

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....21st January 2021

1. Title of Item/Report

The Sycamores Redevelopment Update and Proposals for Elm House Site

2. Record of the Decision

Cabinet were provided with an update on the development of ‘The Sycamores’ housing scheme and provided with an overview of the Brownfield Fund (aimed at bringing stalled sites forward for housing development) and the proposal currently being developed with Keepmoat Homes Limited to bid into this Fund to bring forward the Elm House site.

Members were reminded that following an extensive procurement process, Keepmoat Homes Limited were appointed as the Councils partner to bring forward the development of the Victoria estate. Despite the on-site challenges and the financial uncertainty faced by house builders as a result of the COVID-19 pandemic, significant progress has been made as follows:-

-The Show Home was officially opened in October 2020 by Richard Kilty (Olympic athlete and former resident of the site). The opening attracted media interest and was featured on BBC Look North;

-21 properties had been built to date. This included the first phase of 13 affordable homes which would be owned and managed by Thirteen. These homes were currently being advertised on Compass (the Tees Valley Common Allocation system) and would be occupied imminently;

-In total 17 properties had been reserved / sold and building works had now commenced on a further phase of the development;

-Following agreement between Keepmoat Homes, the Council and Thirteen, the percentage of affordable housing on the site over the term of the development would increase from 15% (22 units) to 22% (as Thirteen had purchased a further 9 units);

-To ensure that the development was inclusive, homes are available for outright sale, affordable home ownership and affordable rent. In

addition, the Help to Buy scheme was also available for potential property purchases. Help to Buy is a Government backed equity loan scheme which assists eligible households buy a home with a 5% deposit. This is in addition to other incentive packages offered by Keepmoat to help those seeking to purchase a home (i.e. the 'Easymove' scheme which helps residents pay their estate agent fees if they have their own home to sell);

-In addition to building new homes, Keepmoat are committed to delivering a range of social value measures during the lifetime of the scheme. By way of an example Keepmoat have worked with a local primary school and will be installing an outside play area (unfortunately due to the current pandemic work has been delayed until 2021).

As highlighted in previous Cabinet reports, it had always been the Councils ambition to bring forward the Elm House site with a scheme which would complement The Sycamores. Unfortunately, site investigations have identified that remediation costs are significant and have to date proved to be cost prohibitive to future development.

The Government had recently announced the 'Brownfield Fund' (the 'Fund') which is overseen by Combined Authorities and aimed at supporting a range of financial interventions to enable the development of brownfield land which would otherwise not happen. Eligible expenditure includes; site remediation (including demolition) to prepare sites for housing, enabling infrastructure, site acquisition and land assembly. Authorities were obliged to seek the best possible Value for Money opportunities.

The Tees Valley local authorities had therefore been working with the TVCA to identify a range of potential schemes which can be delivered during the Fund period (2000/21, 2021/22 and 2022/23). As Members will appreciate, there has been a particular emphasis placed on identifying those schemes which are eligible and can make a year 1 start (2020/21). The Council had identified the Elm House site as a year 1 scheme and over recent weeks officers had been working to develop a Business Case which met the Fund criteria. The proposed scheme was for 14 bungalows which would be made available for affordable rent.

In order to bring this site forward within the required timelines, it was proposed to revise the terms of the current Victoria Site Collaboration Agreement with Keepmoat Homes Limited enabling the site to be included within the Agreement. The advantage of this approach is that it would allow Keepmoat Homes to mobilise quickly, with a start on site this financial year. It also ensured that the bungalow development would complement The Sycamores (as one builder) and the Council (who will make the Fund application) will be working with an existing, trusted

partner. In addition, Keepmoat (on behalf of the joint partners) have been in negotiations with a Registered Provider who have committed to purchase the 14 bungalows.

Cabinet approval was sought to delegate authority to the Directors of HR, Legal and Communications and Finance, Development and Business in consultation with the Cabinet Member for Regeneration and Housing, to determine the necessary revisions to the existing (SBC/Keepmoat) Collaboration Agreement and enter into any new legal documentation which may be required to bring forward the Elm House site.

RESOLVED that:-

1. Cabinet note the purpose/remit of the Governments Brownfield Fund and support ongoing work to secure Brownfield Fund monies which will accelerate brownfield housing developments across the borough.

2. Cabinet approve the commencement of site remediation and development preparation in respect of the Elm House site and the indemnification of Keepmoat [to an agreed capped level] for the costs incurred.

3. Cabinet delegate authority to the Directors of HR, Legal and Communications and Finance, Development and Business in consultation with the Cabinet Member for Regeneration and Housing to determine the necessary revisions to the Collaboration Agreement and enter into any new legal documentation required to bring forward the redevelopment of the Elm House site.

3. Reasons for the Decision

To provide Cabinet with an update on a Brownfield Fund application which will enable the development of the Elm House with Keepmoat Homes Limited. To seek approval to revise the terms of the existing Victoria Estate Collaboration Agreement to include the Elm House site.

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

Midnight - Friday 29th January 2021

Proper Officer  
25 January 2021