. The team would also work with the Environmental Health and Planning sections to take forward tackling the issue of long term empty private sector housing and derelict sites across the Borough on the basis of agreed protocols, using the existing legal powers available to the Council. This would move the Council towards a proactive approach in line with good practice to tackling these issues rather than adopting a “keep it secure and tidy”.

It is proposed that the Private Sector Renewal Team would consist of following posts: -

- Private Sector Renewals Manager POC
- Senior Private Sector Renewal Officer SO1
- Private Sector Renewal Officer x 2 Scale 6
- Private Sector Renewal Support Officer x 1 Scale 3

3.4.4 The **Private Sector Renewals Manager** would be accountable to the Housing Strategy Manager and would be responsible for the management and direction of the private sector renewal team and management support for the Home Improvement Agency.

3.4.6 The **Senior Private Sector Renewal Officer** would be responsible for the operational delivery of the programme’s interventions including group repair schemes, selective demolition, liaison with contractors, and residents groups etc. The post holder would support and deputise for the Manager and would have a supervisory role for the team.

3.4.7 **Private Sector Renewals Officers** would be responsible for the surveying of properties, working with residents affected by group repair or selective demolition to ensure the best outcome for each resident including the provision of assistance to access alternative suitable accommodation. These post holders would have particular focus on developing and delivering relocation packages for residents affected by selective demolition. The post holders would also lead on the development of alternative funding mechanisms for residents wishing to carry out property improvements this would be linked clearly to the work of the Home Improvement Agency. The Council has attracted additional funding to the amount of £32,500 as Systems and Access Capacity Grant to support this area of work.

3.4.8 **Private Sector Renewal Support Officer** would ensure that effective client and programme records are maintained along with financial data to ensure the efficient operation of the programme and the completion of relevant statutory returns etc.

3.4.8 It proposed that only a single Private Sector Renewals Officer post is recruited at present with the subsequent post being filled to support the delivery of the increased capital programme from 2007/8 onwards.

### 3.5 **Selective Licensing of the Private Rented Sector**

3.5.1 There is clearly concern about the conduct of private landlords' tenancies in a number of communities across the Borough. This issue has been identified by Resident Associations, local ward members, the Police, the Crime and Disorder Reduction Partnership etc as an area where intervention is regarded as strategically important in supporting communities suffering the affects of low demand and housing market failure.

3.5.2 The Housing Act 2004 introduced the discretionary power to license private landlords where this would assist with tackling the issues of low demand and/or ASB. The power is selective i.e. area based and its introduction would be subject to a formal consultation and declaration process. In April 2006 secondary legislation brought the powers into force. Declaration of a licensing scheme is likely to take a minimum of six months. Any licensing scheme would last 5 years but the Council can determine the duration of the individual property licenses, which could be a period of less than the 5 years. The Government has decided not to cap the fee for such licenses although section 63 of the Act provides for such a power. The Local Government Association is working with a number of local authorities to develop a number of possible models for license fees. The introduction of selective licensing would require the establishment of a selective private licensing team. It is proposed that selective licensing of the private rented sector would be implemented in the priority communities of Dean Bank, Ferryhill Station and Chilton West where it would make a direct contribution to the sustainability of the master planning interventions. A number of other areas of the Borough are showing signs of housing market stress including parts of New Shildon, Spennymoor and West Cornforth and selective licensing would make a direct contribution to ensuring a sustainable future for these Neighbourhoods.

3.5.3 If a fee of approximately £70 - £80 per year was charged this would generate an income of between £280,000 - £320,000 over 5 years, sufficient to meet the majority of the costs of introducing and staffing the scheme. The numbers of private landlords operating in the Borough does vary overtime. Whilst these figures are based on the current numbers in the Borough, at the point of declaration the number of privately rented properties requiring licensing may reduce or increase, this will impact on the level of income. Fee income in the first year of operation will be dependant on the date of declaration of the licensing areas and there may therefore is a delay in the receipt of the income. As a result, there may be a requirement to accrue income in the first year. The selective licensing team would consist of:-

- Private Sector Licensing Officer Scale 6
- Private Sector Licensing Support Officer Scale 3

- 3.5.4 The **Private Sector Licensing Officer** would be responsible for the implementation of the licensing scheme including enforcement of scheme conditions, liaison with private landlords, tenants, Police and other partners.
- 3.5.5 The Private Sector Licensing Support Officer would be responsible for the administrative operation of the scheme including maintaining the register of licensed properties, invoicing of landlords for issuing of licenses and all other administrative matters.
- 3.5.6 The Service Development and Integration Officer has experience of working on a range of private sector housing related issues since joining the Community Services Division in April 2004. It would be appropriate that management responsibility for the selective licensing of the private rented sector would rest with this officer. Additionally the post holder has assisted in the management and delivery of the SHIP budget and has experience of Compulsory Purchase and would assist the Private Sector Renewals Manager in these areas of work. The changes proposed in this report to the post of Service Development and Integration Officer will require the post be subject to re evaluation to reflect the additional duties and responsibilities.
- 3.5.7 In order to implement selective licensing there is a need to recruit the staffing team, in order to prepare for the declaration of the licensing scheme. The selective licensing provisions of the Housing Act 2004 will be implemented from April 2006.

### **3.6 Job Evaluation**

- 3.6.1 The posts within the Private Sector Renewal Team and the Private Sector Licensing Team have been subject to job evaluation and the grades agreed. The posts of Housing Strategy Manager, Private Sector Renewals Manager and Service Integration and Development Officer have been subject to re evaluation. The following changes in grades have been identified through this process: -
- Housing Strategy Manager - P03 to P04
  - Private Sector Renewal Manager – No change
  - Service Development and Integration Officer – S01 to S02
- 3.6.2 The revenue costs of implementing these changes will be met from capital fees or license fee income.

## **4. RESOURCE IMPLICATIONS**

- 4.1 It is proposed that the majority of the costs of implementing these proposals be met from fees on capital or licensing fees and the proposals are summarised below including the impact of job evaluation in relation to the posts of Housing Strategy Manager and Service Development and Integration Officer. The fee rate in relation to capital will be in the region of 5.5%. The full resource implications of these proposals are set out in Appendix 1.

<b><u>Private Sector Renewals Team</u></b>	<b>Expenditure</b>		
	<b><u>2006/2007</u></b>	<b><u>2007/2008</u></b>	<b><u>2008/2009</u></b>
<b>Employee Costs:</b>	<b>116,010*</b>	<b>153,470</b>	<b>163,280</b>
<b>Other Costs</b>	<b>27,900</b>	<b>29,800</b>	<b>31,700</b>
<b>Total Expenditure</b>	<b>143,910</b>	<b>183,270</b>	<b>194,980</b>
<b>Income:</b>			
Systems and Access Capacity Grant	<b>32,500</b>	<b>0</b>	<b>0</b>
Fees	<b>111,410**</b>	<b>183,270</b>	<b>194,980</b>
<b>Net Cost</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*Note only one post of private sector renewals officer recruited for 2006/7

\*\*Fees charged on capital sufficient to meet operational cost of the team only.

### **Selective Licensing**

	<b><u>2006/2007</u></b>	<b><u>2007/2008</u></b>	<b><u>2008/2009</u></b>
<b>Employee Costs:</b>	<b>46,940</b>	<b>51,050</b>	<b>54,560</b>
<b>Other Costs</b>	<b>8,800</b>	<b>9,500</b>	<b>10,200</b>
<b>Total Expenditure</b>	<b>55,740</b>	<b>60,550</b>	<b>64,760</b>
<b>Income:</b>			
License Fees*	<b>(56,000)</b>	<b>(56,000)</b>	<b>(56,000)</b>
<b>Net Cost</b>	<b>(860)</b>	<b>3,950</b>	<b>8,160</b>

\*Indicative licensing fee income

## **5. CONSULTATIONS**

- 5.1 The Master Planning Study carried out by Llewellyn Davis had at a clear focus on community consultation and engagement. Extensive consultation was carried out with the Residents Associations, local ward members, partners including the relevant Town Councils, and private landlords.

## **6. OTHER MATERIAL CONSIDERATIONS**

### **Links to Corporate Objectives/Values**

- 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 mirror those of the Community Strategy and the delivery of the physical interventions for the priority communities will require an increase in operational capacity.
- 6.2 **Risk Management**  
The key risk associated with the staffing of the programme is that receipts from future land sales do not yield the return that was originally forecast. The staffing complement for the programme will be recruited on a phased basis to minimise the financial exposure of the Borough Council. In addition the recruitment of staff is conditional upon

the Council's ability to "capitalise" the salary costs for the posts associated with the delivery of capital interventions.

The availability of funding through the bid to be made to the Government via the Durham Coalfields Housing Renewal Partnership is not confirmed and remains a risk factor that can be mitigated by the use of partnering arrangements to maximize income from land sales and overage on new house sales.

6.3 Health and Safety

There are no additional health and safety implications over and above those for existing staff of the Borough Council.

6.4 Equality and Diversity

Full account will be taken of the Borough Council's obligation to promote equity and diversity both in the recruitment of staff and the in the process for developing projects through the Major Regeneration Capital Programme.

6.5 Crime and Disorder

The implementation of the housing renewal in these communities and more specifically the licensing of the private rented sector will contribute to the delivery of the Council's duty under Section 17 of the Crime and Disorder Reduction Act 1998

6.5 Legal & Constitutional

The use of Compulsory Purchase Orders to deliver the master plan can only be achieved by joint working with the Council's Legal Services.

6.6 Social Inclusion

Every effort will be made to ensure that through the delivery of housing led regeneration of areas of older private sector housing is utilised to promote social inclusion. The major investment strands of the programme will be aimed at areas of greatest disadvantage.

No other material considerations have been identified.

7. **OVERVIEW AND SCRUTINY IMPLICATIONS**

- 7.1 A sub group of Overview and Scrutiny Committee 3 has completed a review of the interventions available to deliver the regeneration of Neighbourhoods with older private sector housing. The review was accepted by Overview and Scrutiny 3 on the 8th November 2005 and will be considered by Cabinet on the 16th February 2006. This proposed restructuring in this report takes account of the recommendations of the review.

