

RELEASE OF CAPITAL FUNDING – REDHALL REGENERATION PROGRAMME

**Responsible Cabinet Member - Councillor Veronica Copeland,
Adult Social Care and Housing Portfolio**

**Responsible Director - Paul Wildsmith,
Director of Neighbourhood Services and Resources and
Ian Williams, Director of Economic Growth**

SUMMARY REPORT

Purpose of the Report

1. This report seeks approval for the release of funding from the Housing Capital Programme in 2014/15 to 2018/19 to support the regeneration of the housing estate at Redhall.

Summary

2. The report sets out the wider regeneration and planning context for the Redhall Estate and proposes a programme to commence the regeneration of Redhall, particularly in the area known as the Courts. It also identifies the funding required to deliver the programme to improve the dwellings and external environment and provide a desirable and sustainable neighbourhood.

Recommendation

3. It is recommended that :-
 - (a) Members agree the proposed programme to regenerate Redhall.
 - (b) Members approve the release of funding from the Housing Capital Programme of £5.551m.

Reasons

4. The recommendations are supported by the following reasons:-
 - (a) The long term sustainability of this area of Redhall will be improved through the demolition of the most unpopular properties in the Courts, and, the improvements to the remaining properties and surrounding area.

- (b) The proposals provide an opportunity to significantly improve the appearance and thermal efficiency of properties, thereby helping to address issues of fuel poverty.

**Paul Wildsmith,
Director of Neighbourhood
Services and Resources**

**Ian Williams
Director of Economic Growth**

Background Papers

Capital Medium Term Financial Plan 18 March 2014

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|----------------------------------|---|
| S17 Crime and Disorder | The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998. It is considered that some of the improvement works identified in this report will be beneficial in reducing crime. |
| Health and Well Being | The proposed regeneration of Redhall will improve the health and wellbeing of residents through improved housing conditions |
| Carbon Impact | The implementation of the proposed Redhall Regeneration Programme will reduce energy usage and provide higher levels of thermal comfort for dwellings benefitting from these measures thus reducing carbon emissions. |
| Diversity | No issues. |
| Wards Affected | Haughton East. |
| Groups Affected | Residents of Redhall. |
| Budget and Policy Framework | This report does not recommend any changes to the Policy Framework. |
| Key Decision | This is a key decision because agreement to the recommendation will result in the Council incurring expenditure that is significant. |
| Urgent Decision | For the purpose of the 'call-in' procedure this does not represent an urgent matter. |
| One Darlington: Perfectly Placed | The proposed regeneration contributes to the delivery of the Sustainable Community Strategy through each of the theme areas. |
| Efficiency | Planned investment will reduce the frequency and cost of reactive repairs and maintenance. |

MAIN REPORT

Information and Analysis

Planning and Regeneration Context

5. Members will be aware that the regeneration of Redhall is an important element within the wider planning context of the Eastern Urban Fringe. That broader area comprises the strategic allocation for housing and associated community infrastructure to the north east of Redhall of some 1500 dwellings, a local centre, new school places, playing fields and pitches and recreation areas adjacent to the river Skerne. The mixed communities of Lingfield point and Link 66 to the South and existing Haughton Village to the north together with the development opportunities at Redhall Stables are equally key components in shaping this part of the town.
6. Consultations on these broad development issues has been undertaken as part of the Local Plan public engagement process and whilst the details of the comments and responses would be normally reported as part of the Local Plan Preferred Options report to be presented in December 2014, it is prudent to set out in the context of this report the key conclusions of that work.
7. For the Redhall Estate itself the regeneration of the buildings and its environment is seen as important as part of the integration of the estate into the wider community that will be developed. The core values derived from the consultation were:-
 - (a) Work with most of the existing housing stock to bring it up to 21st Century standards tackling the physical appearance, public realm, parking and access issues that have been identified.
 - (b) Create high quality open space in and around the estate with greater opportunities for younger children's play, better lighting, levels of amenity and maintenance.
 - (c) Secure greater access into, around and within the estate for all modes of transport taking into consideration the need for slow traffic speeds, safety and ease of movement for pedestrians and cyclists.
 - (d) Seek to secure additional services within the estate such as food shops, small businesses and healthcare.
 - (e) Secure improved playing pitches, including practice and 5 a side football, changing rooms and other sporting facilities, for example a skate park.
 - (f) The building of new houses in and around the estate as a means to securing improvements and an increased number of residents to attract services and facilities, whilst also respecting the built and natural heritage in the area.

