

Report to: **Extraordinary District Council of Easington**
Date: **Thursday 23rd February 2006**
Report of: **Chair of the Capital Programme Working Group**
Subject: **Capital Programme for 2006/2007**
Ward: **All**

1. Purpose of Report

- 1.1 The purpose of this report is to determine allocations for the Capital Programme for 2006/2007. This amounts to proposals totaling, £17,092,240.

2. Consultation

- 2.1 In preparing this report I have consulted with the Management Team. The Capital Programme Working Group, which includes officers from East Durham Homes, Management Team, Tenants and Residents Federation and the Housing Business Plan Working Group who endorsed the proposals within the report.

3. Background

- 3.1 It is a requirement of the Council's agreed Capital Strategy that a three year Capital Programme is maintained, however, each year of the programme is subject to revision in light of the available finance at that time and therefore requires approval by Council on an annual basis.

4. Position Statement

- 4.1 The report gives details of the proposed programme of expenditure on Capital items for the 2006/2007 financial year.

- 4.2 The total forecasted expenditure is to be funded by:

1	Supported Capital Expenditure (Revenue) - SCE(R)	1,000,000
2	Supported Capital Expenditure Capital Grant - SCE(G)	566,000
3	Major Repair Allowance	4,739,000
4	Capital Receipts	8,739,240
5	Grants & Contributions	2,048,000

- 4.3 Decisions are required as follows:

- 1 Funding for the 2006/2007 Capital Programme be set at, £17,092,240
2 Finance for the Capital Programme be allocated as follows:

ALMO Works – Decent Homes Works	9,660,000
ALMO Works – Non Decent Homes Works	920,000
HIP – Council Schemes	3,132,000
Other Services	3,380,240

5. Investment Strategy

- 5.1 As members will be aware the overarching investment aims for future housing capital programmes, as agreed as part of the 2003/2004 Capital Programme process was that:

1. existing commitments be honoured
2. resources be targeted to achieving decent homes standards and
3. that investment is directed to sustainable areas.

6.0 Corporate Aims and Objectives

6.1 The Council's Capital Programme links directly to the Council's Aims and Objectives on two main fronts:-

A sustainable job for everyone

To secure economic well-being and provide quality, equal and diverse sustainable employment.

To promote sound environmental management in the business sector.

To bring about effective end uses for major redevelopment sites, improving the environment and leading to employment growth, greater housing choice and improved choice of shopping and leisure facilities.

To support and develop the tourism potential of the district.

Decent homes for all

To reduce inequality for residents by improving the standards of private sector housing.

To provide a range of choice of private dwellings.

To reduce energy consumption and carbon dioxide emissions in domestic properties.

7. Financial Implications

Capital Resource Requirements

General Fund	2006/2007 £	2007/2008 £	2008/2009 £
Total Estimated Expenditure	5,012,240	3,758,000	4,145,000
Financed by			
External Borrowing	0	0	0
Capital Receipts	3,838,240	1,373,200	1,819,800
Revenue Contributions/Reserves	0	0	0
Grants & Contributions	1,174,000	2,384,800	2,325,200
Total	5,012,240	3,758,000	4,145,000

Housing Revenue Account	2006/2007 £	2007/2008 £	2008/2009 £
Total Estimated Expenditure	12,080,000	10,190,000	9,790,000
Financed by			
External Borrowing	1,000,000	1,000,000	1,000,000
Major Repairs Allowance	4,739,000	4,639,000	4,540,000
Capital Receipts	4,901,000	4,511,000	4,210,000
Revenue Contributions/Reserves	0	0	0
Grants & Contributions	1,440,000	40,000	40,000
Total	12,080,000	10,190,000	9,790,000

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- 7.1 The implementation of the proposals suggested in the report will require Capital Resource Requirements as above. The intention is to closely monitor expenditure throughout the year.
- 7.2 With regard to estimates for 2007/2008 and 2008/2009 these are very provisional at this stage and do not commit the Council in any way, they will be reviewed as required according to the level of finance resources available and the Council=s own priorities.
- 7.3 The revenue implications of the above proposals are shown in the table below, it should be noted that the loss of interest of using capital receipts is a loss to the General Fund regardless as to whether the receipts finance Housing or General Fund Expenditure.