8. **LIST OF APPENDICES**

- 8.1 Appendix 1 Staffing costs and structures  
Appendix 2 Details of proposed programmes linked to the master plan study

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**Wards:** Chilton, Ferryhill, Broom

**Key Decision Validation:**

The proposal set out in the report 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.]  
Policy Action Team Report 7 Unpopular Housing ODPM  
Relocation Packages – Report to Management Team 7<sup>th</sup> November 2005  
Regeneration of Neighbourhoods with Older Private Sector Housing. Report of Overview and Scrutiny 3  
Draft Master Planning Study – Llewellyn Davies November 2005  
Northern Way Growth Strategy 2004 ODPM  
Regional Spatial Strategy 2005  
Regional Housing Strategy 2005  
Regional Economic 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 Staffing costs

### Delivering Private Sector Housing Regeneration Initiatives Team

	<u>Grade</u>	<u>Expenditure</u>		
		<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>
<b>Employee Costs:</b>				
Private Sector Renewal Manager	POC	38,300	39,800	41,400
Senior Private Sector Renewal	SO 1/2	29,600	31,900	34,200
Private Sector Renewal Officer	Sc 6-SO1	26,650	28,650	30,800
Private Sector Renewal Officer	Sc 6-SO1	-	28,650	30,800
Admin Support Officer	Sc 3	18,700	19,900	21,200
Housing Strategy Manager (Job evaluation)	P04	1,100	2,900	3,200
Training		1,500	1,500	1,500
Employee Related insurances		160	170	180
		<b>116,010</b>	<b>153,470</b>	<b>163,280</b>
<b>Income</b>		<b>-143,910</b>	<b>-183,270</b>	<b>-194,980</b>
<b>Other Costs</b>		<b>27,900</b>	<b>29,800</b>	<b>31,700</b>
<b>Total Expenditure</b>		<b>-</b>	<b>-</b>	<b>-</b>

### Selective Licensing

	<u>Grade</u>	<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>
Licensing Officer	Sc 6/SO2	26,700	28,700	30,800
Licensing Administrative Officer	Sc 3	18,700	19,900	21,200
Service Development & Integration Officer (Job evaluation)	SO2	800	1,700	1,800
Training		600	600	600
Employee Related insurances		140	150	160
		<b>46,940</b>	<b>51,050</b>	<b>54,560</b>
<b>Other Costs</b>		<b>8,800</b>	<b>9,500</b>	<b>10,200</b>
<b>Total Expenditure</b>		<b>55,740</b>	<b>60,550</b>	<b>64,760</b>
<b>Income:</b>				
License Fees		<b>(56,600)</b>	<b>(56,600)</b>	<b>(56,600)</b>
<b>Net Cost</b>		<b>(860)</b>	<b>3,950</b>	<b>8,160</b>



## **Appendix 2 Summary of duties of new post duties proposed in this report.**

### **Private Sector Housing Renewal Team**

**Private Sector Renewals** would be responsible for the operational management and direction of the private sector renewal team and management support for the Home Improvement Agency.

**Senior Private Sector Renewal Officer** would be responsible for the overall delivery of the programme's interventions including group repair schemes, selective demolition, liaison with contractors, and residents groups etc

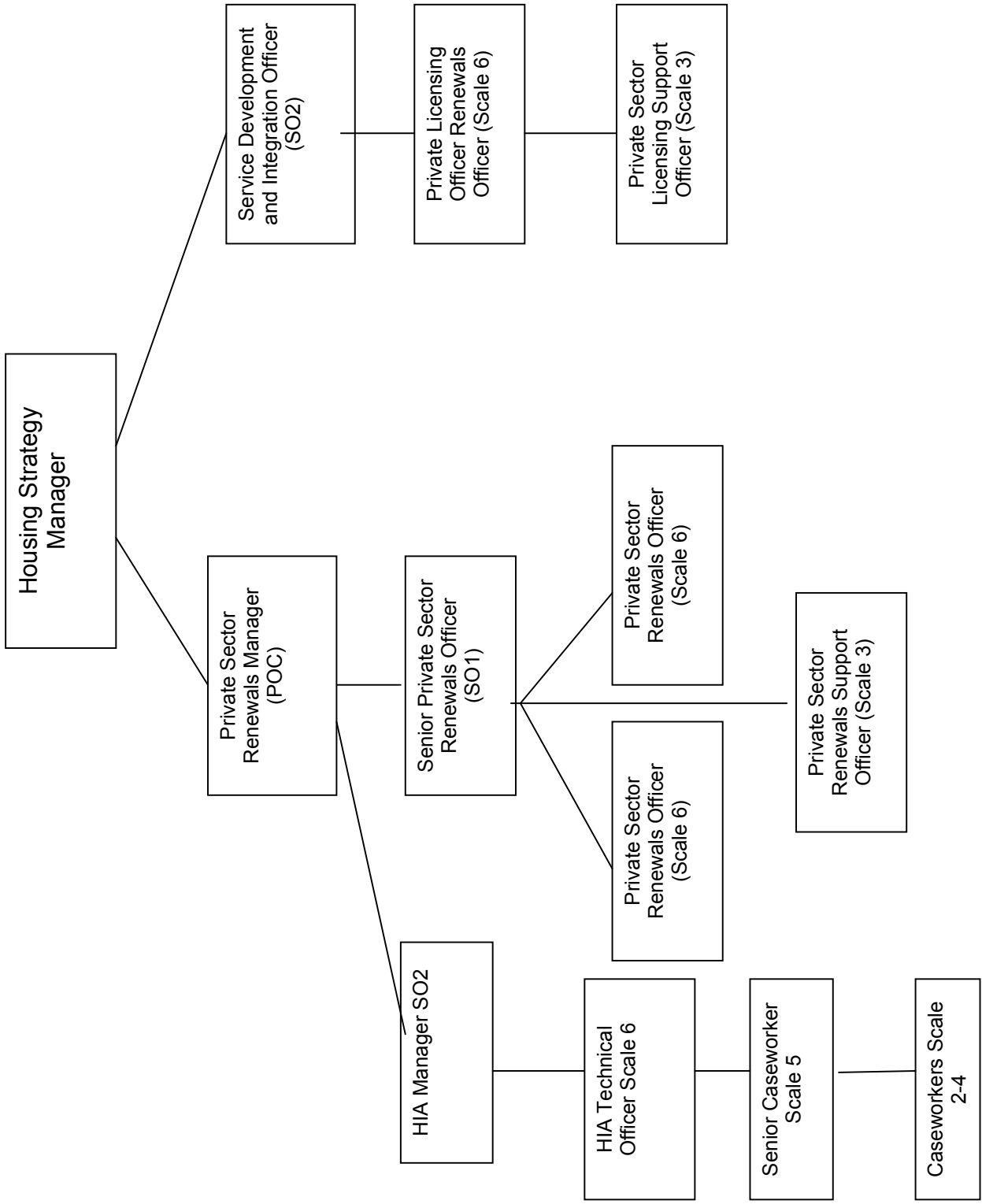
**Private Sector Renewal Officers** be would be responsible for the surveying of properties, working with residents affected by group repair or selective demolition to ensure the best out come for each resident including the provision of assistance to access alternative suitable accommodation. The post holders would also lead on the development of alternative funding mechanisms for residents wish to carry out property improvements.

**Private Sector Renewal Support Officer** would ensure that effective client and programme records are maintained along with financial data to ensure the efficient operation of the programme and the completion of relevant statutory returns etc.

### **Selective Licensing Team**

**Private Sector Licensing Officer** would be responsible for the implementation of the licensing scheme including enforcement of scheme conditions, liaison with private landlords, tenants, Police and other partners.

**Private Sector Licensing Support Officer** would be responsible for the administrative operation of the scheme including maintaining the register of licensed properties, invoicing of landlords for issuing of licenses and all other administrative matters.



# Item 7

KEY DECISION

REPORT TO CABINET

13<sup>th</sup> July 2006

REPORT OF DIRECTOR OF  
NEIGHBOURHOOD SERVICES AND  
THE HEAD OF STRATEGY AND  
REGENERATION

## 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 of 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. The Master Plans for these will form the basis for strategic regeneration interventions in these communities.
- 1.3 The Borough has an aging population with high levels of long term ill health and disability; there is a need therefore to develop interventions that support vulnerable households in their homes. Developing a balanced private sector housing capital programme between meeting the needs of vulnerable households and strategic interventions will be essential over the coming years to address the Council's community outcomes. The Private Sector Capital Programme 2006/7 must address these competing demands.
- 1.4 This report provides information on the outturn of the Private Sector Capital Programme 2005/6. The report sets out the result of the Single Housing Investment Programme Round 2 (SHIP2) bid, sets a capital programme for 2006/7 taking account of the bid outcome and resources allocated from the Council's Major Regeneration Capital programme. The Private Sector Capital Programme will require a change in focus due to recent changes in legislation and policy around disrepair and decent homes in the private sector, these matters are detailed in the report.

#### 2. RECOMMENDATIONS

1. That the Private Sector Housing Capital Programme 2006/7 is approved.

### **3.1 Private Sector Housing Capital Programme 2005/6**

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.

3.1.2 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. The Master Plans for these areas will form the basis for strategic regeneration interventions in these communities.

3.1.3 The Borough has an aging population with high levels of long term ill health and disability; there is a need therefore to develop interventions that support vulnerable households in their homes. Developing a balanced private sector housing capital programme between meeting the needs of vulnerable households and strategic interventions will be essential over the coming years to address the Council's community outcomes. The Private Sector Housing Capital Programme 2006/7 must address these competing demands and the approach to this is set out later in this report.

3.1.4 The Capital programme 2005/6 was 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) over the two years 2004/5 – 2005/6. 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 used.
- 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.

3.1.5 The Private Sector Capital Programme 2005/6 was £1,668,000 with an outturn of £1,663,000 which is a variation of 0.3% and within accepted limits. Table 1 overleaf provides a more detailed breakdown of the performance against the budget.

