

# Item 6

## REPORT TO CABINET

13<sup>TH</sup> September 2007

### REPORT OF DIRECTOR OF NEIGHBOURHOOD SERVICES AND DIRECTOR OF RESOURCES

#### Portfolio Social Regeneration and Partnership and Housing

#### Redevelopment proposal for 'The Rows', Ferryhill Station

#### **1. SUMMARY**

- 1.1 The Council has identified within the Housing Strategy and Community Strategy its key priorities for intervention through housing led renewal within the three priority communities of Ferryhill Station, Dean Bank, Ferryhill, and Chilton West. The Master Plans for these communities form the basis for the strategic regeneration interventions. This report considers proposals to redevelop the first of these communities at Ferryhill Station.
- 1.2 The site is made up of three phases. Phases 1 & 2, the former site of Chapel Row, a cleared brownfield site which formally housed dense terraced accommodation which was acquired and demolished by the Council in 2003. It is proposed that this site is released for the provision of a mixed tenure housing. Phase 3 is made up of Clive, Wolseley, Trafalgar, Nelson and the odd numbered properties of Haig Street. A significant number of properties have been demolished however some are still occupied and a number of vacant properties still remain. A location plan is attached as Appendix 1.
- 1.3 Three Rivers Housing Group the Registered Social Landlord (RSL) own approximately 60% of Phase 3 land and for this reason it is recommended that a partnership based approach to the whole development be adopted.
- 1.4 Phases 1 and 2 of the site could be released for sale on the open market without any restrictions from the Council and subject to detailed planning permission be developed as any other site in the Borough. However this report recommends that the approach the Council takes in relation to release of land on Phases 1 and 2 and future development of Phase 3 is based on a partnership approach for a number of key strategic reasons.

#### **2. RECOMMENDATIONS**

- 2.1 The approach to the release of land at 'The Rows', Ferryhill Station as set out in this report is adopted.

### **3. A Strategic Approach To The Redevelopment of 'The Rows', Ferryhill Station.**

- 3.1 The development site is located within Ferryhill Station in an area know locally as 'The Rows' which is encompassed within Chilton Ward. Phase 1 and 2 of the site amounts to 0.40 ha (0.98 of an acre). Phase 3 amounts to 1.60 ha (3.96 acres) and is subject to future clearance of properties and relocation of residents. Ferryhill Station has been strategically identified as an area requiring significant market renewal as demonstrated through the master plan for the area.
- 3.2 Phase 1 and 2 of the site could be released for sale on the open market without any restrictions from the Council and subject to detailed planning permission be developed as any other site in the Borough. However following consultation with residents, a requirement to provide mixed tenure housing to assist those residents who currently occupy houses within Phase 3 to relocate to new properties in Phases 1 & 2 has been identified. Priority for the remaining social and affordable properties to be developed on the site will be given to other residents affected by the master plans from Dean Bank and Chilton West.
- 3.3 It has therefore been proposed that on Phase 1 & 2 of the development 30 dwellings will be constructed, comprising of 10 units for sub market rent, 10 for shared ownership and the remaining 10 units for sale. Construction of these units will include:-
- Eco homes very good standard
  - Design to Scheme Design Standards (SDS) and Secured By Design (SBD)
  - Housing unit sizes exceeding market levels
  - Investment in the external appearance and finishings
- 3.4 The adoption of a partnership based approach is recommended to be undertaken with Three Rivers Housing Group the Registered Social Landlord (RSL) who have significant ownership of property within Phase 3 of the site. The development is aligned to the regeneration works through the Durham Coalfields Housing Renewal Programme which has been set within the sub regional housing strategy. The approach has been shown to deliver higher quality solutions to such developments than a purely commercially led approach. In the case of this development the investment in unit sizes, energy efficiency measures and mix of tenures support the strategic housing renewal vision for the area.
- 3.5 It is proposed to dispose of Phases 1 & 2 as hatched on the attached plan to Three Rivers Housing Group for residential development to support the wider strategic regeneration in accordance with the agreed mixed tenure and agreed standards of construction.
- 3.6 Following the acquisition and demolition of the remaining properties on Phase 3 as cross hatched on the attached plan it is proposed that the site be jointly marketed together with Three Rivers Housing Group for speculative residential development.
- 3.7 The resulting capital receipt will be equally shared after allowing for acquisition and demolition costs and any necessary repayment of historical investment by the Housing Corporation.

#### **4. RESOURCE IMPLICATIONS**

- 4.1 A separate report on the resource implication of the disposal of the sites will be presented to Cabinet.