GENERAL FUND	2006/2007 £	2007/2008 £	2008/2009 £	Future £
Revenue Implications of Capital Expenditure included in this report	185,709	496,457	749,629	877,763
Commitment per Band D taxpayer	7.17	19.18	28.95	33.90
Commitment per Band A taxpayer	4.78	12.78	19.30	22.60

- 7.4 Any revenue implications for the Housing Revenue Account arise purely on the revenue contributions as the bulk of the expenditure is met from the Major Repairs Allowance, in addition as the borrowing in the report is in line with the Asupported borrowing@ figure of the subsidy regime all borrowing costs are met by government subsidy.
- 7.5 As there is no planned revenue contribution in any of the following three years there is no cost to the HRA of the planned capital expenditure.

8. Allocation of Resources

Individual bids have been submitted for each area of work and assessed by the Capital Programme Working Group. The following schemes detail the financial allocations being recommended in the 2006/2007 Capital Programme. Where specific details are not available at this stage further reports will be submitted to members on the actual detail of the areas of work to be carried out.

It should be noted that where known grant income has been included in the figures provided but as members will be aware many of the regeneration allocations are used to draw down additional funding much of which cannot be quantified at this stage. The true value of the 2006/2007 programme will therefore be far in excess of the £17m identified in this report.

8.1 Committed Expenditure

The first priority in determining the Capital Programme for next year is to cover the expenditure which is already committed and these figures are catered for within allocation proposals. Included in these figures is a sum of approximately £800k, which has been identified for various regeneration schemes but was unused in 2005/2006 and has therefore been carried forward into the 2006/2007 programme. Areas of work include the new Business Centre, the East Durham Regeneration Route and ring fenced sums used to support settlement regeneration activity.

8.2 Specific Funding

Included in these figures are the following programmes of work which are not detailed elsewhere in the report. There are a number of programmes which attract specific funding from the Office of the Deputy Prime Minister and other agencies. These specific

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allocations cannot be spent on any other projects. It is, therefore, recommended that allocations totaling £1,580,000 is made for the following programmes to maximise the available funding.

8.2.1 Disabled Facilities Grant (DFG) - £580,000

A Specified Capital Grant allocation of £348,000 is available to cover the 60% Exchequer Contribution towards grants for disabled facilities and this allocation will be given to the Council as a grant. To claim the grant in full, the Council has to spend a total of £580,000 on DFG=s.

Disabled Facilities Grants (DFGs) are a means tested grant that are mandatory for certain elements of work to allow people with mobility needs to remain safely and healthily in their homes. A Disabled Facilities Grant is to help towards the cost of adapting a home. This could include:

- making it easier to get in and out with an access ramp
- making it easier to get around by widening doors, or putting in grab rails or a stair lift
- making it easier to use the bath or shower, toilet and sink by using specialised seating or a hoist
- lowering work tops to make it easier to prepare and cook food
- improving or providing a suitable heating system
- adapting heating or lighting controls to make them easier to use.

DFGs are delivered by our Home Improvement Agency, Care & Repair for which they will receive a 6% fee income from the allocation.

8.2.2 Private Sector Housing - Easington and Dawdon - £1,000,000

Easington and Dawdon Colliery are the District=s two renewal areas and the Council has given a ten year commitment to the regeneration of these areas.

Works commenced in Easington in 1997 with Dawdon following in 2001 and the programmes include acquisition and demolition of obsolete private sector properties in support of “market renewal” activities and Decent Homes improvement works based on the 4 Decent Homes elements of fitness for habitation, state of repair, internal amenities and thermal comfort (heating and insulation). In order to maintain a commitment to these areas it is proposed to allocate £1,000,000 of which£566,000 is funded from external sources.

8.3 Civic Premises

The Council is continuing to assess it=s position regarding Capital Receipts and reserved £3,500,000 in 2005/2006 to address issues around the council offices. An option appraisal is ongoing and this issue will be the subject of further reports to members. At this stage only £20,000 has been expended and it is proposed to carry the balance forward for this same purpose in 2006/2007. The amount has not been reflected in the total figures for the 2006/2007 Capital Programme.

8.4 New Allocations

8.4.1 ALMO Works - East Durham Homes - Decent Homes Works

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It is currently estimated that 137 dwellings will be brought up to decent homes standard and a further 34 will be prevented from falling into disrepair as a result of works undertaken through the Decent Homes Compliance element of the programme. The results from other elements of the programme are still being assessed.

8.4.1.1 Structural Repairs - £400,000

Structural repairs to approximately 60 homes in Wingate. Works to include remedial wall ties, brickwork repairs and re-pointing. Lintel replacement will be undertaken as required. Roofing work will be carried out to properties with clay and felt roofing which has reached the end of its life. This element will be funded from the re-roofing allocation but savings will be made on shared scaffolding costs.