**Table 1** Private Sector Capital Programme 2005/6 Outturn

<b>Budget Head</b>	<b>Budget (£'s)</b>	<b>Outturn (£'s)</b>
<b>Safety net SHIP</b>		
Disabled Facilities Grant	326,000	320,000
Fast track Adaptation Grants	200,000	157,000
Repair Grants	492,000	536,000
<b>Total</b>	<b>1,018,000</b>	<b>1,013,000</b>
<b>Discretionary SHIP Coalfield</b>		
Strategic interventions inc. masterplanning, Group Repair Schemes, site assembly etc.	650,000	650,000
<b>Total</b>	<b>1,668,000</b>	<b>1,663,000</b>

### **3.2 Developing the Private Sector Housing Capital Programme 2006/7**

3.2.1 The Private Sector Housing Capital will be made up of two broad elements assisting vulnerable households and strategic interventions. The funding for these elements of the programme come from a number of sources including regionally allocated funding, nationally awarded support for Disabled Facilities Grants (DFG) and the Council's own resources.

3.2.2 The Council made two bids to the Regional Housing Board for financial support for its programmes through the Single Housing Investment Programme Round 2 (SHIP 2) 2006/7 -2007/8. A bid was made jointly as part of the Durham Coalfield Housing Renewal Partnership and the other bid as a Council in its own right. Both bids were assessed against criteria established by the Regional Housing Board within the Regional Housing Strategy (RHS), the priorities included Decent Homes in the private sector, DFGs, energy efficiency and partnership based strategic interventions. The Council was awarded the resources set out in Table 2 below through the SHIP 2 Programme.

Table 2 Resources awarded to Sedgefield Borough Council through SHIP 2

<b>SHIP Bids</b>	<b>2006/7 (£'s)</b>	<b>2007/8 (£'s)</b>
Sedgefield Borough "Vulnerable Households" bid	800,000	850,000
Durham Coalfields Housing Renewal Partnership Bid	396,000	566,000
<b>Total</b>	<b>1,196,000</b>	<b>1,416,000</b>

3.2.3 There is a need to re focus our private sector intervention on the elements of the successful bids made as part of the SHIP2 round and the priorities of the RHS (set out in Appendix 2). This refocusing of activity also coincides with changes in the national policy and statutory framework for private sector housing. This includes the replacement of the unfitness standard for housing with the Housing Health and Hazard Rating System (HHSRS) from the 6<sup>th</sup> April 2006. This new statutory standard for housing focuses on the risk of harm to the occupiers of a property from a particular disrepair item. Clearly the assistance provided to vulnerable households in the private sector needs to take account of this change.

3.2.4 The Public Service Agreement 7 (PSA 7) which deals with decent homes has been amended to place a focus on providing decent homes for vulnerable households in the private sector. The RHS has adopted a target for delivery decent homes for vulnerable households in the private sector up to 2020/21 (Appendix 2 sets out the definition of a vulnerable household). The number of vulnerable households in Sedgefield Borough is estimated as 6,205, of which 3,698 are estimated as living in decent homes or 54.8%. Table 3 below sets out the RHS target and the number of households that must be supported in achieving decent homes in Sedgefield Borough if we are to converge with this Regional Target.

Table 3 Decent Homes Target

Year	2006/7	2010	2020/21	Total
Regional Housing Strategy Target % of vulnerable households living in decent private sector homes	65%	70%	75%	-
Numbers of vulnerable households that require works to their homes to meet the decency standard in SBC to meet the target.	335	311	310	956

The Council would have to assist 956 households into decent homes by 2020/21, if the Council wishes to meet the RHS target. However the Council would wish to strive to ensure all vulnerable households have the opportunity to live in a Decent Home. Further reports will be presented on the progress against the target and the options to stretch the targets set by the RHS.

- 3.2.4 The other priorities with the SHIP 2 bids focus on the support provided to vulnerable house holds, through the following:-
- Disabled Facilities Grants,
  - Support for the Age Concern Handyvan,
  - Energy Efficiency,
  - Support for the Integrated Teams for Vulnerable Adults,
  - Continuing support for the Strategic Private Sector interventions in our priority communities.

3.2.5 The Council was awarded Specified Capital Grant to support its DFG programme of £240,000. This represents support of 60% for the programme, a bid was made

as part of the SHIP 2 bid funding and support for the remaining 40% awarded. This allows the Council to increase its support to programmes focused on assisting vulnerable households.

3.2.6 The Council has commenced some early intervention work with in the priority communities of Dean Bank, Ferryhill Station and Chilton West. A bid has been made to the Major Regeneration Capital Fund of £1.6m that along with the resources awarded through SHIP 2 will allow these interventions to be completed and interventions developed further within the context of the Master Plan for these communities. This work will include Group Repair Schemes, property acquisition both voluntary and by compulsory purchase, relocation assistance for residents affected by clearance etc

### 3.3 **Private Sector Housing Capital Programme 2006/7**

3.3.1 The factors described above have been used to develop a balanced Private Sector Housing Capital Programme that increases resources available to deliver interventions for vulnerable households and allocates resources to continue strategic interventions within the priority communities.

3.3.2 The Private Sector Housing Capital Programme 2006/7 is set out in Table 4 below. The delivery of the programme is linked to developing the staffing capacity to deliver it which is subject to a separate report and may necessitate some adjustments to the programme to take account of the timescales to recruit the staffing team. The programme is in two elements; initiatives to support vulnerable households and a strategic interventions element. The part of the programme that has a strategic focus (with the exception of Eden Terrace Group Repair Scheme (GRS), which has already been subject to an earlier report) will be subject to separate reports to Cabinet linked to the delivery of master plan.

<b>Private Sector Capital Programme 2006/7</b>	<b>2006/7 (£'s)</b>
<b>Vulnerable Households</b>	
Disabled Facilities Grants	500,000
Fasts Track Adaptations	152,000
Decent Homes for Vulnerable Households	450,000
Urgent HHSRS works	150,000
Energy Efficiency works	100,000
Support for Handyvan Scheme	48,000
Contingencies	36,000
<b>Total</b>	<b>1,436,000</b>
<b>Strategic Interventions</b>	
Eden Terrace GRS	425,000
Haig Street Ferryhill Station (Evens) GRS*	250,000
Relocation Assistance including statutory allowances	300,000
Property Acquisition	350,000
Other works to be agreed as part of the Master Plans	675,000
<b>Total</b>	<b>2,000,000</b>

\* Cost in year one of a two year scheme to be split over 2006/7 & 2007/8 total costs to be determined when project is surveyed.

3.3.3 A report will be presented to Cabinet on the implementation of a proposed solution in relation the Rows area of Ferryhill Station, as the first deliverable project as a result of the Master Plan work. The Rows solution can be delivered more quickly than the other programmes due to the earlier selective clearance of some terraces, high level of voids and consolidation of significant levels of ownership in the remaining terraces with a single Registered Social Landlord.

#### 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 Dean Bank, Ferryhill Station and Chilton West on future intervention in these areas. Consultation on the vulnerable households element of the programme has been undertaken with the Home Improvement Agency Steering Group.

#### 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, mirror 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.

##### Risk Management

The Council's management procedure will be applied to the Private Sector Capital programme elements.

##### Health & Safety

"No additional implications have been identified".

##### Equality & Diversity

The Council duties in terms of promoting equality and diversity have been taken account of in this report.

##### Legal & Constitutional

"No new implications have been identified".

#### 7. **OVERVIEW AND SCRUTINY IMPLICATIONS**

7.1 None

#### 8. **LIST OF APPENDICES**

8.1 Appendix 1 Regional Housing Strategy objectives.  
Appendix 2 – Definition of Vulnerable Households PSA 7

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**Contact Officer**                      **Ian Brown**  
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**E-mail address**                      [ibrown@sedgefield.gov.uk](mailto:ibrown@sedgefield.gov.uk)

**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.]

Regional Housing Strategy 2005  
SHIP 2 Bids Vulnerable Households and Strategic Interventions  
Private Sector Capital Programme 2005/6 Report to Cabinet

**Examination by Statutory Officers**

	<b>Yes</b>	<b>Not Applicable</b>
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.

## **Appendix 2 – Definition of Vulnerable Households PSA 7**

Vulnerable groups which should be targeted for assistance are those who may be particularly at risk of suffering health and safety problems as a result of poor housing conditions in situations where they do not have the resources or support to undertake remedial action themselves.

Such key groups which local authorities and others will wish to consider as priorities are:

- Families with children (as incorporated into the revised target);
- Households of older people beyond working age;
- Those suffering for long term illness and disability.

For the purposes of measuring this target this group are identified as those who are in receipt of one or more of the principal income related or disability benefits. For the purposes of establishing the national 2001 baseline the benefits taken into account were: income support, housing benefit, council tax benefit, disabled persons tax credit, income based job seekers allowance, working families tax credit, attendance allowance, disability living allowance, industrial injuries, disablement benefit, and war disablement pension.

Benefits and eligibility criteria may change year on year, impacting on the number of households classified as vulnerable. Where this happens, some of the change in the proportion of vulnerable households in decent private sector homes may result from the impact of benefit changes rather than a change in housing conditions.

Since 2001 changes to the tax credits used to establish the baseline have been introduced which have necessitated changes to the list of benefits used to determine vulnerability:

- households in receipt of pension credit are defined as vulnerable; households in receipt of either working tax credit which includes a disability element, or child tax credit, will be defined as vulnerable if they have a relevant income of less than £14,200 (this limit is irrelevant if they receive other eligible benefits);
- working families tax credit and disabled persons tax credit have been removed from the list.

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# **OVERVIEW AND SCRUTINY COMMITTEE 1**

## **Area Forums**

## **Report of the Review Group**

### **Members of the Review Group**

Councillor B. Hall (Chairman)

Councillor A. Gray

Councillor D.M. Hancock

Councillor J.M. Khan

Councillor Mrs I. Jackson-Smith



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Further information on this review can be obtained from  
Jonathan Slee, Scrutiny Support Officer: Tel 01388 816166 ext.4362.





