

Maidstone East, Sandling Road Project Delivery and Investment Plan (formerly Demolition & Contamination Update)

Timetable	
Meeting	Date
Housing and Community Cohesion Policy Advisory Committee	14 January 2025
Cabinet (Cabinet Member for Housing and Homelessness)	22 January 2025

Will this be a Key Decision?	Yes
Urgency	Not Applicable
Final Decision-Maker	Cabinet
Lead Head of Service	Philip Morris – Head of New Business and Housing Development
Lead Officer and Report Author	Philip Morris – Head of New Business and Housing Development
Classification	<p>Public Report with Exempt Private Appendices</p> <p>The information contained within the Appendices has been considered exempt under the following paragraph of part 1 of schedule 12A to the Local Government Act 1972:-</p> <p>3 = Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> <p>Public Interest Test</p> <p>On applying the public interest test, the public interest in non-disclosure of the report appendices outweighs the public interest in disclosing this information. The reasons in favour of disclosure are the public interest in ensuring value for money and the reasons against disclosure are the harm to the Council's financial position in respect of a commercial transaction. Any disclosure of such information may compromise the negotiating position of the Council. Keeping the information exempt is therefore in the public interest.</p>

Wards affected

Penenden Heath

Executive Summary

In 2022, the Policy & Resources Committee approved the acquisition of the Former Royal Mail Sorting office and Cantium House sites, with the intention of pursuing a comprehensive redevelopment of the site.

Officers gained approval for the demolition of the building on site in March 2024. Demolition works were started in May with those works being recently completed.

In September 2024, the site received a resolution to grant planning and officers are currently finalising the Memorandum of Understanding (MoU) with the Local Planning Authority in respect of the necessary infrastructure contributions.

Officers are now seeking approval on the agreed mix of tenure for the scheme and following a 2-stage tender process, to be undertaken over the coming months to enter into contract for the initial design fees and subsequent works package up to the value as outlined later on in this report.

Purpose of Report

Decision

The report makes the following recommendations to the Cabinet: That

1. The Two Stage Tender approach be noted;
2. The proposed tenure mix, noting scheme performance as per Exempt Appendix 2 to the report, be agreed;
3. Subject to any necessary further Cabinet decision making, the use of the Council's Section 106, Community Infrastructure Levy and Business Rate Growth Fund monies to support the project, be endorsed;
4. The Director of Finance and Business Improvement be given delegated authority, to:
 - a. Appoint the preferred design contractor to conduct the necessary works as per the tenders;
 - b. Appoint preferred firm to conduct design works under a Pre-Construction Services Agreement (PCSA) with a target price of up to the sum shown in line A of Exempt Appendix 3 to the report; and
 - c. In the event the second stage tender price for the works is returned for less than the sum shown in line B of Exempt Appendix 3 to the report, to let contract.
5. If in the event tenders for the design and works cost are more than the agreed sums, officers return to the Cabinet to seek further approval prior to

the development itself commencing; and

6. Mid Kent Legal Services, in consultation with the Director of Finance, Resources & Business Improvement, be authorised to negotiate and complete all necessary contracts, deeds and agreements arising from or ancillary to the tender process.

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1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>Accepting the recommendations will materially improve the Council's ability to achieve:</p> <ul style="list-style-type: none"> Embracing Growth and Enabling Infrastructure; <p>Homes and Communities.</p>	Director of Regeneration & Place
Cross Cutting Objectives	<p>The project will support the cross-cutting objectives:</p> <ul style="list-style-type: none"> Health Inequalities are Addressed and Reduced Deprivation and Social Mobility is Improved Biodiversity and Environmental Sustainability is respected. 	Director of Regeneration & Place
Risk Management	Already covered in the risk section.	Director of Regeneration & Place
Financial	Funding for this project is included within the capital programme.	Head of Finance
Staffing	We will deliver the recommendations with our current staffing. However, we will employ external consultants to help facilitate and oversee the redevelopment works with the appointed contractor.	Head of New Business and Housing Development
Legal	<p>Under s1 of the Localism Act 2011 the Council has a general power of competence which enables it to do anything that individuals generally may do.</p> <p>Under section 111 of the Local Government Act 1972 the Council has power to do anything (whether or not</p>	Team Leader (Contentious and Corporate Governance)

	involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.	
Information Governance	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes.	Information Governance Team
Equalities	We recognise the recommendations may have varying impacts on different communities within Maidstone. Therefore, we have completed an Equalities Impact Assessment responding to the needs of the community.	Equalities & Communities Officer
Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Head of New Business and Housing Development
Crime and Disorder	The recommendation will not have a negative impact on Crime and Disorder.	Head of New Business and Housing Development
Procurement	On accepting the recommendations, THE COUNCIL will then follow procurement exercises for commissioning consultancy advice to secure the works contract. We will complete those exercises in line with financial procedure rules.	Head of New Business and Housing Development
Biodiversity and Climate change	Providing new affordable homes will have a significant impact on the Council's carbon footprint and 2030 Net Zero commitment. Highly thermally efficient, low carbon heating, and climate adapted housing, as well as consideration for shared heating solutions, renewable energy, active travel, and biodiversity enhancements as part of the development strategy will ensure alignment with the Biodiversity and Climate Change Action Plan.	Head of New Business and Housing Development

	<p>Special attention is needed in regards to the implications of the following to action of the Biodiversity and Climate Change Action plan:</p> <p>Action 9.3 Deliver Policy that ensures sustainability criteria is used for all Maidstone Borough Council construction of new buildings (offices, housing, leisure facilities) and sustainability criteria is part of decision-making process for all Maidstone Borough Council building acquisitions, to ensure buildings owned by the council are sustainable, future proofed, and align with our net zero commitment.</p> <p>Action 9.4 Establish criteria for investment in climate change and biodiversity and invest to save schemes (eg. renewables, heat networks). These will consider relative impact in terms of carbon reduction and ease of delivery, such that expenditure is focused on deliverable, affordable initiatives that maximise impact on the carbon reduction targets.</p>	
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2 INTRODUCTION AND BACKGROUND

- 2.1 The Former Royal Mail Sorting Office (FRMSO) site was purchased on a 50:50 basis in 2016 split equally between Maidstone Borough Council (MBC) and Kent County Council (KCC). KCC then agreed to sell their 50% share of FRMSO to the Council, and this transaction was completed in 2022.
- 2.2 The second landholding, previously also owned and occupied by KCC is Cantium House (CH), which was acquired under a separate acquisition in January 2024, with vacant possession (previously occupied by the Coroner Service provided by KCC).
- 2.3 The last formal decisions made by the Council (other than those relating to the demolition of the buildings on site) in respect of this project were taken to the Policy and Resources Committee on the 15th of September 2021. They were as follows: -
1. Finalise negotiations with KCC and acquire their 50% interest in the FRMSO.
 2. Acquire Cantium House from KCC.

3. Submit a planning application to extend the temporary consent for the short-term holding strategy.
4. Procure Architect, EA, and Planning consultant to work up and submit a planning application for a residential led development with commercial space.
5. Post planning decision to bring forward to the committee a detailed project delivery and investment plan, prior to the development itself commencing.

2.4 Decisions 1-4 have now been discharged, and so this report is to deliver on number 5, being the detailed project delivery and investment plan, for Cabinet approval.

2.5 To date, the Council has committed the following sunk costs to the project: -

• Land	£6,250,000
• Demolition	£650,000
• Cost of securing planning permission	£500,000
• Total	£7,400,000

2.6 As per all the reports that have come forward on the project since its inception, it is important to reiterate that this is not a commercially viable project to deliver, without considerable sums of public subsidy. If it were, commercial entities would have acquired the site in the past from its original owner/s and delivered it. This did not come close to occurring, although various schemes were mooted by different private sector players over the years, none came close to fruition. It was because of this market failure that the Council and KCC chose to intervene, feeling that the public sector is best placed to secure (from central government) the necessary subsidy to make the project financially deliverable.