8.4.1.2 Disrepair Claims - £20,000

To undertake one off structural or other repairs as a result of a disrepair claim by a tenant.

8.4.1.3 Decent Homes Compliance - £4,900,000

This area of work covers multi element schemes which cover all items necessary to bring properties up to the Decent Home Standard both currently and to beyond 2010. Work is targeted at dwellings in a worse than average condition and in areas of higher deprivation as identified by Central Government. Typical work includes kitchens, bathrooms, heating, electrical, doors and windows, roofing, structural and sundry repairs as required.

A bid has been made for £1.4m from the Neighbourhood Renewal Fund for schemes in the super output areas of Edenhill, Easington Colliery and South Seaham. In the event that funding is not forthcoming the schemes will be reduced in size. In addition to refurbishment works an allowance has been made to undertake further surveys to improve the level of stock information.

A total of 137 dwellings will be brought up to the decent home standard with a further 34 prevented from falling into non-decency. This represents a 2% reduction in the total number of non-decent dwellings.

Schemes include Dunelm Walk Flats (6 dwellings), Northlea Phase 2 (23 dwellings), Easington Phase 3 (23 dwellings), Horden North (Ponyfield) Phase 1 (30 dwellings), Edenhill Phase 2 (50 dwellings), Deneside Cottages Phase 1 (39 dwellings), stock condition surveys (10% additional stock coverage).

8.4.1.4 Preventative Maintenance - £2,205,000

The scope of works includes a provision for voids, which is anticipated to account for £300,000 of the budget. The remainder of the allocation will be used to undertake preventative maintenance works in particular doors, windows and roofing work. These elements account for a significant number of decent home failures. The exact numbers and addresses are subject to ongoing survey work.

The aim of the work is to bring dwellings or elements of dwellings up to the decent home standard. The anticipated number of dwellings to be brought out of non-decency is approximately 220. This work is of a quick win nature and further work will be necessary before 2010 to prevent them falling back into non-decency.

8.4.1.5 Boiler Replacement - £500,000

This programme is to convert 200 dwellings from solid fuel to high efficiency gas

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heating. The work will assist in satisfying the energy efficiency criterion of the decent home standard. Dwellings with non-programmable solid fuel system do not meet the standard. There are benefits to tenants from reduced heating costs and alleviation of fuel poverty (where over 10% of income is spent on fuel costs).

8.4.1.6 Heating Programme - £750,000

This programme is for the replacement of inefficient warm air heating units to 204 properties in Peterlee. Problems have been identified to flues on a small number of dwellings during the annual servicing regime. Also taking account of the age of the units, future spares availability and fuel efficiency it is considered advisable to replace the systems as soon as possible. The scheme will result in improved safety, reduced maintenance and fuel bills and will impact on the decent homes target, as the obsolete heating is a failure item on these properties.

8.4.1.7 Asbestos - £150,000

This allocation provides funding for ongoing surveying, sampling and analysis of suspected asbestos containing materials for capital works. These can be for planned projects or for future planning of works. Small-scale asbestos removal work will be undertaken as necessary.

8.4.1.8 Energy Measures - £100,000

This allocation is for undertaking energy conservation work to the worst performing properties within the District. Work includes cavity wall insulation, improved loft insulation, radiator reflectors as well as provision of energy saving light bulbs. Scottish Power will carry out the work with support from the utility companies Energy Efficiency Commitment. The exact addresses and number of dwellings is subject to survey and agreement with Scottish Power.

8.4.1.9 District Heating - £270,000

This allocation is for the replacement of obsolete solid fuel boilers serving aged persons units at Donnini House, Primrose Court and Dormand Villa. The project will lead to greater energy efficiency and more reliable operation of the systems. In addition converting from solid fuel will satisfy the energy efficiency criterion of the decent homes standards.

8.4.1.10 Re-roofing - £150,000

This element of the programme is for the replacement of clay and felt roofs reaching the end of their lives and is to be undertaken concurrently with structural works. It also includes remedial work to leaking concrete 'finlock' gutters and an allowance for one off roof replacements as required. Scope of work is to include 10 re-roofs as part of structural works, 40 bungalow gutters at Murton and 15 one off re-roofs throughout the District.