## **C**HAIRMAN'S INTRODUCTION

The Council introduced revised decision making arrangements as a result of the Local Government Act 2000. Area Forums were established as part of these changes with the aim of making them an important part of the Council's democratic process. The Council recognises the importance of keeping communities informed and involved, and sees both of these responsibilities as key roles of area forums. The Scrutiny Review Group has therefore examined Area Forums' operation to determine their effectiveness, and also with a view to making changes which strengthen community involvement.

The Review has been carried out by a small group of Councillors, supported by Officers from the Council's Democratic Services who have gathered the detailed information for the review. Information has also been obtained from officers involved in Regeneration. There has also been input from Council partners and from residents and tenants groups. Following a wide ranging review, a number of recommendations have been made for consideration by Cabinet.

I would like to thank all who have contributed to the review and look forward to developments arising from its conclusions and recommendations.

Councillor B. Hall,  
Chairman of the Review Group

26<sup>th</sup> April 2006



# SUMMARY

## Membership of the Review Group

Councillor B. Hall (Chairman) and  
Councillors A. Gray, D.M. Hancock, J.M. Khan, Mrs I Jackson-Smith

## Objectives of the Review

- To examine the way in which Area Forums currently operate
- To determine their effectiveness and whether this can be improved

## Contribution to the Council's Ambitions and Community Outcomes

The Council's Ambitions and Community Outcomes are shown in its Annual Corporate Plan. This Review contributes towards the Council's ambition of developing strong communities and the associated community outcome of engaging local communities.

## Process/Methodology

The Review Group gathered information and evidence as follows:-

- a) Through seven meetings between September, 2004 and April, 2006.
- b) Through presentations by D. Anderson, Principal Democratic Services Officer, A. Crawford, Scrutiny Support Officer, R. Prisk, the Council's (former) Head of Regeneration and A Charlton the Council's Local Strategic Partnership Co-ordinator.
- c) By questioning the above Officers.
- d) By visiting Area Forum meetings.
- e) Through discussions with Council partners - namely representatives of town and parish councils, Durham County Council, the Police and the Primary Care Trust (PCT).
- f) Through discussions with Sedgefield Residents Forum and Sedgefield Borough Tenants Federation.
- g) Through analysis of responses to a questionnaire which was circulated to participants in Forum meetings and to all persons on the mailing lists for agendas.

## Summary of Main Review Findings

- Area Forums have a key role to the success and delivery of the Local Improvement Plan and development of Local Area Frameworks.

- There is general support for the operation of Area Forums, and for what they are trying to achieve, from individuals and organisations who attend meetings.
- The Purpose for Area Forums is not widely understood
- Attendance from members of the public to Area Forum meetings is generally linked to specific agenda items or they wish to receive information.
- Few decisions appear to be taken which are significant to local communities.
- Agendas don't appear to be based around local issues and communities.
- Change is required to the operation of Area Forums to encourage greater attendance and involvement from established Community Groups.
- Durham Constabulary and Sedgefield Primary Care Trust endorse and support the operation of Area Forums and welcome the opportunity to review and further develop their organisations role.

# MAIN FINDINGS

## Background

Area Forums were established in June 2000 following the Council's introduction of new decision making arrangements under the Local Government Act 2000.

Five Area Forums were established – Area Forums 1,2,3,4, and 5 – based on the same geographical areas which were covered by the former Council Area Management Sub- Committees, as follows:-

Area 1	Spennymoor and surrounding area
Area 2	West Cornforth, Bishop Middleham, Chilton and Ferryhill
Area 3	Sedgefield, Fishburn, the Trimdons, Bradbury and Mordon
Area 4	Shildon and Eldon
Area 5	Newton Aycliffe, Aycliffe Village, Middridge and Woodham

The five meetings occur on an eight weekly cycle and are held in the evening at locations within each of the areas, with meetings rotating between venues in some areas. Chairs and Vice Chairs of the forums are Borough Councillors. Administrative support is provided by officers from Democratic Services. Members of the public and a wide range of Council partners are invited to attend forum meetings.

The stated purpose of Area Forums when they were established was to provide an opportunity for communities to interact with the Council on issues of local importance. It was also envisaged that some issues would be referred to Cabinet directly from Area Forums.

## Issues

The Review Group have carried out consultation with meetings with Durham Constabulary, Sedgefield Primary Care Trust, Officers from Sedgefield Borough Council, Town and Parish Councils, the Tennant's Federation and Sedgefield Residents Group.

Feedback from the consultation reported that communities consider that Area Forums have facilitated a positive community involvement in respect of the local area. In addition, both the local Primary Care Trust (PCT) and Durham Constabulary consider that Area Forums are most useful in assisting those organisations in achieving their community consultation and involvement objectives.

Through carrying out the review a number of issues have been highlighted that require attention. These are as follows:

- The purpose of Area Forums is not widely understood.
- Few decisions appear to be taken which are significant to local communities.
- Agendas don't appear to be based around local issues and local communities.
- Attendance/Membership does not always reflect the local communities.
- Change is required to the operation of Area Forums to encourage greater attendance and involvement from established Community Groups.

## **Current Developments**

Throughout the review process the Review Group has taken into consideration initiatives that are currently being developed by the Council and partner organisations that will have an effect on community engagement.

- **Local Area Frameworks**

The Local Government Act 2000 requires all local authorities to produce a Community Strategy that sets out how public services, other organisations and local people will work together to improve the quality of life in the area.

Sedgefield Borough Council published its Community Strategy in November 2004, which sets out a ten-year vision for the Borough based on the aspirations, needs and priorities of local communities. The Community Strategy was developed following an extensive community appraisal and consultation process undertaken through the Borough's Local Strategic Partnership (LSP). The Strategy will be the main policy document for partners' work within the Borough and was launched at the LSP's second Annual Conference in November 2004.

The engagement and participation of local people in the delivery of the Strategy is vital to its success. Community participation will be promoted through the development of Area Frameworks aligned with the Council's five Area Forums that will outline contributions at a local level to the overall aims of the Strategy. This will enable Area Forum meetings to be focused towards achieving aims that are relative to the local communities.

- **Local Improvement Plan**

The Cabinet in September 2004 agreed a Housing Land Capital Receipts Strategy to govern the use of resources to support activities within the ODPM eligible expenditure definition of regeneration and affordable housing

The purpose of the Local Improvement Plan is to improve community assets and support community engagement in the regeneration of local areas. The Councils Area Forums will play a key role to determine a

proposed series of works against criteria agreed by Cabinet and make recommendations to Cabinet which schemes should be supported.

Area Forums will therefore have a key role to the success and delivery of the Local Improvement Plan and enable greater focus on local issues and priorities.

- **StreetSafe Review**

Members of Overview and Scrutiny Committee 3 have undertaken a review into the Councils role with the StreetSafe initiative. The StreetSafe Review Group recommended *'that the Area Forum Review Group be requested to consider how Area Forums could be used as a means to raise awareness of the StreetSafe initiative and help engage with local communities in order to support its aims.'*

This recommendation could be delivered through partnership working with Durham Constabulary and coherently identifying links with the Local Improvement Plan and development of Local Area Frameworks.

## **Proposals**

The Review group through consultation and current developments have identified the following proposals to focus Area Forums to meet their aims and objectives.

- **Purpose**

Established in June 2000, the main purpose of Area Forums is for communities to interact with the Council and tackle issues of local importance to each area. Interaction will relate to the Councils ambitions detailed within the Community Strategy. The Local Area Framework will be developed in order to deliver these objectives to ensure that they are applicable within local communities and supplemented by Parish and Town Council Plans.

To deliver the main purpose of Area Forums the Council are to work in partnership. Durham Constabulary and Sedgefield Primary Care Trust support Area Forums and their input is to continue but with greater focus on each community area. In order for Area Forums to successfully tackle strategic issues we must consider formalising membership of the Area Forums to ensure that it is representative of the communities, which it aims to serve.

- **Membership**

Area Forum membership is to be reflective of the Communities which it seeks to serve. Currently Area Forums are an open forum for any members of the public to attend, with the purpose to engage with residents of the borough. However, this has led to attendance of Area Forums not being fully representative of local communities. Whilst the Review Group does not wish to exclude people from attending Area

Forum meetings, emphasis should be placed on the attendance of relevant groups and associations to the community it is to serve.

The Police and PCT report to the Area Forum meetings but do not have appointed members. Members are represented from Durham County Council and all Town and Parish councils, including appropriate local councillors, they are sent copies of the agendas for meetings. The public and any interested organisations receive copies of agendas upon request and are placed on the relevant mailing list on the same basis.

The Review Group recommend to formalise membership of Area Forums to include:- Sedgefield Borough Council Members, Members of Town/Parish Councils, Members of Durham County Council, Established Community Groups, Regeneration Partnerships, Durham Constabulary and Sedgefield Primary Care Trust. Officers attending Area Forum meetings from the Borough Council, Primary Care Trust and Durham Constabulary will not have a vote when making decisions or recommendations.

Enclosed in Appendix 1 is a table identifying organisations that have attended Area Forum meetings during 2005. Findings from Appendix 1 concluded that the proposal to formalise membership would not adversely affect attendance at Area Forum Meetings, as attendance from members of public is low.

The recommendation to formalise membership does not include members of the public who do not represent a community group. Guidance and best practice from professional advice recommends that engagement with the community will be of greater effect through Residents Forums and Community Groups and strategic community engagement is best delivered within the Area Forums.

The Review group has identified that attendance from members of the public to Area Forum meetings is generally linked to specific agenda items or they wish to receive information from Councillors and Officers at the meeting.

- **Public Question Time**

Formalising membership of Area Forums will have a positive effect and ensure representation from the communities it serves. Members of the public are welcome to attend Area Forum meetings and it is proposed that a thirty-minute time allocation at the start of the meeting is to be used for public question time. Following question time, members of the public may, if they wish, remain for the rest of the Area Forum meeting as observers.

Members of the public may submit a question prior to the meeting, this will endeavoured to be answered at the meeting. However, a question posed at the Area Forum meeting may not receive a full response until a later date if further information is to be sought.



- **Chairman & Vice-Chairman**

The Review Group were of the opinion that Area Forums continue to have a Chairman and Vice-Chairman from Members of Sedgefield Borough Council. This is due to their experience and expertise to chairing meetings. In addition there should be a non-councillor appointed as Vice Chairman to reflect the importance of community involvement.

