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**RELEASE OF HOUSING GROWTH POINT FUNDING**

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**Responsible Cabinet Members - Councillor John Williams, Economy Portfolio  
Councillor Chris McEwan, Efficiency and Resources Portfolio  
Councillor Bill Dixon, Deputy Leader**

**Responsible Directors - Richard Alty , Assistant Chief Executive (Regeneration)  
Paul Wildsmith, Director of Corporate Services**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To seek agreement to release £1.147m Housing Growth Point funding for 2009/10 and 2010/11. Cabinet approval is also sought to the sites to benefit from Housing Growth Point funding.

**Summary**

2. Cabinet has considered two previous reports in relation to the successful submission to the Department for Communities and Local Government for Tees Valley to gain Housing Growth Point status. At the 7 October meeting, Cabinet gave delegated authority to the Assistant Chief Executive (Regeneration), in consultation with the relevant portfolio holders, to approve Darlington's contribution to the Tees Valley Housing Growth Point Programme of Development (PoD), owing to the tight deadline for submission. The PoD submission was successful and has resulted in Darlington being allocated £1.147m over the period 2009 – 11, which is split in to £347,000 in 2009/10 and £800,000 in 2010/11. This report seeks approval to release the Growth Point funding for two key sites.

**Recommendation**

3. It is recommended that :-
  - (a) Cabinet agree the release of Housing Growth Point funding to assist the development of the central Park and former Beaumont Hill school sites; and
  - (b) the Assistant Chief Executive (Regeneration), in consultation with the relevant portfolio holders for Efficiency and Resources, Economy and Housing, be given delegated authority to decide the use of this funding to accelerate housing development on Housing Growth to the Central Park and Beaumont Hill School Sites.

## Reasons

4. The recommendation is supported by the following reasons :-

- (a) To enhance the environmental, social and economic well-being of the Borough.
- (b) To support the delivery of new housing in Darlington and the achievement of key new housing development targets.

**Richard Alty**  
**Assistant Chief Executive (Regeneration)**

**Paul Wildsmith**  
**Director of Corporate Services**

John Simpson : Extension 2681  
Guy Metcalfe: Extension 2735

S17 Crime and Disorder	Any scheme benefiting from Housing Growth Point funding will need to be designed to reduce crime.
Health and Well Being	The two priority housing schemes will contribute to mixed communities and the wider well being of the town.
Sustainability	Any scheme would need to meet sustainability tests.
Diversity	N/A
Wards Affected	All
Groups Affected	N/A
Budget and Policy Framework	This report does not represent a change to the budget and policy framework
Key Decision	This report is not a Key Decision
Urgent Decision	No
One Darlington: Perfectly Placed	The project will support the delivery of housing development and contribute to the NI 154 housing target
Efficiency	Involvement in the Growth Point programme will involve a commitment officer time, particularly within the Housing, Estates and Economic Regeneration teams. The projects identified for the funding can be accommodated within officers' existing work programmes.

## MAIN REPORT

### Information and Analysis

5. Cabinet has considered two previous reports in relation to Housing Growth Point; firstly on 18 March 2008 whereby approval was to participate in a joint submission by the Tees Valley Authorities to the Department of Communities and Local Government for Housing Growth Point status for Tees Valley. The submission was successfully coordinated by Tees Valley Living. In the 7 October meeting, Cabinet gave the Assistant Chief Executive (Regeneration) delegated authority, in consultation with the relevant portfolio holders, to approve Darlington's contribution to the Programme of Development.
6. Tees Valley has been successful in securing £6.2m for 2009-11, as a result of the submission of a Growth Point Programme of Development. This is the largest allocation amongst the five Growth Points in the North East. Of the 21 New Growth Points nationally, only three have received a significantly larger share of the £95m budget ie. Greater Manchester (£12.3m); South Yorkshire (£9.7m) and Black Country & Sandwell (£8.3m), all of whom have much more ambitious programmes than ours.
7. After allowing meeting costs to comply with funding approval conditions, a total of £5.725m is available for the two year period 1 April 2009 to 31 March 2011. Darlington has been allocated £1.147m over the two-year period 2009-11 which has been split into £477,00 in 2009/10 and £670,000 in 2010/11
8. The housing growth programme is aimed at bringing forward a supply of new sites in order to deliver housing growth at a rate of 20% above those identified in the Regional Spatial Strategy. However, as a result of the economic downturn and its impact on planned housing development, the sites considered to benefit from the funding have had to be revised alongside overall expectations for new housing development. This has meant that rather than being designated for delivery of new sites, it has been agreed that the funding can be used to remove barriers to the delivery of previously known sites that have either been shelved or delayed by the economic downturn.
9. In the case of Darlington, an officer review was undertaken to identify sites incorporating housing that had been planned but that had not yet started. The review identified two sites which, with the injection of funding, would have potential to deliver new housing starts within the two-year period:

### Central Park

10. The Central Park site is Darlington's flagship mixed-use development. In April 2009, the development agreement was signed, however, prospects of an early start of residential housing development have diminished. This is owing to the combined impact of the credit crunch, falling house prices, reduced developer returns and the uncertainty caused by the economic downturn. Housing is one part of the overall scheme, however, the overall scheme will not be viable unless housing development takes place.
11. One North East is currently in the process of reviewing the scheme and it is hoped that as a result of the review, further funding will be made available through the Single Programme in 2009 and 2010. The project is also supported by the Homes and Communities Agency.

## **Former Beaumont Hill School Sites**

12. The withdrawal of the housing developer from the sale of the former Beaumont Hill School sites has not only impacted on council capital receipts but has also compromised the council's ability to deliver housing targets. With new house building currently at an almost standstill, it is proposed that housing growth funding be allocated to remove barriers to development at the Beaumont Hill sites. This may mean providing funding to discharge the S106 development conditions associated with the planning permission and "de-risk" the site for developers. Discussions are taking place with Fabrick Housing, a Middlesbrough-based housing association, on developing an innovative housing scheme on one of the Beaumont Hill School sites based on a model they have successfully piloted elsewhere. Discussions are ongoing on the detail of a prospective scheme, however, early Cabinet approval is sought in order to provide officers with the assurance that the Growth Point funding is available to support negotiations with the housing developers.

## **Outcome of Consultation**

13. There has been consultation as part of the planning process. There has been consultation between lead officers on the Housing Growth point sites as well as with external partners including One North East and the Homes and Communities Agency.

## **Conclusion**

14. Through Housing Growth Point, the council has an opportunity to support two key housing sites to come forward. Discussions are ongoing regarding if and how funding could be used to secure early housing starts on the Central Park and Beaumont Hill School sites. Developers currently lack confidence in new housing development. Housing Growth Point funding will enable the council to work with housing developers to identify and remove barriers to new housing build and act as a catalyst to help reinvigorate housing development in Darlington. This will also have a wider positive effect of creating opportunities for employment in the local construction industry that has suffered significant job losses as a result of the combined impact of the credit crunch and economic downturn.