- (g) Seek to improve the management and policing of key anti-social behaviour problems including fly tipping, graffiti and irresponsible dog ownership through a multi-agency approach.
8. These values have been translated into a high level delivery plan that articulates the strategic outputs required by the integration of the development opportunities. This plan is meant to portray a 10 year vision that will guide incremental decisions over that period to produce the desired outputs and outcomes for the wider area. Some of the funding elements for that vision are unclear at this time but some can be predicted such as, private sector, S106 contributions, Local Enterprise Partnership Funding Programme and HCA funding programmes. New initiatives are always surfacing such as the Home's Zone Scheme, similar to Enterprise Zones that might provide some opportunities; this is currently being researched.
9. The proposals in this report to utilise Housing Revenue Account can be seen as a first step to towards delivering the longer term benefits within the estate and wider area. The proposals are considered to be consistent with the core values and are not prejudicial to longer term aspirations that include improvements to lighting, highways and footpaths.

Housing Revenue Account Considerations

10. Members agreed the Housing Revenue Account – Medium Term Financial Plan 2014/15 – 2018/19 at Min C120/Feb/14, which included a range of capital works and £3m specifically for the regeneration of Redhall from a newly created Investment Fund. The report referred to a more ambitious programme of energy efficiency measures being considered throughout the Redhall estate rather than restricting work to mainly the Court areas. It also referred to the estimated costs of energy efficiency works being uncertain due to complexities around the Energy Company Obligations (ECO). Grant rates have now been firmed up through the Warm Up North Framework and unfortunately grant levels are much lower than originally had been anticipated.
11. Table 1 below provides full details of the works originally proposed showing which work is part of various mainstream Housing Business Plan projects and those new initiatives which are identified as being financed from the Investment Fund.

Table1: Proposed works to Council properties on Red Hall funded through Housing Revenue Account (HRA)

| Phase | Item | Cost £000's | Description | Budget for work |
|--|---|------------------------|--|--------------------------------------|
| Demolition | Demolition | 520 | 56 properties including all of Elland and Epsom and parts of Aintree and Anfield Courts | HRA Investment Fund |
| | Home loss, Security and Landscaping | 960 | Purchase of 5 properties Home loss payments for 56 properties Security costs Council Tax payments Landscaping | HRA Investment Fund |
| Improvement to Courts | Reconfiguration of remaining properties in Aintree and Anfield Courts | 210 | Revised layout to Courts resulting in new gardens, car hard standings and sheds | HRA Investment Fund |
| | Provision of external wall insulation | 1,160 | Includes cladding to timber porches, fencing and canopy alterations. 151 properties | HRA Investment Fund |
| | Double glazing and composite doors | 620 | Replace single glazed windows and timber doors with UPVC double glazed windows and composite doors to all council properties where appropriate. 151 properties | HRA Investment Fund |
| | Improved street lighting and traffic flow within Courts | 80 | Traffic islands with central columns creating improved traffic flow and lighting coverage across Courts | HRA Investment Fund |
| | Heating replacements | 40 | Replacement of back boilers and electrical heating systems to A rated combination boilers. 15 properties. | HRA 2014/15 Energy Efficiency Budget |
| Improvements to remaining area of Red Hall | Provision of external wall insulation where appropriate | 500 | Works to be completed to 85 properties as the remaining 148 have already received external wall insulation as part of a previous | HRA Investment Fund |

| Phase | Item | Cost £000's | Description | Budget for work |
|--|--|----------------|--|--------------------------------------|
| | | | programme. | |
| | Double glazing and composite doors where appropriate | 980 | Replace single glazed windows and timber doors with UPVC double glazed windows and composite doors to all Council properties where appropriate. 200 properties. | HRA 2015/16 Energy Efficiency Budget |
| | Painting of existing external render | 100 | Properties which have a form of existing external wall insulation to be painted with identical colour choices as those provided for external wall insulation finishes. 148 properties. | HRA 2015/16 External Painting Budget |
| | Fencing and footpaths improvements | 502 | Provision of new internal dividing fences and un-adopted footpaths within the curtilage of the properties where appropriate throughout the estate. | HRA 2015/16 External Works Budget |
| Total cost of works | | 5,672 | | |
| Work cost after Warm Up North grant of £256k discounted | | 5,416 | | |