8.4.1.11 Rewiring - £215,000

The work will include completion of a rewiring scheme in Peterlee (64 dwellings) and replacement of consumer units (200 no.) to dwellings in Peterlee, Thornley and Easington. Electrical installation is a key failure element in the decent home standard and properties identified are currently failing.

8.4.2 ALMO Works - East Durham Homes - Non Decent Homes Works

8.4.2.1 Door Entry/Security Measures - £35,000

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Installation of new door entry systems and steel security door sets to flats in Blackhall and Peterlee. This work will enhance security at approximately 20 flats.

8.4.2.2 Adaptations for the Aged & Disabled - £635,000

This allocation is to provide measures to enable persons to continue living in their own homes addressing access, bathing and heating together with minor works and provision for undertaking work on an emergency basis. Works result from referrals from the County Council including approximately 90 emergencies, 80 access, 80 bathing, 9 heating and 400 minor work requests.

8.4.2.3 Environmental Works - £150,000

Works are to include the provision of off street parking to alleviate congestion in identified problems areas in the District in conjunction with Durham County Council. The programme will also include for the replacement of poor condition fencing

8.4.3 HIP - Council Schemes

8.4.3.1 Disabled Facility Grants - Mandatory - £580,000

Previously detailed in section 8.2.1

8.4.3.2 Home Repair Grants - £212,000

It is proposed to allocate £212,000 for Home Repair Assistance, as this is an area where there are significant problems, particularly for disadvantaged groups across the whole District. Home Repairs Assistance generally comes in the form of Home Renovation Grants (HRGs) or Minor Works Grants (MWGs) provided through our Home Improvement Agency, Care & Repair, for which they will receive a 6% fee income from the allocation. These are discretionary grants available to owners and tenants fulfilling certain qualifying criteria, and are subject to means testing. HRGs are intended to fund major works (over £500 in value) to make a property fit for habitation and/or in a reasonable state of repair/amenities. MWGs are intended to fund smaller-scale works of repair, improvement or adaptation to a dwelling.

8.4.3.3 Private Sector Renewal - Easington & Dawdon - £1,000,000

Previously detailed in section 8.2.2

8.4.3.3 Settlement Plans - £1,140,000

This programme involves the re-location of residents, repurchasing of owner-occupiers and the demolition of properties in settlement plan areas. Any re-housing will involve payment of homeloss and disturbance allowances. Works address problems in priority housing areas and includes the replacement of inappropriate stock with housing which meets the needs of residents. The programme also involves the implementation of strategies, which address specific problems of stock including garages/one bedrooomed bungalows etc.

Final decisions need to be made on the implementation of some demolition, disposal and redevelopment programmes, however the following areas have been identified for inclusion within the 2006/2007 programme together with the number of properties involved:

Welfare Close, Easington - 9 tenants to be re-housed, disposal of 24 properties (possibly by demolition).

Argyle Place, South Hetton - 18 tenants to be re-housed, demolition of 54 properties by the successful RSL.

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St Cuthberts Road, Thornley - repurchase of 4 owner occupied properties, 6 tenants to be re-housed, demolition of 22 properties.

Pattinson Gardens, Blackhall Rocks - 4 tenants to re-housed, demolition of 62 properties by developer.

Coopers Close, Thornley - 18 tenants to be re-housed, demolition of 32 properties.

Moore Terrace, Shotton - demolition of 8 properties, however options are being explored for the surrounding area and may be subject to a further report.

Edenhill, Peterlee - Options are being explored for a full redevelopment of the inner estate comprising of 66 properties, 21 owner occupied, 25 tenants, 20 void.

Garage Strategy, - EDH are currently developing a garage strategy for the district, approximately 2,000 in number, the implementation of which may include some demolition.

8.4.3.4 Over 60's Home Insulation Scheme - £100,000

Fuel poverty is causing considerable suffering to the over 60's age group in private sector properties within Easington district. A significant number of these elderly and vulnerable residents do not qualify for assistance from any other free grant scheme currently available.

This scheme seeks to target these residents for assistance, as without this scheme they will remain in fuel poverty with the inherent risks to their health and social exclusion. There are currently over 30% of the residents of Easington District in fuel poverty. A situation that is exacerbated by the significant rises in energy costs recently. The scheme aims to provide warmer homes for the over 60's age group by installing free home insulation measures, thus lowering fuel bills and decreasing excess winter deaths and cold related illness.

