

**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



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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 Bابتie), 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 Sedgfield) 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.

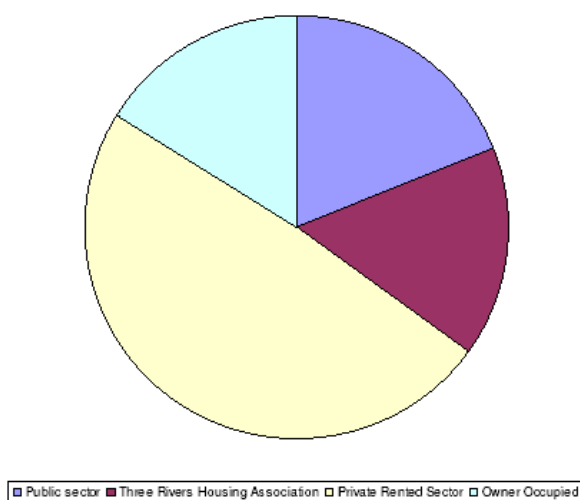
**Housing Type:** the three small study areas are dominated by terraced housing, built around the turn of the 20<sup>th</sup> Century to serve mine workers and their families. The terraced form is also the most common house type in Sedgefield Borough as a whole. The 2001 Census figures for the smallest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

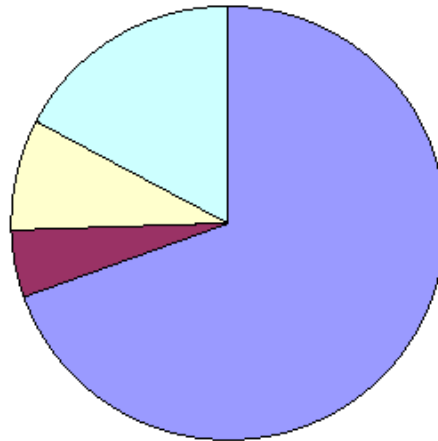
**Tenure:** the 2001 Census also records tenure breakdown at that time for each study area. At that time, nearly 70% in the Ferryhill Station SOA, nearly 60% in the Dean Bank SOA and over 40% in the Chilton West SOA were owner-occupied; owner-occupation was the dominant tenure except in Chilton, where 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

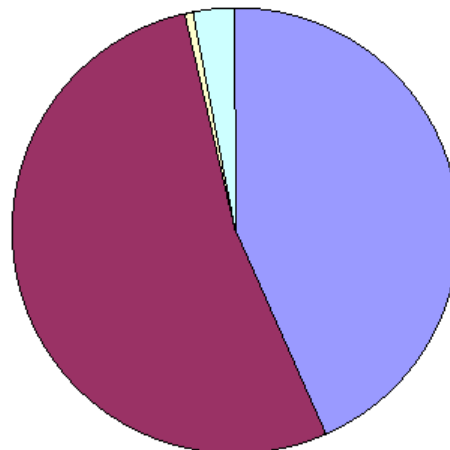
Profile of Homes in the Ferryhill Station Area



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
<b>Mainly at/from home</b>	5%	8%	7%	7%	8%	8%	9%
<b>Less than 2km</b>	18%	12%	14%	20%	19%	20%	20%
<b>2km to less than 5km</b>	23%	19%	16%	17%	16%	22%	20%
<b>5km to less than 10km</b>	20%	20%	31%	18%	18%	21%	18%
<b>10km to less than 20km</b>	21%	27%	18%	23%	22%	17%	15%
<b>20km to less than 30km</b>	5%	6%	4%	7%	7%	4%	5%
<b>30km to less than 40km</b>	2%	2%	2%	3%	2%	1%	2%
<b>40km to less than 60km</b>	0%	0%	0%	1%	1%	1%	2%
<b>60km and over</b>	2%	2%	3%	2%	3%	3%	3%
<b>No fixed place of work</b>	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.

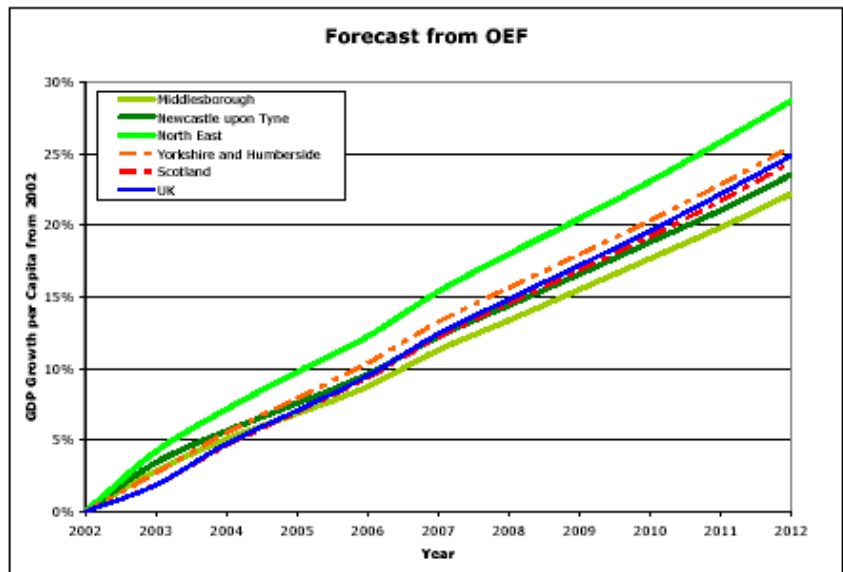
Within Chilton West the "Chilton Hate Crime Action Plan" has been produced by a sub-group of the Crime and Disorder Reduction Partnership in Sedgefield. One of the main aims of the plan is to tackle the issues of racism, which are a problem within Chilton West. The plans tackles this through education,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

