

MINUTE EXTRACT

Cabinet Meeting – 27 September 2018

1. Title of Item/Report

Victoria Estate Redevelopment

2. Record of the Decision

Consideration was given to a report on the Victoria Estate Redevelopment.

The Victoria site had been a long established component in the journey to re-purpose Stockton Town Centre to reflect the modern role of the Town Centre. With the Hampton by Hilton Hotel due to open in early 2019, the Globe restoration well under way and the demolition of Elm House scheduled for late 2018, the opportunity to provide an appropriate, modern residential offer to meet need across the community remained at the heart of this proposal.

In March 2018, Cabinet granted approval to support a procurement exercise to seek a potential Joint Venture partner to bring forward a comprehensive housing redevelopment proposal for the Victoria site. Following the conclusion of this exercise Cabinet were asked to support the establishment of a Joint Venture Company and to appoint Keepmoat Homes Limited as the Councils joint venture partner. If appointed as the Councils partner, Keepmoat Homes proposed to bring forward a contemporary and exciting new housing development providing both inclusive and adaptable homes in a quality, green, landscaped environment.

The close proximity of Victoria to the heart of the Town Centre provided an ideal opportunity to ensure that the physical connection was seamless where practical. The demolition of Elm House provided the opportunity to enhance public realm and bring forward additional residential development in the form of a future development phase. The connection to Norton Road played an equally significant role and it was essential that later phases of Victoria explore improving this vital connection.

The establishment of a Joint Venture partnership would allow for risk and reward sharing with a partner who had extensive commercial house building experience without the Council ceding full control of the Victoria site.

With regard to the next steps should Cabinet approve the establishment of a Joint Venture Company and appointment of Keepmoat Homes Limited as the Councils JV partner it was proposed to enter into immediate discussions with Keepmoat (who will work 'at risk'). Work would run concurrently in terms of progressing the contractual documentation and the establishment of a joint technical group which would be tasked with ensuring the timely submission of a formal planning application for the site and the completion of necessary site survey and investigation work.

A table within the report provided an indicative site development timeline.

As highlighted in previous reports, the sites connectivity with Norton Road (as a key gateway into the Borough) was significant and work was ongoing to ensure the Victoria sites redevelopment complemented ongoing town centre regeneration, improvement activity (i.e. Townscape Heritage).

RESOLVED that:-

1. The business case set out in the report to establish a Joint Venture Company be approved, the principal business of the Joint Venture Company will be the acquisition of the Victoria site and the development of homes on the site.
2. The governance arrangements recommended in the business case be approved, and specifically the establishment of a Joint Venture Company limited by shares.
3. Keepmoat Homes Limited be appointed as the Council's Joint Venture partner.

RECOMMENDED to Council that:-

4. Prudential borrowing of £1.6m be approved to fund a loan to the Joint Venture Company to support the cash flow requirements of the scheme. This loan will be repayable at a market rate (as detailed in para 14/15 of the report).

RESOLVED that:-

5. Subject to Council approval of the necessary budget, the allocation of up to a maximum of £1.6m be approved to on-lend to the Joint Venture Company to enable it to deliver its business plan for the development of new homes on the Victoria site.
6. Delegated authority be given to the Directors of HR, Legal and Communications, Economic Growth and Development and Finance and Business in consultation with the Cabinet Member for Regeneration and Housing to determine the appropriate shareholdings for the JV Company, approve the Articles of Association, Shareholder Agreement and reserved matters for the company, registration of the company and appointment of any additional Directors and such other matters and agreements as are required in order to enable the establishment and ongoing operation of the company (as referenced in the body of the report of this report), to enable the Joint Venture Company to bring forward the development of new homes on the Victoria site.
7. Conditional upon completion of the agreements set out in recommendation 6, Cabinet authorises the transfer of the freehold site at Victoria to the JV Company on terms to be agreed (land identified by the Council for the purpose of housing redevelopment).
8. The Director of HR, Legal and Communications be authorised in consultation with Leader of the Council and the Cabinet Member for Regeneration and Housing to establish and implement a process for the selection and appointment (and appropriate training) of Directors to the Board of the Joint Venture Company.