8.4.4 Other Services

8.4.4.1 Leisure Centres - £150,000

The work is a continuation of a programme to replace elements of the leisure centres, which are reaching the end of their lives. Typical elements last 25-30 years before the economic lifespan is reached, this marks the point at which increasing numbers of repairs are needed to maintain operations. The works are designed to ensure the buildings remain operational during the contract period with our partners. Proposed works comprise mechanical and electrical systems, external fabric, pool surrounds and showers at Peterlee and works at Seaham will include mechanical and electrical systems, external doors and outside changing facilities.

8.4.4.2 E-Government - £150,000

This allocation will be used with the County Durham E-government Partnership in developing the Customer Relationship Management systems.

8.4.4.3 Warden Call Equipment - £160,000

For 2005/2006 a five-year programme was proposed to replace warden call equipment, which is reaching the end of its technical and economic life. The type of replacement equipment has been changed from renewal of the existing hardwired group system to individual dispersed units in residents' homes. This is due to a new policy from Supporting People to provide equality of service to all, however this does not apply to Aged Persons Units, which had replacement systems in 2004/2005. The works for 2006/2007 will be a continuation of the programme with dispersed units being installed to approximately 440 homes. The units will provide for a wider variety of monitors and use operating protocols, which would be fully compatible in the event of any change in control centre provision.

8.4.4.4 Warden Community Centres - DDA - £100,000

Following a survey in 2004/2005 an ongoing programme of works is underway to improve the 27 Warden Community Centres for use by the disabled. During 2005/2006 a review of the usage and service provided by the centres was undertaken. It was decided to initially concentrate on the 6 Aged Persons Units, which being residential are used most. For 2006/2007 works will be undertaken to non-residential centres with priority being given to those with the greatest usage or where there are particular site related problems. The exact scope of work is subject to further design development.

8.4.4.5 Warden Community Centres - Repairs - £100,000

Care Services is responsible for the operation of 27 Community Centres, which can be part of sheltered units or self-contained halls. The majority of the buildings are 30 - 40 years old and many building elements are now reaching the end of their expected life. A survey of the centres is being undertaken to determine the work required as well as priority and cost. This will be used to produce a maintenance plan for each centre with work being undertaken in 2005/2006 at the 6 Aged Persons Units. For 2006/2007 work will be undertaken to remaining centres. The exact work is subject to completion of a review of the centres taking account of sustainable need/usage as well as priority based on the nature of work required.

8.4.4.6 Shop Repairs - £25,000

Major roof repair works have recently been undertaken at York Road Shops and it is now proposed to further enhance this area by regenerating the existing parade.

8.4.4.7 Community Centre Repairs - £20,000

This is an ongoing commitment to year four of a five-year programme. However a steering group has been created for the purpose of completing a full and detailed assessment of all community centres. Condition surveys have been completed with suitability, sufficiency and feasibility surveys ongoing. Proposed recommendations will be available in March 2006 together with financial implications.

8.4.4.8 Council Complex - £17,000

This allocation is proposed to undertake minimum works to the Council complex site in order to maintain usage until a decision is made on new civic premises.

Works will include repairs and decoration to windows in buildings 9 and 10 to prevent further degradation and electrical testing and works to buildings 5,6,7 and 8 to ensure compliance with legislation and Health & Safety

8.4.4.9 Invest to Save - £25,000

It is proposed that this allocation be used to implement schemes and projects which will save energy and running costs for the authority. Schemes will include the installation of flash chillers to promote the removal of stored bottle water, improvements to external lighting for more energy efficient units, replacement of existing taps with push type shut off taps, for water saving and other general energy efficiency measures as Identified by Energy efficiency officer.

8.4.4.10 Hackworth Road - Depot Refurbishment - £500,000

The depot is currently shared between the Council and East Durham Homes and is not fit for purpose. The project is part of the ALMO 3 Star strategy and modernising the

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depot will help create a responsive maintenance/voids service and complete the rationalization of depots.

8.4.5 Regeneration Schemes

8.4.5.1 Seaham Regeneration Strategy - £200,000

The project is designed to bring forward capital works relating to the Seaham Regeneration Strategy, which was commissioned in 1994. The regeneration strategy outlined a number of key projects that would bring the town of Seaham forward and this programme looks to implement/facilitate any projects that cannot be funded via the private sector or external funding sources. The total amount of leverage can only be determined once individual schemes are developed.

8.4.5.2 Peterlee Regeneration Framework - £200,000

The project is designed to bring forward capital works relating to the Peterlee Development Framework. This Framework will identify key developments that need to come forward over the next ten years and this budget will be used to facilitate these key developments and any issues that arise as a result. The allocation will be used to attract inward investment and bridging the gap that the private sector and external funding bodies cannot meet.