2.7 Fundamentally, in terms of the overall viability of the project, nothing has changed over the years. Growth in the value of town centre apartments has been at best modest, while build cost inflation has been rampant over the past four years. This phenomenon is not specific to this site, nor to Maidstone, nor the region. It is a fact that high density apartment schemes are extremely difficult to deliver in financial terms.

2.8 However, the contribution that this project can make to Maidstone in terms of place making, economic impact and not least the provision of much needed homes is significant, hence the long-standing corporate ambition to deliver it.

2.9 This is the context, which must be set out in stark terms, and this report sets out a roadmap to deliver the project in a manner that is financially sustainable to the Council. The project will have a sizeable gross cost (comprising; land, enabling works, works, and fees), but there is scope to access different grant funding streams to reduce the net cost of the project to a manageable sum, that will deliver an acceptable Return on Investment (ROI) to the Council.

Town Planning Status

- 2.10 Since acquiring the site in 2022, officers have been working with the appointed design team and a number of external professional consultants to work up a detailed planning application.
- 2.11 The application for 217 homes and 1865 m2 of commercial was submitted in October 2023 and was heard at planning committee in March 2024 but deferred on three grounds. Officers revised the scheme to address the reasons for deferment with the main change being an increase in the amount of green space provided by delivering a public park with the loss of thirty-seven homes. The revised scheme provides 180 residential homes, and the commercial provision remains unchanged from the original application amount.
- 2.12 A resolution to Grant planning was made on the 26th of September 2024. The consented scheme will provide the following: -

- 180 homes (all apartments).

	1B	2B	3B/5P	3B/6P	3B/5P maisonette	Total
Block A	20	21	0		0	41
Block B	14	22	16	2	3	57
Block C	20	20	3	1	0	44
Block D	7	18	13		0	38
TOTAL	61	81	32	3	3	180
PERCENTAGES	34%	45%	21%			

- A commercial / community unit of 1863m2.
 - A new town park of 4963m2.
 - Two public Plazas that will provide a broader place-making function.
- 2.13 Whilst affordable housing is not mandated on the scheme because of the viability situation, it remains the corporate ambition to maximise the provision of affordable housing on the site through accessing Homes England Social Housing Grant (SHG) funding for this element of the project.

Proposed Tenure Mix

- 2.14 The Cabinet and members of the Policy Advisory Committee have stated that there is a strong preference for the Council to deliver its council housebuilding programme for social rented housing. Accordingly, for the purposes of the financial modelling at this stage, the assumption will be that all the homes will be for social rent.

- 2.15 It is possible that some of the homes could be provided for PRS, or Shared Ownership, to provide a more mixed and balanced community. These possibilities could be explored later. Market sale is not a possibility because of the underlying viability issue. But the mandate from Cabinet is to build 1,000 social rented homes asap, and so this is the base case assumption set out in the report.

Viability

- 2.16 As stated previously, this project is extremely challenging to deliver in financial terms, requiring significant sums of public subsidy. This subsidy can be broken down into two broad areas as follows: -

- **Affordable Housing**. This is the subsidy required to allow (would be market) homes to be let at Social Rents, it does not address the underlying viability issue with the project caused by the cost of the enabling works. The affordable housing subsidy will come from the following sources: -
 - Social Housing Grant (SHG) from Homes England.
 - S106 commuted sums for affordable housing made by developers on projects elsewhere in the borough, where affordable homes have not been delivered on site. It is envisaged that this pot will yield around £5,500k per new affordable home delivered.
 - Housing Investment Fund (£50k per home), this being the internal subsidy that the Council sets aside to subsidise the council house building programme.
- **Enabling works**. This cost line is principally the cause of the underlying viability problem with the site (coupled with the high overall build costs relative to the value of the homes built). As is the case for all town centre apartment regeneration schemes of this ilk, the cost of purchasing the land is not the key issue, but rather it is the cost of "enabling works" being the demolition and clearance existing buildings, decontamination the site, preparation of the site for development, and then all the complex sub structure works (to include 156 x under-croft parking spaces) that are required to arrive at a ground floor level development platform for the new uses.