### 3 Shaping the Future

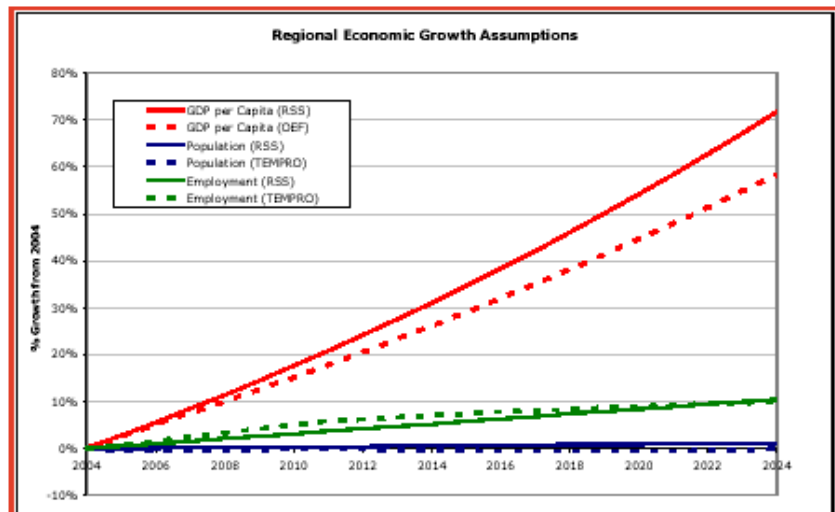
#### 3.1 Prospects & the Case for Change

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:

<b>Programme</b>	<b>Agency</b>	<b>Comments</b>
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/S BC	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*c	<b>Less managed OB contribution</b>			<b>7.8%</b>	
<b>(e)</b> = b-d	<b>Unmitigated OB</b>			<b>16.2%</b>	
<b>(f)</b>	<b>Cost of risk management</b>			<b>nil</b>	
<b>(g)</b> = e+f	<b>Total OB</b>			<b>16.2%</b>	
<b>(h)</b> =a+e+f	<b>Total cost adjusted for total mitigated OB</b>			<b>116.2%</b>	
<b>(i)</b> =h*a	<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>
<b>Acquisition costs</b>	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
<b>Design</b>	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
<b>Securing a private sector developer</b>	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.
<b>Development costs</b>	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
<b>Funding</b>	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
<b>Delay in project</b>	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.
<b>Sales values</b>	Lower values achieved than assumed in appraisal	3	1	1	3	Soft market testing has indicated that this level of sales values is achievable
<b>Demand</b>	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:

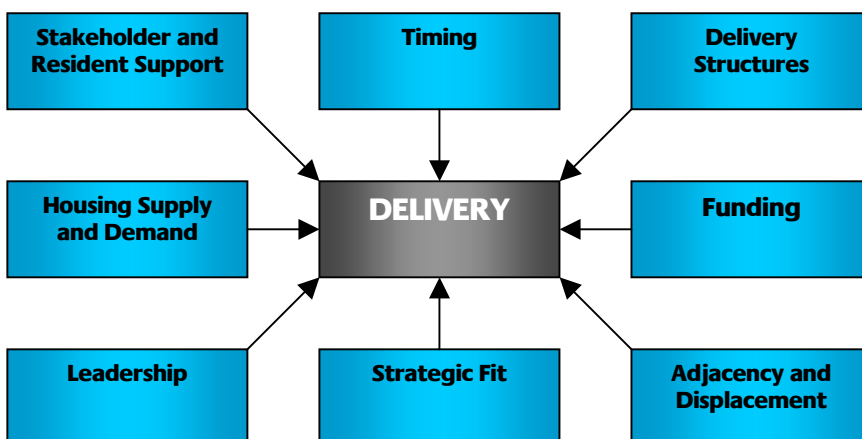
- Demographic, economic and migration statistics;
- Housing market assessment including void rates, function of private rented sector, values, tenure mix, property type;
- Developer activity in the settlements;
- Repair and maintenance of property/decency standards;
- Quality of public environment and 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 scooping 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 Income</b>				
<b>Expenditure</b>	<b>400</b>	<b>400</b>		
Group Repair Scheme	(400)	(400)		SHIP (£800k)
<b>Praxis site Income</b>			<b>3,330</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 Income</b>			<b>5,250</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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