12. Table 2 below provides details of additional work options for the owner/occupied properties throughout Redhall estate. One of the key issues to address as part of the regeneration of the estate is the poor external appearance of the properties and poor thermal efficiency in a deprived area with high levels of fuel poverty. Whilst it is possible to exclude owner-occupiers from the programme it will detract from the overall appearance, particularly in the Court area where we only have 13 privately owned properties. One option would be to seek payment or a contribution from the owners but from past experience many people who purchase Council housing have insufficient resources to cover the cost of major improvement work. Three options are therefore considered: to provide external wall insulation only to the Courts; external wall insulation to all properties on the estate; and a third option of painting the render of properties already provided with adequate wall insulation to improve the overall appearance of the whole estate.

Table 2: Additional work options for owner-occupied properties

| Item | Cost £000's | Costs after Grant Contribution £000's | Description |
|---|----------------|--|---|
| External wall insulation – properties within courts | 106 | 95 | Includes cladding to timber porches, fencing and canopy alterations which are essential to enable the external cladding to be installed to all properties with no existing external wall insulation. 13 properties. |
| External wall insulation – remaining properties | 840 | 688 | Includes cladding to timber porches, fencing and canopy alterations to all properties with no existing external wall insulation. 112 properties. |
| Painting of existing external render | 40 | 40 | Properties which already have external wall insulation to be painted with identical colour choices as those provided for external wall insulation finishes. 48 properties. |

13. The overall scheme costs have significantly increased from the original budget estimate of £3m, mainly due to the poor grant rates now available for energy efficiency work. Whilst it is desirable to provide external insulation to all properties on the Redhall estate, the need for a consistent, more symmetrical appearance is only considered to be a key priority in the Courts area. Many properties in the remaining area of the estate already have effective external cladding and the proposal at Table 1 is for these to be painted to improve their appearance. Table 2 shows that the 48 privately owned properties suitable for painting could be done at the same time for only £40k. It is therefore recommended that both of these options are approved. Unfortunately, however the cost of external wall insulation to a further 112 privately owned properties in the non-Courts area is considered to be prohibitively expensive at a time when grant rates are so low. It should also be noted that any work undertaken to privately owned properties will require the owner's consent.
14. In addition to the physical improvement works proposed above, neighbourhood regeneration can only be successful if wider issues such as training, employment and health improvements are addressed. We also need to work closely with the Redhall Community to support and empower residents to play a key role and build capacity within the community for the longer-term future. Funding has therefore been set aside to appoint an organisation to undertake community development activity on a flexible basis over a 2-year period. One of the key objectives will be to establish a diverse and representative Community Steering Group that has the

skills and confidence to continue in perpetuity.

Financial Implications

15. The total programme costs in Table 1 have been estimated at £5,672m. Some works estimated at £1.622m have been identified in the table as those traditionally funded through the normal Business Plan process, whilst £4.050m has been identified as essential works to be financed from an Investment Fund set aside specifically for New Build Housing and the regeneration of Redhall. After deducting the grant funding through the Warm Up North Framework of £256k for energy efficiency measures, the total cost to the HRA is £5,416m. Members are also recommended to approve a further £135k for external insulation to 13 privately owned properties in the Courts and painting existing external insulation at 48 privately owned properties in the non-Court areas as shown in Table 2.

Consultation

16. Initial consultation with residents of Redhall concerning the areas regeneration was completed in July 2013. Based on the core values developed as part of this wider Eastern plan consultation a number of investment proposals were developed and we consulted local residents on these proposals in December 2013. This enabled us to finalise the key elements for housing investment.