- **Agenda**

Evaluating the business of Area Forum meetings, the Review Group have established that agendas are not always focused on local issues and priorities. Agenda items are, in the main, presentations or reports for information with the general exception being appointment of Forum Members to the Local Strategic Partnership. Excluding minutes of the previous meeting, two standard items appear on each Area Forum agenda. These are presentations/updates from the Police and from the Primary Care Trust (PCT). Other agenda items vary from meeting to meeting. A number of consultees referred to meetings being too long, particularly when there is more than one presentation, or when detailed presentations are followed by a number of other agenda items. In terms of agenda content there is generally little input from members of the local communities, with items generally being placed on the agenda by the Council, PCT and the Police. Agenda items are seldom specific to a local community or area, but are usually more general in nature – for example, updates on the possible transfer of the Council’s housing stock, or Council policy on abandoned vehicles.

If greater involvement from Community Groups is to be achieved, agenda content should place a greater emphasis on local issues, with the Community Groups being encouraged to bring items forward for inclusion on the agenda.

The Review Group recommends that agendas include:

- Public Question Time
- Development of Local Area Frameworks
- Monitor progress on tackling issues highlighted in Local Area Frameworks
- Local Improvement Programme – Consider Applications and Monitor progress
- Items from Sedgefield Primary Care Trust, Durham Constabulary and Community Groups.

- **Identity & Publicity**

With greater focus and emphasis on community engagement and local issues and priorities, the Review Group recommend that Area Forums are re-named as ‘Community Forums’ and replace the existing number

with a name. The identity of Community Forums will reflect the Community it seeks to serve and membership of the Forum.

At present dates for Area Forums are publicised and advertised through the Council's Community newspaper Inform. Posters are also distributed fairly widely these include local shops, post offices and social clubs. Any revised meeting procedure and launch of the new identity could also be publicised through Inform.

## **CONCLUSION**

Since creation of Area Forums in 2000, the Review group have identified that Area Forum's have facilitated a positive community involvement in respect of the local area. During this time partnerships have been established with organisations that contribute to the operation of Area Forums.

Building on these firm foundations, partnerships could be strengthened with Area Forums having greater focus on local issues and priorities. To achieve this will require formalising membership and focusing agenda items to reflect the Local Improvement Plan and development of Local Area Frameworks.

A re-launch of Area Forums as 'Community Forums' will give an identity that forums have greater focus and continue to deliver positive community involvement on the Communities that it seeks to serve.



## RECOMMENDATIONS

1. Area Forums be re-named and re-launched as 'Community Forums' to reflect a greater emphasis on community involvement and the number be replaced with a name that reflects the area.
2. Agenda items to be based on local issues identified through the development of Local Area Frameworks and Local Improvement Plan.
3. Membership of Area Forum be formalised to be representative of the Communities to which it aims to serve.
4. Implement a Public Question Time at the beginning of each Area Forum meeting.
5. Terms of reference for Area Forums be amended to reflect changes from the Review.



## APPENDIX A

### Attendance at Area Forum Meetings Area Forum 1

Name of Organisation	14/2/05 Town Hall Spennymoor	4/4/05 Community Centre, Middlestone Moor	6/6/05 Community Centre, Kirk Merrington	5/9/05 Council Chamber Spennymoor Town Hall	24/10/05 CR 1 Council Offices, Spennymoor	12/12/05 Community Centre Middlestone Moor
Sedgefield Borough Council - Councillors	7	8	6	11	9	8
Durham Constabulary	2	1	1	1	1	1
Councillor Durham C.C.	2	2		2		
Sedgefield Primary Care Trust	1	2	2	2	2	
Spennymoor Town Council	1	2	2	3	2	2
Local Resident / Member of Public	2	2	2	6	2	2
Eden Residents Association				2		
MARG					1	
St Paul's Residents Association			3			
Greenways Residents Association					3	1
Spennymoor Learning Shop						
Spennymoor Youth & Community Association						
Middlestone Moor Community Centre		1				1
Tudhoe Community Centre			1	1		
Kirk Merrington Village Hall						
Byers Green Village Hall						
Neighbourhood Watch*	1					
Tudhoe Grange School Council*			2	2	2	

\* Organisation not listed on the Sedgefield Borough Area Forums Terms of Reference

## Attendance at Area Forum Meetings Area Forum 2

Name of Organisation	11/1/05 Chilton & Windlestone Community College	22/2/05 West Cornforth Community Centre	19/4/05 Chilton & Windlestone Community College	21/6/05 Dean Bank & Ferryhill Literary Institute	6/9/05 Ferryhill Leisure Centre	1/11/05 Chilton & Windlestone Community College
Sedgefield Borough Council - Councillors	4	4	6	5	10	5
Durham Constabulary	1	1	1	2	2	1
Councillor Durham C.C.	1		1			1
Sedgefield Primary Care Trust	2	1	2	2	3	2
Cornforth Parish Council	1					
Chilton Town Council	8		3	2	1	5
Ferryhill Town Council	1			1	7	2
Local Resident / Member of Public	4		1		4	7
Castle Residents Association						1
Chilton West Residents Association	1	1				1
Dean Bank Residents Association				1	2	2
Ferryhill Station Residents Association						1
Lakes Residents Association						
West Cornforth Residents Association						
Cornforth Partnership						
Ferryhill Town Partnership						
Chilton Community Partnership	2					
Cornforth Community Centre						
Bishop Middleham Community Centre						
Ferryhill Ladder Centre						
Ferryhill Literacy Institute						
Chilton Henderson House						
Mainsforth Community Centre						
Ferryhill Allotments Association*					2	

\*Organisation not listed on the Sedgefield Borough Area Forums Terms of Reference



### Attendance at Area Forum Meetings Area Forum 3

Name of Organisation	12/1/05 Trimdon Colliery Community Centre	2/3/05 Mordon & Bradbury Village Hall	27/4/05 Ceddesfeld Hall, Sedgefield	6/7/05 Fishburn Youth and Community Centre	14/09/05 Community Centre, Trimdon Colliery	9/11/05 Oldham Room, Ceddesfeld Hall, Sedgefield
Sedgefield Borough Council - Councillors	5	5	3	3	5	5
Durham Constabulary	1	2	1	1	1	1
Councillor Durham C.C.						
Sedgefield Primary Care Trust	1	2	1	2		1
Mordon Parish Meeting		2	2			
Sedgefield Town Council		1				2
Trimdon Parish Council				1		1
Fishburn Parish Council				2	1	1
Local Resident / Member of Public		2	1		2	4
Trimdon Village Residents Association						
Trimdon 2000						
Joint Trimdon Community Partnership				1		
Trimdon Grange Community Association						
Trimdon Colliery Community Association						
Trimdon Community College						
Trimdon Village Hall Association						
Sedgefield Development Partnership			1			
Sedgefield Community Association						1
Ceddesfeld Community Association						
Sedgefield Community College Association						
Fishburn Community Centre						
Mordon Community Centre						
Trimdon Colliery Community Centre*	1					
Sedgefield Residents Association*				1		

\*Organisation not listed on the Sedgefield Borough Area Forums Terms of Reference

## Attendance at Area Forum Meetings Area 4 Forum

Name of Organisation	18/1/05 Shildon Sunnydale Leisure Centre	8/3/05 Shildon Sunnydale Leisure Centre	3/5/05 Shildon Sunnydale Leisure Centre	19/7/05 Shildon Sunnydale Leisure Centre	20/9/05 Shildon Sunnydale Leisure Centre	15/11/05 Shildon Sunnydale Leisure Centre
Sedgefield Borough Council - Councillors	3	3	2	4	1	5
Durham Constabulary	2	1	2		2	1
Councillor Durham C.C.					1	1
Sedgefield Primary Care Trust	2	2	3	2	2	3
Shildon Town Council						2
Eldon Parish Council			1	1		
Local Resident / Member of Public	2	2	1	1	6	1
Sunnydale Residents Association						
Jubilee Fields Community Association		1	1			
New Shildon Residents Association	1	1	1	2	1	1
Shildon Housing & Community Resource Centre						
Shildon Centre						1
Middridge Village Hall						
Shildon Community Safety Group*		1	2			1
Shildon Jubilee Community Centre*						1

\*Organisation not listed on the Sedgefield Borough Area Forums Terms of Reference

## Attendance at Area Forum Meetings

### Area Forum 5

Name of Organisation	25/1/05 Town Council Officers, Newton Aycliffe	15/3/05 Town Council Officers, Newton Aycliffe	10/5/05 Town Council Officers, Newton Aycliffe	26/7/05 Town Council Officers, Newton Aycliffe	27/9/05 Town Council Officers, Newton Aycliffe	29/11/05 Town Council Officers, Newton Aycliffe
Sedgefield Borough Council - Councillors	8	7	7	8	11	10
Durham Constabulary	3	1	1	1	1	3
Councillor Durham C.C.					1	1
Sedgefield Primary Care Trust		2	1	2	1	2
Great Aycliffe Town Council	5	4	3	5	1	5
Local Resident / Member of Public	1		2	3		2
Linden Place Residents Association						
Williamfield Residents Association						
Dales Residents Association		1	1	1	1	1
Burnhill Residents Association	4	2	1			
Agnew Community Association						
Silverdale House						
Aycliffe Learning Shop						
Woodham Community Association						
School Aycliffe Community Centre						
Aycliffe Village Community Association						

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**RECRUITMENT AND RETENTION  
REPORT OF THE REVIEW GROUP**

**Members of the Review Group**

Councillor B. Meek (Chairman)  
Councillor Mrs K. Conroy,  
Councillor V Crosby,  
Councillor A. Gray,  
Councillor G. Morgan,  
Councillor K. Thompson



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2. Why do people Leave?	13
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<b>Conclusions and Recommendations</b>	19





## **Chairman's Introduction**

Recruitment and retention of suitably qualified, experienced and able people is essential in order to achieve the Council's Ambitions and Community Outcomes.