8.4.5.3 SRI - Blackhall - £99,665

This is the balance of the ring-fenced allocation for Blackhall SRI. The aim of the project is to work with the Blackhall SRI Management Committee and local partners in the regeneration of the Blackhall Wards. Work will also be undertaken to develop an exit/continuation strategy for the next 3 years.

8.4.5.4 Regeneration Awards - 7 Settlements - £146,575

This is the balance of a ring-fenced pot awarded to 7 Settlements in the West of the District which is used as match funding, where possible, to undertake regeneration schemes as determined by the local regeneration partnerships. The balance of funding remaining is for the wards of Deaf Hill, Haswell, Shotton & Thornley.

8.4.5.5 Flexible Regeneration Budget - £420,000

This allocation has been established to pump prime regeneration schemes throughout the District and to support key regeneration activity. The monies are allocated as direct grant award or as match funding for major initiatives. Currently £183k is set-aside for the business incubator, £80k towards the Urban Renaissance Programme and up to £100k towards the Vane Tempest Welfare project which is part of a wider development of East Shore Village.

8.4.5.6 Flexible Pot - £200,000

This budget was established following the sale of the industrial portfolio and is used to pump prime regeneration schemes throughout the District. This was the first flexible pot established and the monies remaining are earmarked to one project, the East Durham Regeneration Route.

8.4.5.7 Industrial Estate Improvements - £27,000

The allocation is requested to complete year 2 of a three-year project to deliver “one-off” improvements to the districts industrial areas identified by the Industrial and Commercial Landlords (ICL) Forum, which has been established as part of the Council’s Liveability Programme. Schemes could include signage, lighting, landscaping and general

environmental improvements. As the project develops further private sector involvement and financial contribution is anticipated.

8.4.5.8 District Land Use Strategy & Delivery Programme - £80,000

The project involves the commissioning of a strategy to identify the re-use potential of key vacant industrial sites in Peterlee and the Enterprise Zones of Dawdon, Foxcover and Whitehouse Business Parks and initiate the recommendations of the strategy in 2007/08 & 2008/09. This allocation would increase the potential for accessing leverage from external funding streams, such as Single Programme.

The District has a shortage of land for industrial development & re-using existing vacant sites is necessary to ensure the District maintains its industrial 'offer' to allow existing businesses to grow and attract new businesses to the District. The study would examine the potential of these sites in terms of the types of use they could accommodate, costings, timescales, land ownership etc. The study would also identify wider improvements required to raise the overall environmental quality of the industrial area to maintain its competitiveness in the regional context. The need for a masterplan/strategy is highlighted in the County Durham Sites and Premises Study (Donaldsons Aug 2005).

8.4.5.9 Dawdon & Foxcover Environmental Improvements - £210,000

The project involves the implementation of an environmental improvement programme to improve the overall appearance of these two key business parks to increase their marketability and attract business investment.

These EZ sites have been successful in attracting high quality commercial and industrial development, however, the environmental quality of the sites has not been maintained and upgraded to a level that matches the quality of the premises within them. This situation is therefore having an adverse impact on the marketability of these sites. The Durham Sites and Premises Study (Aug 2005) identified a total lack of landscaping on the two business parks that means that the owners will continue to struggle to let the premises in this condition. This project would seek to address these issues and ensure that the two sites mirror the quality of the rest of Seaham, which has benefited from regeneration investment. The project would build upon the design code produced for these two estates (English Partnerships and One-North East - June 2004).

8.4.5.10 A19/Hawthorn Link Road - £500,000

The project will provide Phase 1 of the Coalfield Regeneration Route. This is part of a strategic highway opening a variety of employment sites in Easington and Sunderland. This first phase will involve constructing a private road (A19 to Hawthorn Cokeworks site) and access into the former cokeworks site to represent the main access to the proposed Hawthorn Prestige Industrial Estate.

Phase 2 is currently subject of a funding application to government. Without a scheme to construct Phase 1 government will not consider Phase 2. The combined cost of both phases is £15m.

The project aims to provide the infrastructure for the proposed Hawthorn Prestige Industrial Estate, which is currently the subject of a planning application by the District of Easington. The Industrial Estate will provide 750,000 sq feet of B1, B2 & B8 class use industrial space creating approximately 1,800 jobs.

