

Item 10

REPORT TO CABINET

15TH FEBRUARY 2007

REPORT OF DIRECTOR OF NEIGHBOURHOOD SERVICES

Portfolio – Housing

Private Sector Housing Renewal Capital programme 2006/07 – Haig Street Group Repair Scheme

1. SUMMARY

- 1.1 The Council has identified three priority areas of Chilton West, Dean Bank Ferryhill and Ferryhill Station for intervention in accordance with the proposals outlined in the Master Plan produced by Llewellyn Davies, which was adopted by Cabinet on 13th July 2006.
- 1.2 A number of proposals were developed for “The Rows” site at Ferryhill Station including one for the redevelopment of the entire site and one retaining the south side of Haig Street, comprising 14 properties. Both the local community and the professional team chose retaining these 14 properties as their preferred option. The Master Plan further proposed that the Council carry out a Group Repair Scheme to the retained properties on the south side of Haig Street.
- 1.3 A Group Repair Scheme involves an external fabric overhaul to the exterior of a group or block of properties. Following full consultation with local residents, which included their choice for re-housing options, it was agreed the south side of Haig Street (evens) should be retained and subject to a Group Repair Scheme. This would enable it to be integrated alongside the new build properties as part of a sustainable regeneration of ‘The Rows’ site.

2. RECOMMENDATION

- 2.1 In accordance with Contract Procedure Rules No. 1 and No. 8 (Negotiated Tenders – Estimated Cost in Excess of £10,000), The Director of Neighbourhood Services negotiate a price with Robertson Simpson Limited to act as contract administrator and that providing the tender price received is less than £35,000 delegated authority for approval be vested with the Director of Neighbourhood Services in consultation with the portfolio holder.

3. STRATEGIC CONTEXT

- 3.1 Group Repair Schemes have been available as a housing regeneration tool since the introduction of the Housing Grants, Construction and Regeneration Act 1996. This legislation prescribed the nature and extent of the assistance that could be offered to a participant in the scheme by the Local Authority. The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 gave Local Authorities greater flexibility surrounding the nature and extent of assistance it could offer to participants upon the adoption of its own eligibility criteria.
- 3.2 Group Repair is used as a regeneration tool in the following ways: -
- Where there is a clear strategic reason for intervention including synergy with other programmes or schemes
 - To deliver improvement to the visual amenity of a block of properties
 - To boost confidence in the future of an area as a sustainable neighbourhood
 - To improve the condition of repair of the individual properties in the scheme
 - Group Repair Scheme will be a vital tool in the delivery of renewed confidence in the master plan areas and the development of sustainable communities.
- 3.3 The eligible works for a Group Repair Scheme are external only and aim to improve the visual appearance of the terrace as well as leaving the properties in a good state of repair. To be successful the scheme would generally require 75% of the homeowners in the terrace to take part and agree to minimum works to their property including: -
- Repairs to chimney stacks including re-pointing and brick cleaning
 - Re-roofing where necessary
 - Provision of new barge boards, gutters and down pipes
 - Re-pointing and brick cleaning of external walls
 - Replacement windows and doors where necessary
 - Minor repairs to rear yard walls and gates

EDEN TERRACE CHILTON GRS – DELIVERY METHOD

- 3.4 The Council has recently completed a successful Group Repair Scheme at Eden Terrace in Chilton, which has been nominated for the Civic Trust award linked to the Durham Road Chilton Regeneration Project and the Durham County Council Route Way scheme.
- 3.5 Robertson Simpson Limited, Consultants, project managed the Eden Terrace contract on behalf of the Council. The project brief included surveying the scheme and the preparation of individual schedules of work for each property, tender preparation and management of the tendering process in accordance with the Council's contract procedure rules,

contract supervision on site including all valuations and health & safety management issues including CDM risk assessment and management.

- 3.6 Robertson Simpson Limited were instrumental in the delivery of the successful outcome of the Eden Terrace Group Repair Scheme. Taking into account the expansive nature of the contract brief, the high quality of work and contract documentation received from the consultant produced at a fee rate of 7.5%, which is competitive and represents value for money, it is proposed that they be asked to submit a proposal to deliver the Haig Street Group Repair Scheme in accordance with Contract Procedure Rules No. 1 and No. 8 (Negotiated Tenders – Estimated Cost in Excess of £10,000).