The Employment Organisation for Local Government state that "there are many aspects to improving service delivery, but recruiting the workforce with the capacity to deliver is a vital foundation. Innovative recruitment work being carried out in local authorities is an encouraging sign that authorities are improving they way they recruit, and closely connected to this, the services they deliver."

Overview & Scrutiny Committee 1 recognised a general perception that there were high numbers of staff leaving the Council, whilst at the same time difficulties had been experienced in recruiting staff to some posts, particularly in specialist areas.

With this in mind a the Committee established a Review Group to quantify staff turnover at Sedgefield Borough Council and compare levels to those of other local authorities, both locally and nationally. It also sought to identify whether there were particular posts or sections where recruitment was difficult.

I would like to thank everyone who has been involved in the Review, their contributions were sincerely appreciated by the Review Group.

**Councillor Brian Meek**  
**Chairman of the Recruitment and Retention Review Group**



### **Membership of the Review Group**

#### **Members of the Review Group**

Councillor B. Meek (Chairman)  
Councillor Mrs K. Conroy,  
Councillor V Crosby,  
Councillor A. Gray,  
Councillor G. Morgan,  
Councillor K. Thompson

### **Purpose of the Review**

The review examines recruitment and retention of staff at Sedgefield Borough Council. Over the last few years there has been a general perception that high numbers of staff were leaving the Council, whilst at the same time difficulties had been experienced in recruiting staff to some posts, particularly in specialist areas.

The review sought to quantify staff turnover at Sedgefield Borough Council and compare levels to those of other local authorities, both locally and nationally. It also sought to identify whether there were particular posts or sections where recruitment was difficult.

### **Contribution to the Council's Ambitions and Community Outcomes**

Recruitment and retention of suitably qualified, experienced and able people is essential in order to achieve the Council's Ambitions and Community Outcomes.

The Review contributes directly to the corporate value to 'Invest in our People [Employees]'.

### **Process/Methodology**

The Review Group gathered evidence and information as follows:-

- a) The Review Group has met on several occasions between November 2004 and May 2006.
- b) Attendance by the following to give presentations and respond to questions from the Review Group.
  - Alan Boddy, Head of Service Improvement
  - Helen Darby, Principal Human Resources Officer (Strategy)
- c) By considering statistical and comparative information.

## Conclusions and Recommendations

### 1. Comparison of Turnover

#### Conclusions

- Turnover at Sedgefield Borough Council compares favourably both nationally and locally.
- Turnover is however slightly above the 'healthy figure'.
- There was not enough data to identify trends within departments given the recent restructure.
- Turnover is higher amongst APT&C staff.

#### **Recommendations**

- 1. Turnover, broken down by Department, be adopted as a PI to be monitored by HR and reported periodically to Members.**
- 2. Vacant posts which have not been filled within 6 months of the first advertisement be reported to Members.**

### 2. Why do people Leave?

#### Conclusions

- Biggest reason for staff leaving SBC is to take up alternative employment
- Vast majority of leavers state that they are attracted to new employment for:-
  - Improved remuneration
  - Better career prospects
  - More interesting work
- Common theme amongst managers:-
  - Lack of career prospects
  - Neighbouring authorities pay more
- The Group noted that the job evaluation exercise had reviewed professional development structures and career grades

#### **Recommendations**

**No recommendations are being made in relation to this section.**

### 3. Recruitment

#### Conclusions

- Majority (81%) of vacancies filled by external candidates
- Few jobs need to be advertised more than once (3%)
- Managers commented that it was difficult to recruit to some professional /technical/specialist posts
- Current grading structure may be an issue
- The Group noted that the job evaluation exercise had reviewed professional development structures and career grades

#### ***Recommendations***

- 3. Systems to put in place to monitor turnover / vacancies and recruitment so that any problem areas can be identified.**



# RECRUITMENT AND RETENTION

## REPORT OF THE REVIEW GROUP

---

### Scope and Purpose

The following scope and remit was agreed:

- To quantify turnover of staff within Sedgefield Borough Council and compare with neighbouring authorities in order to identify whether there is a problem.
- To examine the reasons for staff leaving the Authority through the evaluation of:
  - Leavers' questionnaires
  - Exit Interviews
  - Views of Managers

### Review Approach

The Review Group met on several occasions to examine statistical information and also sought contributions from the Head of Service Improvement and the Principal Human Resources Officer (Strategy). Directors and Heads of Service were also invited to submit their comments with regard to recruitment and retention of staff.





## Section 1

# COMPARISON OF STAFF TURNOVER

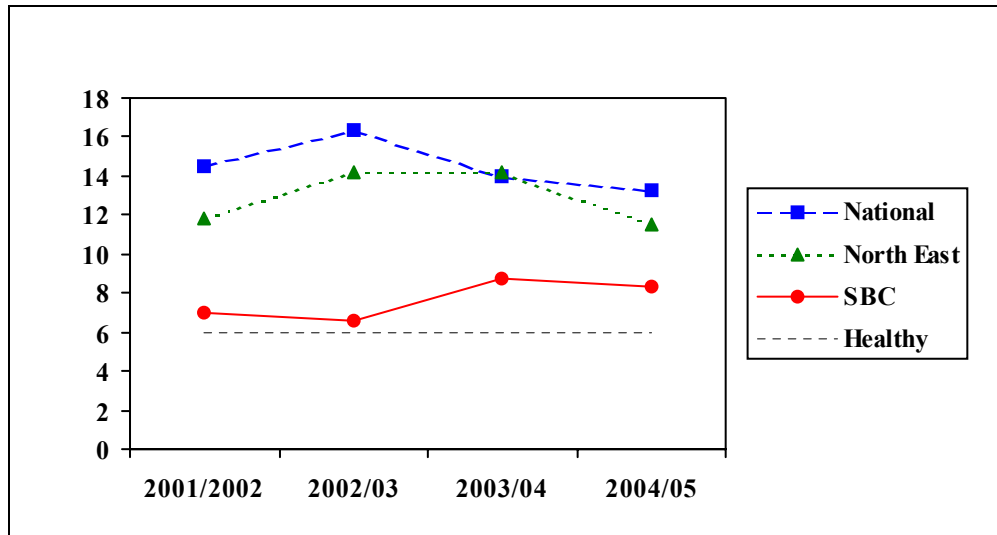
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A detailed analysis of turnover within the authority was undertaken, together with research to identify turnover in local authorities both nationally and within the North East Region. It is recognised that low levels of staff turnover can be healthy for an organisation as this prevents the workforce from becoming static and stale. It is generally regarded by human resource professionals that a turnover of around 6% is healthy. This would be a useful benchmark to compare turnover at Sedgefield Borough.

Turnover within Sedgefield Borough was identified using records from Human Resources detailing the number of leavers.

Information relating to national and regional average turnover was obtained through the Employers Organisation's People Skills Scoreboard, an annual document which provides information on training and development through a number of 'key indicators' which authorities can use for benchmarking purposes and target setting.

The following graph shows turnover at Sedgefield Borough Council compared with turnover nationally and locally.

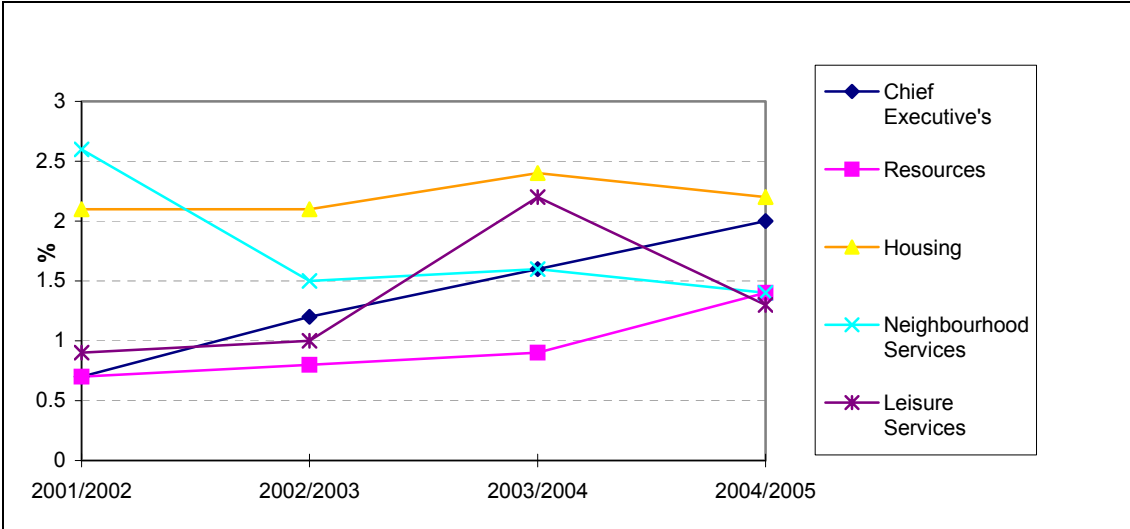


The research undertaken identifies that turnover at Sedgefield Borough Council compares favourably with other shire district councils nationally and other councils in the North East Region.

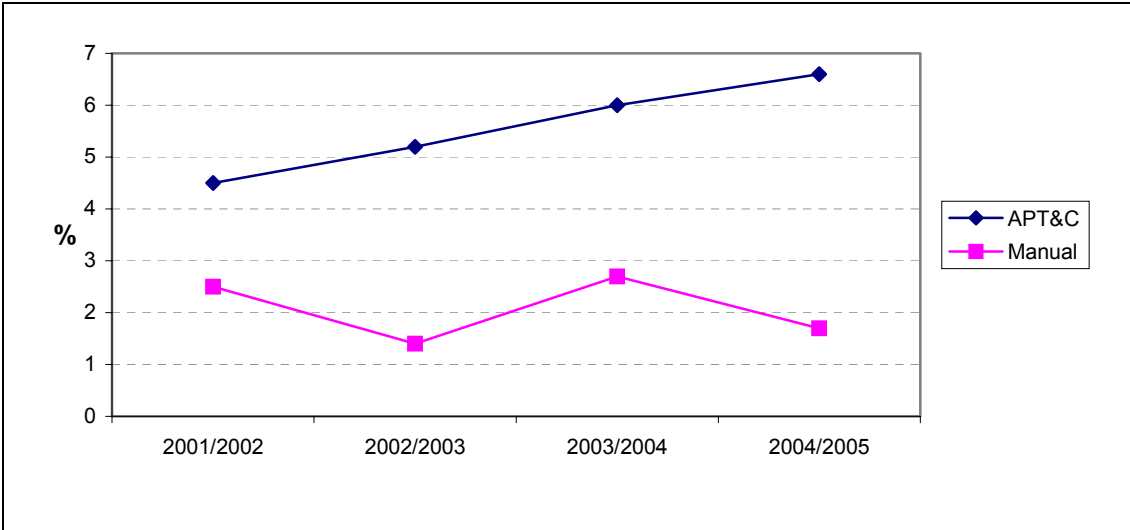
Whilst the turnover at Sedgefield Borough compares favourably, it is slightly above the accepted healthy level of 6%.