If the cost of these sub structure enabling works can be recovered, the development above it, principally for the new homes, could yield a reasonable financial return.

The enabling works for this project inclusive of fees are shown in line D of Appendix 3. A portion of the enabling works are attributable to each of the four elements of the scheme: -

- a) Homes
- b) Commercial / Community space
- c) Plazas / public realm
- d) Town Park

The Council has its own public subsidy streams that can fully fund (b) (c) and (d), including their respective shares of the enabling works, and this is detailed later in this section of the report.

However, in terms of the enabling works for the homes (a), the sum required is shown in line E of appendix 3. So far, the Council has secured around £1.7m of this figure from the Brownfield Land Release Fund (BLRF) which is administered by MHCLG. **Therefore, it still requires additional external public subsidy for this element of the project which is shown in line F of Appendix 3.**

Accordingly, the Council has opened discussions with Homes England about accessing their Brownfield Infrastructure Land (BIL) fund and is well placed now that a planning permission has been secured, and this bid has been submitted by senior officers.

A solution for this element of the project is fundamental to deliverability of the project on a financially sustainable basis, but this will be the most difficult to secure. However, the Council's overall drive and desire to move the project forward will be key to our chances of success, inasmuch, if the site has planning permission, a detailed (post planning) design in place, and a credible contractor secured, so the chances of success will increase.

- The commercial unit is fully funded as it will generate a cash receipt (or capitalised rental income) from the eventual occupier, which is expected to at least cover its cost.
- The park will need to be fully funded by the Maidstone Community Infrastructure Levy (CIL). This will be dependent upon a successful bid being made and accepted, and there being sufficient funds available for it. To achieve this will require separate Cabinet decisions to be made. However, under the terms of the planning permission, the development will be CIL liable, so there is a rational that this might be reinvested back into the broader community assets the project will yield. Any available government funding pots for this usage will also be explored as an alternative to CIL.
- The public Plazas will need to be fully funded through the Business Rates Pool Growth Fund that is shared between the Council and KCC. It has been an understanding between the councils that these monies can fund the new public realm that will link the new development to that quarter of the town centre and importantly the new KCC strategic HQ that will soon be created at Invicta House, and the (to be) repurposed Sessions House.

The table shown in Exempt Appendix 1, sets out the key financial metrics of the project.

Contractor Procurement

- 2.17 As a resolution to grant planning has been received, officers are now able to go out to tender to source a suitable contractor to undertake the design stage works and subsequent construction works.
- 2.18 Following a meeting with the Procurement Team and the Employer's Agent it was decided that the best course of action was a 2-stage tender with the initial design element being secured via a Pre-Construction Services Agreement (PCSA). This will enable the council via a contractor to undertake the necessary design development from RIBA stage 3 to RIBA stage 4 technical design. IE this will take the design of the buildings on from the basic level required to secure planning permission, onto the detailed design stage that would allow a contractor to accurately price, and then construct the buildings.
- 2.19 This detailed design stage will include all the necessary interaction and sign off with the Building Safety Regulator (a product of the post Grenfell operating environment). The preferred contractor will be appointed on the basis of their quality submission and headline commitments in terms of their proposed percentages for overheads, preliminaries and profits, as well as a commitment to work towards entering into a fixed price construction contract at the target price for the build, as estimated by the council's Employer's Agent.
- 2.20 At the end of the detailed design phase, if the contractor is able to contract within the agreed target price, matters can progress on to site, but if not, the council would retain the intellectual rights to the design package, that can then become the basis of a separate single stage tender exercise to identify an alternative contractor (that can deliver within the target price).
- 2.21 Nowadays, credible contractors will not entertain bidding for contracts of this size on a single stage basis, without a detailed design package in place. This is again the product of the post Grenfell operating environment, whereby the detailed design of new buildings has become far more complex (fire safety, the Future Homes Standard, overall design quality) against a backdrop of (albeit now reducing) inflationary pressures.
- 2.22 Once the design works are completed, which it is estimated could take 6-8 months, the Council will seek confirmation from the preferred contractor that their original tender price for the full works contract is still deliverable.