4. THE ROWS – DELIVERING CHANGE

- 4.1 This is one of the Council's three priority areas that has suffered for some years from the effects of a failing housing market including low demand and anti social behaviour. The Council has previously carried out compulsory purchase to both the former site of Chapel Row at the front of the site and to the three terraces at the centre of the site in an effort to halt the decline. A Neighbourhood Renewal Assessment was completed on the remainder of the Rows in February 2006 and found in favour of the proposal to redevelop the entire site and retain one terrace at the south side of Haig Street, (evens) comprising 14 properties. Both the local community and the professional team also chose retaining these 14 properties as their preferred option. The Master Plan further proposed that the Council carry out a Group Repair Scheme to the retained properties on the south side of Haig Street. There is a need to move forward to build community confidence in the Council's ability to deliver regeneration. A Group Repair Scheme at Haig Street would be an indication of the Council's commitment to the wider scheme and assist to integrate the retained terrace with the planned new build on the remainder of the site.
- 4.2 Time constraints exist due to the need to commence the Compulsory Purchase Order and also in relation to the funding made available from the Regional Housing Board via the Single Housing Investment Pot (SHIP), therefore, given the expansive nature of the contract brief, the high quality of work and contract documentation received from the consultant previously together with the quality customer focussed service, produced at a fee rate of 7.5%, which is competitive and represents value for money, Robertson Simpson Limited be invited to submit a proposal to carry out the work at Haig Street on a similar basis to that delivered at Eden Terrace. It is estimated that the cost of fees will be approximately £35,000.

5. RESOURCE IMPLICATIONS

- 5.1 As part of the Durham Coalfield Housing Renewal Partnership the Borough Council has been awarded £566,000 Single Housing Investment Pot resources in 2007/08, which has been allocated to assist in delivering the interventions proposed by the Master Plan at Ferryhill Station including supporting delivery of the Haig Street Group Repair Scheme. These resources are currently administered by Easington District Council on behalf of the Durham Coalfield Housing Renewal Partnership and are paid as grant to the Council to support appropriate schemes on submission of a claim. Based on the cost of the works carried out at Eden Terrace it is envisaged that the works required at Haig Street GRS will be in the region of £490,000, the fee rate proposed by Robertson Simpson can also be accommodated from this funding. This figure will be reduced by client contributions of up to 25% of the cost of the works, carried out on behalf of participating owners, based upon the results of a test of resources.

6. CONSULTATIONS

- 6.1 Consultation has been carried out via the Master Planning exercise and additional consultation has been carried out with Three Rivers Housing Association, Local Residents Associations, Public Meetings and individual home visits to those affected by the proposal.

7. OTHER MATERIAL CONSIDERATIONS

7.1 Links to Corporate Ambitions / Values

The Community Strategy Outcomes include a Borough with Strong Communities where residents can access a good choice of high quality housing. The Council's ambitions, which are linked, to the Community Strategy outcomes and are articulated through the Corporate Plan and the Medium Term Financial Plan. Our ambitions include delivering a Borough with Strong Communities with good quality affordable housing in safe neighbourhoods. The delivery of the Group Repair Scheme at Haig Street Ferryhill Station will play a direct role in the delivery of these ambitions.

7.2 Risk Management

A number of risks exist with Group Repair Schemes and have been identified by the Council's Risk Assessment procedure and completion of the STORM risk assessment matrix, these include: -

- Limited take up of the scheme by owners of the properties; the Private Sector Renewals Team are working with owners to maximise the take up at an early stage of the scheme.
- Failure of the contractor to complete the scheme; the usual arrangements will be put in place to mitigate this risk including a

full evaluation of potential contractors as part of the selection process, an appropriate bond to sit alongside the contract, proven project management arrangements and regular site meetings between the private sector renewals team, the project manager and the contractor.

- Lack of resources; funding has been made available via a successful bid to Single Housing Investment Pot (SHIP) 2.

7.3 Health & Safety

Contract administration and management arrangements will be put in place to ensure that all health and safety risks are managed appropriately.

7.4 Equality & Diversity

The Council's duties in terms of promoting equality and diversity have been taken into account in the recommendation arising from this report.

7.5 Sustainability

One of the objectives of the Master Plan proposals is to improve the housing choices available to meet current and future demand and to support economic growth by providing modern attractive homes in sustainable neighbourhoods, which will contribute to the delivery of sustainable communities throughout the Borough.

7.6 Crime & Disorder

The Council's duty under Section 17 of the Crime & Disorder Act 1998 has been taken into account in considering the recommendation made in this report.

7.7 Legal & Constitutional

The Housing Grants, Construction and Regeneration Act 1996 and the guidance given in the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 together with the Council Contract Procedure Rules have been considered in the making the recommendation arising from this report.

8. **OVERVIEW AND SCRUTINY IMPLICATIONS**

None

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Wards: All

Background Papers:

The Housing Grants, Construction and Regeneration Act 1996 and the guidance given in the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002

Sedgefield Borough Housing Renewal Assistance Policy 2006/07

Coalfields Housing Renewal - Masterplanning - Report to Cabinet

Private Sector Housing Capital Programme and the Single Housing investment Programme Round 2 - Report to Cabinet

Private Sector Housing Renewal Capital Programme 2005/06 – Eden Terrace Group Repair Scheme – Report to Cabinet

Examination by Statutory Officers

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