In addition to the above comparisons further analysis was undertaken to identify whether there were high instances of turnover in particular Departments or gradings. This was done by analysing leavers statistics across departments and further extrapolation of gradings of posts from Personnel records. The findings of this exercise are detailed in the following graphs.

**Turnover by Department**



**Comparison of APT&C and Manual Staff**



## **Comparison of Staff Turnover - Conclusions**

- Turnover at Sedgefield Borough Council compares favourably both nationally and locally.
- Turnover is however slightly above the 'healthy figure'.
- There was not enough data to identify trends within departments given the recent restructure.
- Turnover is higher amongst APT&C staff.

## **RECOMMENDATIONS**

- 1. Turnover be adopted as a PI to be monitored by HR and reported periodically to Members.**
- 2. Vacant posts which have not been filled within 6 months of the first advertisement be reported to Members.**



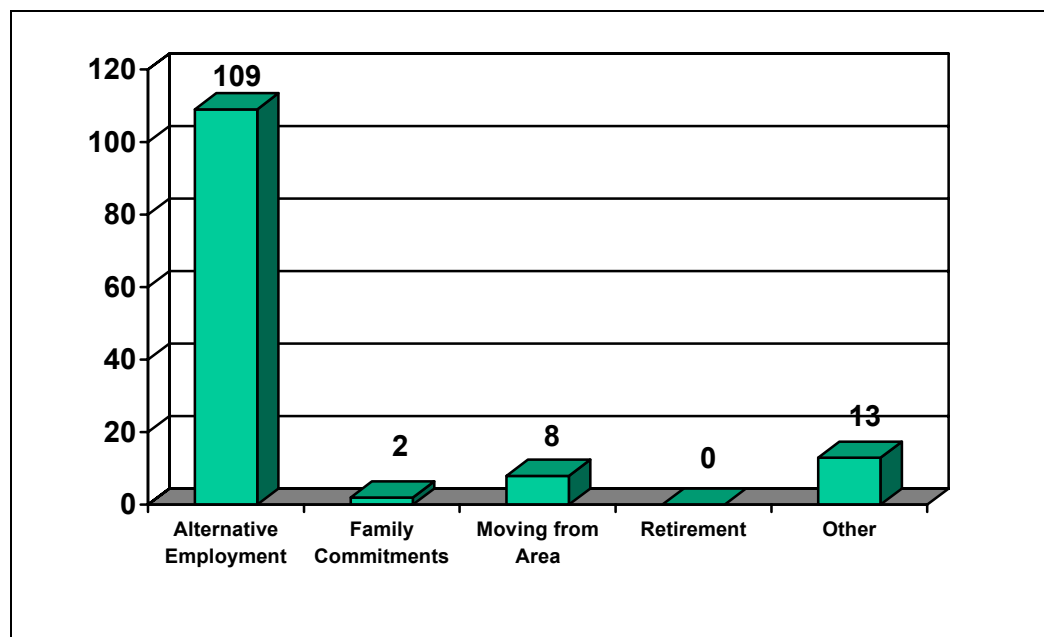
## Section 2 WHY DO PEOPLE LEAVE?

A recent study by the Chartered Institute of Personnel and Development (CIPD) explain that employees resign for many different reasons. Sometimes they are attracted by another job outside the authority, career progression or a new challenge that is not available within the organisation. On other occasions it may be some kind of dissatisfaction with their present job organisation. Sometimes it may be a mixture of both of these factors. Some employees leave for domestic reasons that are outside the control of the Council, for example when someone relocates with their spouse or partner.

Sedgefield Borough Council seeks to identify the reasons for employees leaving the Authority through the use of leaver's questionnaires and exit interviews. Completed questionnaires and exit interview forms were analysed to identify the reasons why people leave. The views of managers were also sought.

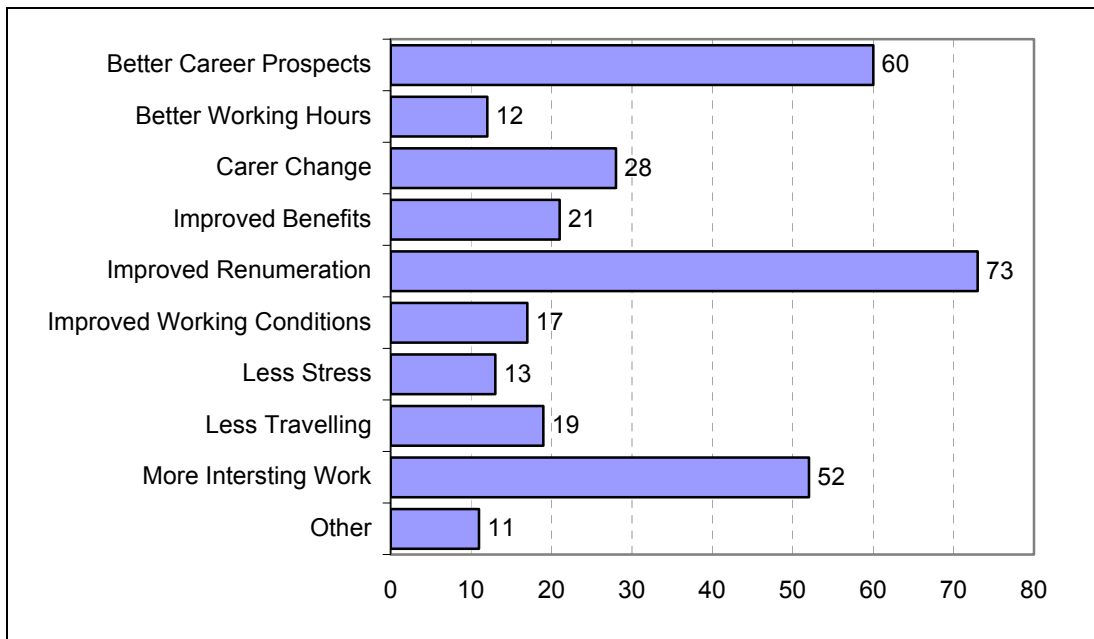
### Analysis of Leaver's Questionnaires

The Review Group analysed leaver's questionnaires.



The reason for the vast majority of employees leaving the Council was to take up alternative employment. The leavers questionnaire asks people taking up alternative employment to indicate what attracted them to their new job. It was therefore possible to analyse the reasons for people taking up alternative employment. The analysis is shown in the graph below.

## Attractions of alternative employment



## Exit Interviews

An evaluation of the exit interview forms indicated that similar comments to those made on the leavers questionnaire.

## Views of Managers

The Review Group asked Directors and Heads of Service to comment upon their experiences and for their general views on recruitment and retention within the Council. In particular, they were requested to comment on their experiences in this area, i.e. has staff turnover within their service been problematic. If so, what did they think could be done to alleviate any problems encountered?

- “We do not offer the level of salary that other employers offer for the same skills”
- “The ability to retain staff is related in part to the grades payable as part of the current grading structure”
- “Other authorities seem to offer higher gradings for similar work”
- “Great effort/expense goes into training staff who are then attracted to neighbouring authorities by higher grades”.

## **Comparison of Salaries with other Districts**

Given that the biggest reason for people taking up alternative employment was improved remuneration the Review Group sought a comparison of salaries for 14 randomly selected posts in other District Councils within County Durham.

Of the 14 posts Sedgefield Borough Council paid above average for 7, below average for 5. The Council offered the highest salary for 2 posts and lowest for 1 post.

## **Why do People Leave? - Conclusions**

- Biggest reason for staff leaving SBC is to take up alternative employment
- Vast majority of leavers state that they are attracted to new employment for:-
  - Improved remuneration
  - Better career prospects
  - More interesting work
- Common theme amongst managers:-
  - Lack of career prospects
  - Neighbouring authorities pay more
- The Group noted that the job evaluation exercise had reviewed professional development structures and career grades

**No recommendations are being made in relation to this section.**



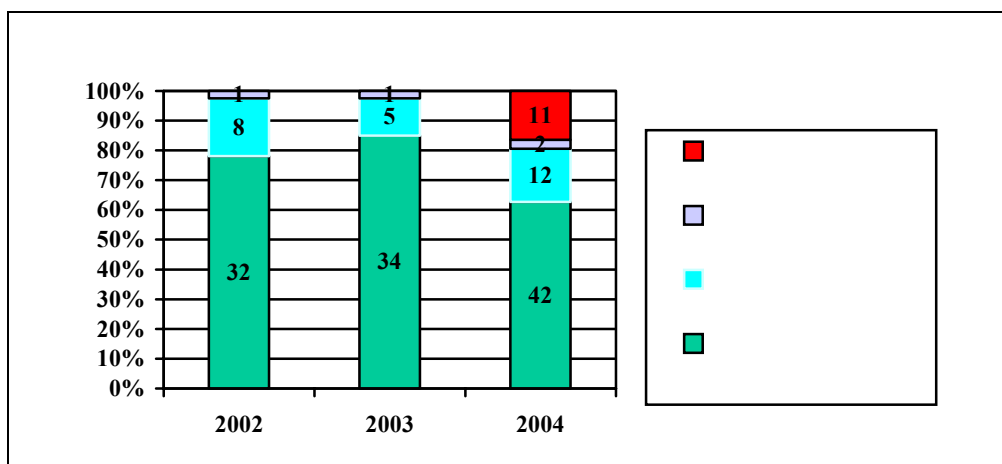


The Review Group examined recruitment, in particular looking at how vacancies were filled and taking the views of managers.