8.4.6 Contingencies - £250,000

No specific allowance has been made for contingencies within individual schemes and any additional works will need to be funded from existing allocations. However to

accommodate any emergency works which cannot be catered for from existing resources contingency sums totaling £250,000 have been built into the programme, across all three main headings, should such a situation arise. The Capital Programme Working Group will determine and make recommendations regarding the use of this funding.

8.5 Commitment Into Future Years

It is anticipated that allocations for the 2006/2007 Programme will result in commitments into future years however this figure cannot be determined at this stage until full details of schemes/programmes are known. Once determined appropriate finance will be made available to fund the programmes.

9. **Implications**

9.1 **Policy**

This report requests Members to agree a policy on which items or schemes are to receive allocations in 2006/2007. It is also a requirement of the Capital Strategy to develop a three year Capital Programme and this has been reflected in the report.

The Total Programme totally relies on all funding being available to fund the individual schemes. Should any of the allocations not reach their required levels the Programme would need to be curtailed as appropriate

9.2 **Financial**

The financial implications are set out in paragraph 7 above.

9.3 **Legal**

None

9.4 **Risk**

A risk assessment has been completed and the necessary actions required to manage the identified risks have been/will be implemented.

9.5 **Communications**

The proposed allocations and associated project targets will be placed on the Council=s Web Site.

9.6 **Corporate Plan and Priorities**

The 2006/2007 Capital Programme is aligned to the Council=s objectives and agreed priorities. The main thrust of the programme is towards decent homes/affordable housing and regeneration issues.

9.7 **Performance Management and Scrutiny**

The Capital Programme is monitored on a monthly basis with financial reports being submitted to the Capital Programme Working Group and the Executive. In addition quarterly reports on performance are also prepared for these meetings.

9.8 **Electronic Service Delivery**

The report addresses the resource implications of meeting the Council=s IEG4 Strategy.

9.9 **Procurement**

The programme will be delivered in accordance with the Council=s Procurement Strategy and Code of Practice.

9.10 **Equality and Diversity/Social Inclusion**

The report addresses a number of issues relating to:-

- 1 Capital resources to tackle disabled facilities in the District and accessibility issues at the Leisure Centres and Warden Community Centres
- 2 Capital resources to renew communication facilities to care for the elderly and
- 3 The E-government strategy to address accessibility to services

10. RECOMMENDATIONS

Decisions Required:-

- 1 Funding for the 2006/2007 Capital Programme be set at £17,092,240 as detailed in the report.
- 2 Finance for the Capital Programme be allocated in accordance with Appendix B as follows:

ALMO Works – Decent Homes Works	9,660,000
ALMO Works – Non Decent Homes Works	920,000
HIP – Council Schemes	3,132,000
Other Services	3,380,240
- 3 Further reports be submitted to members where necessary detailing the actual areas of work to be carried out within capital schemes in the 2006/2007 Capital Programme.

Background Papers

The following documents have been referred to in the production of this report

Bidding forms CPWG1

Working papers/E:mails from Monitoring Offices

Minutes of the Capital Programme Working Group Meetings - File Admin/7

Chair of the Capital Programme Working Group

CAPITAL RESOURCES AVAILABLE FOR 2006/2007

Based on the recommendations included in this report, the finance available for the 2006/2007 Capital Programme is made up as follows:

	£
(a) Supported Capital Expenditure (Revenue) - SCE(R)	1,000,000
(b) Supported Capital Expenditure Capital Grant - SCE(G)	566,000
(c) Major Repair Allowance	4,739,000
(d) Capital Receipts	8,739,240
(e) Grants & Contributions	2,048,000

1. SUPPORTED CAPITAL EXPENDITURE

1.1 Supported Capital Expenditure (Revenue), SCE(R) - £1,000,000

This year's allocation is described as a Supported Capital Expenditure (Revenue), which is borrowing approval. This was formerly known as Supplementary Credit Approvals and Basic Credit Approvals.

1.2 Supported Capital Expenditure (Grant), SCE(G) - £566,000

This allocation is direct grant and is specified for used on Private Sector Renewal Works.

TOTAL FOR SUPPORTED CAPITAL EXPENDITURE	£1,566,000
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2. MAJOR REPAIRS ALLOWANCE

2.1 Major Repairs Allowance

An annual Central Government Allowance is available to finance H.R.A. works of a capital nature. This years allocation is £4,739,000

TOTAL FOR MAJOR REPAIRS ALLOWANCE	£4,739,000
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3. CAPITAL RECEIPTS

3.1 Capital Receipts

Included in this figure is an allocation of £3,500,000 towards Decent Homes schemes. In addition the majority of works identified in appendix B, Other Services, make up the balance of this figure.

