

**REPORT TO CABINET**

**12 MARCH 2026**

**REPORT OF SENIOR  
MANAGEMENT TEAM**

**CABINET DECISION**

**Lead Cabinet Member – Regeneration and Housing – Cllr Richard Eglington**

## **Accelerating affordable housing delivery ('A quality home for all') - update**

### **SUMMARY**

A previous report presented to Cabinet on the 12<sup>th</sup> June 2025 outlined that the Council, like most local authorities continues to experience an increased demand for affordable housing (both sale and rent). This increase, set against a background of limited supply, is placing growing pressure on the Council's ability to prevent homelessness and support vulnerable adults and care leavers access independent accommodation. To respond to these challenges, Cabinet agreed to adopt a '**Hybrid Delivery Model**' to increase affordable housing supply whereby each potential development site (as it comes forward) is assessed against 3 delivery routes - Enabling, Direct Delivery or a Partnership Structure and approved 'in principle' to a small number of housing sites for affordable housing provision (as detailed in paragraphs 8 of this report).

Following the assessment of the Raleigh Road site against the 3 delivery options, Cabinet is asked to approve the disposal of this site to North Star Housing Group to facilitate the delivery of social rented housing.

### **REASONS FOR RECOMMENDATION(S) / DECISION(S)**

The Stockton-on-Tees Plan and Powering Our Future programme affirm the Council's commitment to driving economic growth to support community prosperity and well-being. The delivery of good quality, affordable housing in well-connected neighbourhoods that meets the needs of the borough's residents is integral to this.

### **RECOMMENDATIONS**

Cabinet is asked to:

1. Approve the direct award of the disposal of the Raleigh Road site to North Star Housing Group for the development of affordable social housing (as outlined in paragraphs 1 to 7 of this report).
2. Note progress made on the other smaller sites identified in the 12<sup>th</sup> June 2025 Cabinet report, in relation to bringing each forward for affordable housing provision (as outlined in paragraphs 8 to 10 of this report).
3. Following the conclusion of the competitive procurement exercise for the three smaller vacant sites (as detailed in paragraph 10) that the decision to proceed with a site disposal of each site to a Registered Provider for the provision of affordable housing, with a housing mix that reflects the borough's identified housing needs be delegated to the Director of Regeneration and Inclusive Growth in consultation with the Cabinet Member for Housing and Regeneration.

## DETAIL

### Raleigh Road

1. In accordance with the agreed Hybrid Delivery Model, 3 options to bring the Raleigh Road site forward for affordable housing have been assessed and concluded that the preferred approach is for the Council to utilise its **enabling role**. The direct delivery option was discounted due to the significant level of funding required to develop the site and the confirmed interest of a Registered Housing Provider in taking the scheme forward. The partnership option was also discounted as the proposal received from North Star Housing Group does not require the Council to share any financial risk associated in the site's development.
2. In summary by utilising its enabling function the Council will not be required to fund the development of the site, nor take ownership of the units post development however North Star Housing Group will build dwellings that meet our specific needs (in terms of the type and tenure of units developed) which the Council will access through nominations (100% of initial lets via a Local Lettings Plan and subsequent lettings via Tees Valley HomeFinder).
3. As members will be aware North Star Housing Group is local Registered Housing Group who provides both supported and general needs rented affordable housing. They are one of the five partners who are signed up to the Tees Valley Common Allocation Policy, with all their properties (in the borough) let via local lettings plans (supported housing units) or via Tees Valley HomeFinder. They have had a long-term interest in this site having previously developed adjacent land for the provision of 11 bungalows (in 2018) and are keen to work with the Council to bring forward a small, second phase of development.
4. North Star Housing Group have proposed a development of 12 units for affordable rent on the site; 2 x 1 bed bungalows, 6 x 2 bed bungalows and 4 x 1 bed houses. This mix has considered the Council's requirements for 1 bed properties to support independent living for young people leaving care system and the accommodation needs of vulnerable adults.
5. The total scheme cost is estimated at £2.9m. North Star will apply to Homes England for Social and Affordable Homes Programme grant; this application will be made alongside a planning application. Whilst a planning application will not be submitted until contracts have been exchanged to dispose of the land, to evidence their commitment to develop the site North Star secured their internal Board approval to progress with the scheme on the 15<sup>th</sup> December 2025.
6. As noted the delivery of the site will be subject to North Star Housing Group securing planning approval, however they are anticipating completion in Summer 2027 (following a 12 month build programme).
7. To enable the site to progress Cabinet is asked to direct award the disposal of the site to North Star for the provision of affordable rented housing.