#### **5. CONSULTATIONS**

- 5.1 The redevelopment of 'The Rows' has included extensive consultation with local residents and stakeholders. This consultation will be maintained during the delivery phases to ensure effective community support.

#### **6. OTHER MATERIAL CONSIDERATIONS**

##### 6.1 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 are articulated through the Corporate Plan and the Medium Term Financial Plan. The Borough Councils ambitions mirror the Community Strategy's outcomes and the development of 'The Rows' will make a direct contribution to this outcome through the provision of social, shared ownership and older persons accommodation.

##### 6.2 Risk Management

The joint development proposal has been subject to a storm risk assessment a summary of which is attached as Appendix 2.

##### 6.3 Health and Safety

There are no additional implications over and above for existing staff of the Borough.

##### 6.4 Equality & Diversity

Full account will be taken of the Borough Council's obligation to promote equality and diversity.

##### 6.5 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.

##### 6.6 Crime & Disorder

The Council's duty under Section 17 of the Crime & Disorder Act 1998 has been taken into account considering the recommendations and should bring about sustainable change through improving the local environment.

6.7 Legal & Constitutional

A separate report on the resource issue of the disposal of the sites will be presented to Cabinet including details of the legal and constitutional issues.

7 OVERVIEW AND SCRUTINY IMPLICATIONS

7.1 There are no Overview and Scrutiny implications of this report.

8 LIST OF APPENDICES

8.1 Appendix 1 Location Plan 'The Rows' Ferryhill Station.

8.2 Appendix 2 Risk Assessment – Risks to the development of 'The Rows' Ferryhill Station.

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**Wards:** Chilton

**Background Papers:**

- Joint report of Director of Neighbourhood Services & Head of Strategy Regeneration Coalfield Housing Renewal – Master Planning provided to Cabinet 13<sup>th</sup> July 2006.
- Community Strategy
- Corporate Plan

**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"/>

STORM (STrategic and Organisational Risk Management) RISK ASSESSMENT							
<b>RISK ASSESSMENT MATRIX</b>							ISSUED BY
							Dianne Hedley
							ISSUED TO Glyn Hall
<b>LIKELIHOOD OF RISK HAPPENING</b>	A	VERY HIGH					
	B	HIGH		3			DATE ISSUED 21.8.07
	C	SIGNIFICANT			1,2,	5	
	D	LOW			4,	6	APPROVED BY
	E	VERY LOW					
	F	ALMOST IMPOSSIBLE					
<ol style="list-style-type: none"> <li>WRITE DOWN THE RISKS BELOW AND SCORE THEM.</li> <li>ENTER THE RISK NUMBER FROM THE LEFT HAND COLUMN BELOW INTO THE RELEVANT BOX IN THE MATRIX ABOVE.</li> <li>IDENTIFY THE TARGET SCORE, ENTER IN THE MATRIX ABOVE AND NOTE THE APPROPRIATE ACTIONS TO DEAL WITH THE RISK IN THE RIGHT HAND COLUMN BELOW.</li> </ol>		4 NEGLIGIBLE	3 MARGINAL	2 CRITICAL	1 CATASTROPHIC		
		<b>IMPACT ON ACTIVITY OR PROJECT</b>  <b>RED: HIGH Priority</b> <b>AMBER: MEDIUM Priority</b> <b>GREEN: Low Priority</b>					RISK ASSESSMENT ACCEPTED BY
No	DESCRIPTION OF RISK (WHAT CAN GO WRONG)	LIKELIHOOD OF RISK HAPPENING	IMPACT ON ACTIVITY OR PROJECT	OVERALL SCORE	TARGET SCORE	ACTIONS REQUIRED TO ACHIEVE THE TARGET SCORE	LINKS TO
1	Housing Corporation historical Investment to be fully repaid	C	2	C2	D3	Taking account of RCGF regulations SBC together with Three River's Housing Group to jointly enter into negotiations with the Housing Corporation	
2	Rejection of funding bid to English Partnerships	C	2	C2	F2	We will not enter into the disposal with Three Rivers until confirmation of secured funding is received.	
3	Cost over runs on Phase 1 & 2 of the redevelopment	B	3	B3	F4	Heads of terms will reflect Three Rivers sole responsibility for entering into fixed Partnering Contract and cost over runs.	
4	Retraction of the agreed tenure specification of properties within Phase 1 & 2	D	2	D2	F4	To be fixed by terms of sale agreement..	
5	Joint Venture Agreement not robust leading to breakdown of development	C	1	C1	E1	Ensure construction of Joint Venture agreement involves all appropriate parties and legal representation.	
6	Unsuccessful in securing CPO	D	1	D1	F1	Effective legal representation & endorsement by Gov. Office	

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