### How are vacancies filled?

The Review Group examined the number of vacancies within the Council for a 3 year period (2002 to 2004). An analysis was undertaken of how vacancies were filled.

Over the three year period there was a total of 133 vacancies filled. Of these vacancies 81% (108) were filled externally, 19% (25) internally, with only 3% (4) needing to be advertised more than once in order to attract suitable candidates. This would suggest that the Council is able to attract suitable candidates for the majority of vacancies.



### Views of Managers

The Review Group asked Directors and Heads of Service to comment upon their experiences and for their general views on recruitment. In particular, they were requested to comment on their experiences in this area, i.e. has staff recruitment within their service been problematic. If so, what did they think could be done to alleviate any problems encountered?

- “I have major problems ... I cannot recruit tradesmen or supervisory staff”
- “We have had problems with specific specialist posts, its about the market and supply and demand”
- “It is accepted that advertising for part/fully qualified staff would be unlikely to attract suitable applicants in view of the grades offered”

- “We do not offer the level of salary that other employers offer for the same skills”
- “Despite high turnover in the Team, I do not think there is a retention problem. Nor has there been a recruitment problem”

### **Recruitment - Conclusions**

- Majority (81%) of vacancies filled by external candidates
- Few jobs need to be advertised more than once (3%)
- Managers commented that it was difficult to recruit to some professional /technical/specialist posts
- Current grading structure may be an issue
- The Group noted that the job evaluation exercise had reviewed professional development structures and career grades

### **Recommendations**

3. Systems to put in place to monitor turnover / vacancies and recruitment so that any problem areas can be identified.

**CONCLUSION AND RECOMMENDATIONS**

---

**1. Comparison of Turnover****Conclusions**

- Turnover at Sedgefield Borough Council compares favourably both nationally and locally.
- Turnover is however slightly above the 'healthy figure'.
- There was not enough data to identify trends within departments given the recent restructure.
- Turnover is higher amongst APT&C staff.

**Recommendations**

- 1. Turnover, broken down by Department, be adopted as a PI to be monitored by HR and reported periodically to Members.**
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**2. Why do people Leave?****Conclusions**

- Biggest reason for staff leaving SBC is to take up alternative employment
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- The Group noted that the job evaluation exercise had reviewed professional development structures and career grades

**Recommendations**

**No recommendations are being made in relation to this section.**

### 3. Recruitment

#### Conclusions

- Majority (81%) of vacancies filled by external candidates
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- Current grading structure may be an issue
- The Group noted that the job evaluation exercise had reviewed professional development structures and career grades

#### ***Recommendations***

- 3. Systems to put in place to monitor turnover / vacancies and recruitment so that any problem areas can be identified.**

# Item 10

## **SEDGEFIELD BOROUGH COUNCIL OVERVIEW & SCRUTINY COMMITTEE 1**

Conference Room 1,  
Council Offices,  
Spennymoor

Tuesday,  
13 June 2006

Time: 10.00 a.m.

**Present:** Councillor A. Gray (Chairman) and

Councillors Mrs. K. Conroy, B. Hall, J.M. Khan, G. Morgan,  
Mrs. E.M. Paylor and J. Wayman J.P

**Invited to Attend:** Councillors Mrs. B. Graham and R.A. Patchett

**In**

**Attendance:** Councillors Mrs. B.A. Clare, V. Crosby, G.C. Gray, D.M. Hancock,  
J.E. Higgin and G.W. Scott

**Apologies:** Councillors Mrs. J. Croft, K. Henderson, J.G. Huntington, B. Meek and  
Mrs. I. Jackson Smith

### **OSC(1).1/06 DECLARATIONS OF INTEREST**

Members had no declarations of interest to submit.

### **OSC(1).2/06 MINUTES**

The Minutes of the meeting held on 10<sup>th</sup> April, 2006 were confirmed as a correct record and signed by the Chairman. (For copy see file of Minutes).

### **OSC(1).3/06 ANNUAL REPORT ON COMPLAINTS RECEIVED BY CORPORATE COMPLAINTS STAFF**

Consideration was given to a report of the Chief Executive outlining the complaints/issues received by the Corporate Customer Relations staff in the Chief Executives Department in the period 30<sup>th</sup> April 2005 to 30<sup>th</sup> March 2006. (For copy see file of Minutes).

It was reported that the number of complaints/issues dealt with by the Corporate Complaints staff had increased from 946 in 2004/05 to 1053 in 2005/06. It was pointed out that 30% of this increase was attributable to enquiries/complaints regarding matters that were the responsibility of other organisations and agencies.

The report identified the number of complaints received within each service area and the nature of the complaints.

The main area of complaint (52% of the total) related to housing maintenance, management, improvement and adaptation for the benefit of people with disabilities.

The main reason for complaints relating to housing maintenance related to repairs not being carried out within specified timescales. It was explained

that on occasions the resources were not available to complete every job within the timescale.

It was explained that in order to address this problem the budget for the 2006/07 financial year had been increased with £240,000 additional revenue funding being allocated to repairs and £355,000 additional revenue and capital funding being allocated to adaptations for the benefit of tenants who were elderly and/or disabled.

It was explained that the Corporate Complaints staff aimed to respond to 100% of complaints and enquiries within ten working days. It was reported that 98.8% had been achieved in 2005/06 compared with 97.25% in 2004/05.

The average time to respond to a complaint/enquiry in 2005/06 was 1.95 days compared with 2.3 days in 2004/05.

The Committee was also advised of the complaints procedure whereby complainants had the right to complain to the Local Government Ombudsman if they had exhausted the Borough's Complaints Procedure.

In 2004/05 30 cases had been investigated and decided by the Ombudsman. The Borough Council had been found not guilty of maladministration in any of these cases. In two cases the Council was able to reach a local settlement.

In 2005/06 26 cases were investigated and decided by the Ombudsman. The Council was found not guilty of maladministration and it was not necessary to reach a local settlement in any of the cases.

Specific reference was made to refuse collection. It was explained that the number of justified complaints received in relation to refuse collection had reduced by over 50%.

Members requested that a letter of appreciation be produced on behalf of Overview and Scrutiny Committee 1 and distributed to refuse collectors.

- AGREED :*
- 1. That the Annual Report be received and published on the Borough's website.*
  - 2. That a letter of appreciation be distributed to refuse collectors. .*

#### **OSC(1).4/06 REVIEW OF AREA FORUMS**

The Principal Democratic Services Officer presented the report of the Review Group, which had been established to examine Area Forums operations to determine their effectiveness with a view to making changes that would strengthen community involvement. (For copy see file of Minutes).

The Chairman of the Review Group was also present at the meeting to answer any queries.

It was explained that the Council recognised the importance of keeping communities informed and involved. The purpose of Area Forums when they were established was to provide an opportunity for communities to interact with the Council on issues of local importance. Community involvement was a key role of Area Forums.

It was explained that the Review Group had gathered information and evidence through meetings, presentations by officers, visiting Area Forum meetings, discussions with Council partners and Residents Associations and questionnaires.

Throughout the review process, the Review Group had taken into account the following initiatives that were being developed by the Council and partner organisations that would have an effect on community engagement:

- Local Area Frameworks
- Local Improvement Plan
- Streetsafe Review

The proposals, which had been identified to focus Area Forums to meet their aims and objectives, were set out in the report.

Recommendations had been formulated by the Review Group for consideration by Cabinet. Those recommendations were identified in the report.

Specific reference was made to the appointment of a non Councillor as an additional Vice-Chairman. Members were of the opinion that Chairmen and Vice-Chairmen required experience and expertise at chairing meetings.

It was explained that Area Forums would continue to have a Chairman and Vice-Chairman from Members of Sedgefield Borough Council. In the absence of the Chairman, the Vice-Chairman who was a Sedgefield Borough Councillor would chair the meeting. The appointment of a non Councillor as an additional Vice-Chairman reflected the importance of community involvement.

Detailed discussion took place in relation to the venues of Area Forums. It was pointed out that in order to encourage community engagement the venues needed to be accessible to the public.

*RECOMMENDED : That the report and recommendations contained therein be submitted to Cabinet for consideration.*

#### **OSC(1).5/06 REVIEW OF RECRUITMENT AND RETENTION**

The Principal Democratic Services Officer presented the report of the Review Group that had been established to examine the recruitment and retention of staff at Sedgefield Borough Council. (For copy see file of Minutes).

It was explained that there had been a general perception that high numbers of staff were leaving the Council whilst at the same time difficulties had been experienced in recruiting staff to some posts, particularly in specialist areas.

As part of the review process staff turnover was quantified and levels compared to those of other local authorities both locally and nationally. The review also identified whether there were particularly posts or sections where recruitment was difficult.

The Review Group had gathered evidence and information through meetings, presentation by officers and considering statistical and comparative information.

Recommendations had been formulated by the Review Group for consideration by Cabinet. Those recommendations were identified in the report.

Reference was made to market force supplements. It was explained that in cases where it was difficult to recruit to posts as a result of the salary offered, market force supplements could be given.

Members queried whether staff leaving the authority as a result of family commitments could have been retained if support was offered from the authority. In response it was explained that the Council had adopted family friendly policies.

*AGREED : That the report and recommendations contained therein be submitted to Cabinet for consideration.*

#### **OSC(1).6/06 WORK PROGRAMME**

Consideration was given to a report of the Chairman of the Committee setting out the Committees work programme for consideration and review of staff (for copy see file of Minutes).

Members were updated on the current position in relation to the review of Sickness Management and Inform.

Specific reference was made to anticipated items. It was pointed out that all reports relating to the Audit Service would now be considered by the Audit Committee.

*AGREED : That the Work Programme be noted.*

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#### **ACCESS TO INFORMATION**

Any person wishing to exercise the right of inspection, etc., in relation to these Minutes and associated papers should contact Mrs. L. Walker Tel 01388 816166 Ext 4237 email [lwalker@sedgefield.gov.uk](mailto:lwalker@sedgefield.gov.uk)