### Other Affordable Housing Sites

8. As noted previously Cabinet previously approved additional smaller sites for the purpose of affordable housing delivery:

Londonderry Road (*vacant potential in-fill site*)

Stirling House (*vacant*)

Parkside House (*vacant*)

Thornaby Baths (once vacant/following the opening of the Thornaby Pavilion & Pool)

9. Since the summer of 2025, work has been undertaken to explore the quantum of the affordable housing that can be delivered on the 3 vacant sites (in terms of specification, type, tenure and density), site feasibility work has commenced (topographic, ecology, pre-demolition asbestos, archaeological, GPR, flood risk and ground condition surveys) and pre-market engagement with potential partners completed.
10. The pre-market engagement exercise determined interest in all 3 vacant sites for the delivery of 100% affordable housing. A competitive procurement process will now be undertaken which will ensure compliance with the Procurement Act 2023. The three sites could be aggregated together, or bids for individual sites if this delivers a better solution.
11. In the 12<sup>th</sup> June 2025 Cabinet report it proposed that a further report be presented back to Cabinet seeking approval for the preferred delivery option for each site. As the pre-market engagement exercise has identified Registered Provider interest in the 3 vacant sites, it is proposed that following the conclusion of the competitive procurement exercise that the decision to proceed with a site disposal to a Registered Provider for the provision of affordable rented, delivering a housing mix that reflects the boroughs identified housing needs, be delegated to the Director of Regeneration and Inclusive Growth in consultation with the Cabinet Member for Housing and Regeneration.

## **EQUALITY AND POVERTY IMPACT ASSESSMENT**

12. An Equality and Poverty Impact Assessment (EPIA) has been completed to ensure that the Council is following its legal duty to consider equality and diversity during the decision-making process. The conclusion of the EPIA is that the proposal outlined within the report will have a positive impact on our older residents, residents suffering from physical and/or mental ill-health, those who are affected by poverty and those who have experience of care. The assessment has determined that no specific group or protected characteristic will be negatively impacted by the proposal.

## **CORPORATE PARENTING IMPLICATIONS**

13. As detailed within the body of the report, the provision of 1-bedroom self-contained social rented units at Raleigh Road will directly support young people in the care of the Council, who are ready to transition into appropriate, independent living accommodation and affirms the Councils Corporate Parent commitment to provide the best possible care and safeguarding for the child who are looked after by us.

## **FINANCIAL IMPLICATIONS**

14. In accordance with Section 123 of the Local Government Act 1972, an independent valuation of the Raleigh Road site was commissioned to verify that the proposed disposal price was not below market value. The independent valuation confirmed that the proposed sale price reflects the market value of the land, considering the 100% affordable housing that will be delivered as part of the scheme.

## **LEGAL IMPLICATIONS**

15. Independent legal advice has been sought on the disposal of Raleigh Road and future procurement and disposal routes. In relation to the Procurement Act 2023, the value of the works on the Raleigh Road site falls well below the current procurement threshold. As a result, any contract relating to that site would not be a covered procurement. Therefore, the Council is within its rights to direct award the contract to dispose of the site and specify the required housing mix.

## **RISK ASSESSMENT**

19. A project risk register will be prepared for each of the affordable housing delivery projects and will be managed within the existing risk management systems and daily routine activities.

#### **WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS**

20. The Raleigh Road site is located within the Norton Central ward.

#### **BACKGROUND PAPERS**

None.

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