

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting11th March 2010

1. Title of Item/Report

Social Housing Development

2. Record of the Decision

Cabinet considered a report that sought approval to dispose of part of the former Redbrook Primary School site, Stockton (a plan showing the site edged in red was provided) for less than best consideration in order to assist in the provision of 28 units of much needed affordable housing accommodation (20 for social rent and 8 for intermediate rent) to be developed by Housing Hartlepool, a local registered social landlord. The report also advised members of the Council's proposals for the former playing fields.

Members were reminded that the demand for affordable housing was significant across the Borough. The Strategic Housing Market Assessment completed early 2009, identified an annual shortfall of in excess of 800 units. In order to address this shortfall, the Council was committed to working in partnership with registered social landlords and private developers. In the summer of 2009, the Homes and Communities Agency (the agency responsible for funding the development of new affordable housing social housing nationally) announced a bidding round for Registered Social Landlords to bid for funding to develop new housing that met housing need across the North East region.

The Council's Housing Service had therefore been working with a number of Registered Social Landlords to identify potential 'bids' at various sites across the Borough. A scheme to provide 28 units of accommodation was developed with Housing Hartlepool on the site of the former Redbrook School. This was one of the few sites available and could be brought forward to meet funding timescales. Following a successful bid Housing Hartlepool had secured in excess of £1.3million from the HCA to enable the provision of:

- a. 20 units of social rented housing (8 x 3 bed houses, 4 x 2 bed houses and 8 x 2 bed bungalows)

b. 8 units for intermediate rent (4 x 2 bed houses and 4 x 3 bed houses).

It was explained that these additional units of accommodation would address housing need for both families and older/vulnerable residents in a popular area of the Borough.

Whilst the site had an unrestricted development value of approximately £350,000, the relatively high development costs of the housing proposed for the site and the restrictions on the availability of funds meant that, based on this valuation, Housing Hartlepool were not able to make the scheme financially viable.

Negotiations had taken place with Hartlepool Housing and terms had been provisionally agreed for the Council to transfer the freehold interest in the site for an initial payment of £1. The site would then be developed and the costs associated with this would be monitored on an "open book" basis. Any savings made during construction (over and above the agreed estimated construction costs) would be passed to the Council as an additional consideration when the development was completed. In addition to the above the site would be sold with a restriction to social housing use only and Hartlepool Housing would reimburse the Council's reasonable surveyors and legal fees.

Given the Council's commitment to the provision of social housing and the current none availability of alternative Council owned sites it was recommended that Cabinet agreed to a sale on the terms outlined above.

The playing fields were not included in the sale. The Open Space Recreation and Landscaping SPD indicated that there was an additional requirement for amenity open space/play space/ sport provision in this locality. Therefore, this area was to be developed into a community multi use open space, including an informal kickabout area and play provision. Exact details of what was proposed were being drawn up for consultation purposes.

Cabinet was informed that the Council had a duty, under Section 123 of the Local Government Act 1972, to obtain the best consideration for the freehold disposal of land unless the Secretary of State's consent was obtained to sell for less than best consideration. The General Disposal Consent (England) 2003 provided the Secretary of State's consent for disposals for less than best consideration if the local authority considered that the disposal was likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the borough or residents or persons present in the borough and the difference between the unrestricted value and the consideration

did not exceed £2million. The sale to assist to achieve the Council's desire for the provision of social housing would come within the General Consent and would therefore be lawful.

The land and Property Manager considered that the school buildings site had an unrestricted development value of approximately £350,000 in its current condition. A sale on the terms as detailed in this report will result potentially forgoing the majority of this sum.

As the designs for the playing field site were still to be drawn up and had not gone to consultation, it was not yet known the full funding implications to realise the project in full. However, the funds required to bring forward a possible first phase of improvements would be met from a secured section 106 contribution from the Harpers Garden Centre development site and provisional play builder funding, subject to satisfactory consultation and the first phase being realised prior to the end of March 2011.

RESOLVED that:-

1. Disposal of the Council's freehold interest in the 0.8 ha site of the former school buildings (as shown edged red on the attached plan to the report) be agreed.

2. The position regarding the improvement of the former school playing fields (as shown edged green on the attached plan to the report) be noted.

3. Reasons for the Decision

1. To assist the Council in meeting its targets for the provision of new social housing.

2. Advise members of the proposed use of the former playing fields

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

N/A

7. Date and Time by which Call In must be executed

Not later than Midnight on Friday, 19th March 2010

Proper Officer
15 March 2010