TOTAL FOR CAPITAL RECEIPTS	£8,739,240
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4. GRANTS AND CONTRIBUTIONS

4.1 Decent Homes - £1,400,000

A bid for NRF funding has been made to support Decent Homes Works and subject to appraisal this money will be available during 2006/2007.

4.2 Private Sector Over 60's Home Insulation Scheme - £25,000

The private sector will contribute £25,000 towards this scheme.

4.3 Specified Capital Grant - £348,000

A specified Capital Grant of £348,000 is available to provide spending cover for Disabled Facilities Grants. To claim the grant in full, the Council has to spend a minimum of £580,000 on DFG=s.

4.4 Adaptations - £40,000

Social Services will contribute £40,000 towards adaptations for the aged and disabled.

4.5 District Land Use Strategy & Delivery Programme - £60,000

A bid for £30,000 NRF and £30,000 single programme funding has been made to support this work in 2006/2007.

4.6 Dawdon & Foxcover Environmental Improvements - £175,000

A bid for £100,000 NRF and £50,000 single programme funding has been made to support this work in 2006/2007. Further contributions of £25,000 will be made from the private sector.

4.7 Other Funding

As part of a number of other schemes (SRI Scheme, Seaham Regeneration Strategy and Peterlee Master Plan) the Council will receive grants from various sources, e.g: NRF, Single Programme, European Commission. No overall estimate of this level of funding is known at this stage until schemes are fully developed and funding has been made available and therefore it has not been included in this report.

TOTAL FOR GRANTS AND CONTRIBUTIONS

£2,048,000

ALLOCATION OF EXPENDITURE

Summary	Allocation of Expenditure 2006/2007	Forecast of Expenditure Committed into Future Years
	£	£
ALMO Works - East Durham Homes		
Decent Homes Works		
Structural Repairs	400,000	0
Disrepair Claims	20,000	0
Decent Homes Compliance	4,900,000	0
Preventative Maintenance	2,205,000	0
Boiler Replacement	500,000	0
Heating Schemes	750,000	0
Asbestos	150,000	0
Energy Measures	100,000	0
District Heating	270,000	0
Reroofing	150,000	0
Rewiring	215,000	0
	9,660,000	0
Non Decent Homes Works		
Door Entry/Security Measures	35,000	0
Adaptations for the Aged and Disabled	635,000	0
Environmental Works	150,000	0
Contingency	100,000	0
	920,000	0
TOTAL ALMO WORKS	<u>10,580,000</u>	0
HIP - Council Schemes		
Disabled Facility Grants - Mandatory	580,000	0
Home Repairs Assistance	200,000	0
Private Sector Renewal - (Eas & Dawdon)	1,000,000	0
Settlement Plans	1,140,000	0
Over 60's Home Insulation Scheme	100,000	0
Contingency	100,000	0
TOTAL HIP - OTHER	<u>3,132,000</u>	0

Other Services Allocation of Expenditure

Summary	Allocation of Expenditure 2005/2006	Forecast of Expenditure Committed into Future Years (To be Reviewed Annually)
	£	,
Leisure Centres	150,000	300,000 (2yrs)
E Government	150,000	0
Warden Call Equipment	160,000	480,000 (3yrs)
Warden Community Centres - DDA	100,000	200,000 (2yrs)
Warden Community Centres - Repairs	100,000	200,000 (2Yrs)
Shop Repairs	25,000	0
Community Centre Repairs	20,000	20,000
Council Complex	17,000	0
Invest to Save	25,000	0
Hackworth Road - Depot Refurbishment	500,000	0
Contingency	50,000	0
 <u>Regeneration Programme</u>		
Seaham Regeneration Strategy	200,000	100,000
Peterlee Regeneration Framework	200,000	300,000 (3yrs)
SRI – Blackhall	99,665	0
Regeneration Awards (200K) 7 Settlements	146,575	0
Flexible Regeneration Budget	420,000	330,000 (2yrs)
Flexible Pot	200,000	0
Industrial Estate Improvements	27,000	20,000
District Land Use Strategy & Delivery Plan	80,000	1,100,000 (2yrs)
Dawdon & Foxcover Environmental Imps	210,000	0
A19/Hawthorn Link Road	500,000	0
 TOTALS FOR OTHER SERVICES	 <u>3,380,240</u>	 <u>3,050,000</u>

Item no.