Proposed Delivery Timescale

- 2.23 Details of the proposed delivery timescale are given below. The dates should be regarded as indicative at this stage as the Council may need to extend and /or amend the timetable, as necessary.

Activity	Finish Date
Tender released	January 2025
Tender deadline	March 2025
Appointment of contractor	April 2025
Design work start	May 2025
Design work complete	December 2025
Start on site	March 2026
Practical completion	March 2028-March 2029

Professional Team

2.24 The Council has already appointed suitably experienced and qualified companies to conduct professional specialist consultancy services. The full team is: -

- EA Cost Consultant Martin Arnold
- Principal Designer Martin Arnold
- Clerk of Works Martin Arnold
- Architect Lewis and Hickey
- Building Control TBC
- Contractor TBC

3. AVAILABLE OPTIONS

3.1 **Option 1:** the preferred option, to undertake the two-stage tender process to identify a suitable contractor, and appoint them initially on a Pre-Construction Services Agreement for the detailed design package at a maximum cost of that shown in line A of Appendix 3, with an intention to enter into the main works contract within the target price of the sum shown in line B of Appendix 3 (IE at total works cost of line C of Appendix 3).

3.2 If the necessary Brownfield Infrastructure Land monies required from Homes England cannot be secured (prior to entering into the main works contract) or indeed the Social Housing Grant monies, or if the contractor is ultimately unable to agree a price within the target figure, the project will be paused and brought back to Cabinet with further options set out.

3.3 It must be appreciated that by accepting this approach, the Cabinet is noting the sunk costs to date, and the further financial exposure brought about by entering into a PCSA, with the uncertainty of whether a solution can ultimately be found to fully cover the cost of the enabling works (as detailed earlier in the report).

3.4 Alternative options would be to: -

Option 2: Mothball the site. Do nothing, leave the site vacant with the security in place and return the BLRF monies. This is not recommended as there would continue to be uncertainty as to the future of the site. Build cost could continue to increase making delivery of the project even more

costly in the future.

Option 3 - Sell the site. As the site has a resolution to grant planning, with the MOU nearing agreement, the site could be sold onto a residential developer or Registered Provider. The Council would unlikely be able to recover the cost spent to date owing to the challenging viability of the project. Furthermore, the opportunity to deliver a significant quantum of affordable homes could also be lost.

4 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 **The preferred option is Option 1**, because this is the only option that will see this key strategic site delivered, which has been a long-held ambition of the council. Also, this option has the propensity to deliver up to 180 much needed affordable homes too, to form part of the broader council housebuilding strategy.

4.2 Recommendations

1. To note the Two Stage Tender approach.
 2. To agree proposed tenure mix, noting scheme performance as per Appendix 2
 3. To endorse, subject to any necessary further Cabinet decision making, the use of the Council's S106, CIL, and Business Rate Growth Fund monies to support the project.
 4. That the Director of Finance and Business Improvement, be given delegated authority, to: -
 - a) Appoint the preferred design contractor to conduct the necessary works as per the tenders. Appoint preferred firm to conduct design works under PCSA with a target price of up to the sum shown in line A of Appendix 3.
 - b) If in the event the second stage tender price for the works is returned for less than the sum shown in line B of Appendix 3, to let contract.
 5. If in the event tenders for the design and works cost are more than the agreed sums, then officers will return to the Cabinet to seek further approval prior to the development itself commencing.
 6. That Mid Kent Legal Services, in consultation with the Director of Finance, Resources & Business Improvement, be authorised to negotiate and complete all necessary contracts, deeds and agreements arising from or ancillary to the tender process.
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5 RISK

Risk	Mitigation
<p>1) Contractor price exceeds budget.</p>	<p>Use a two-stage tender process whereby a preferred contractor is appointed only on a Pre-Construction Services Agreement (PCSA) (IE the first stage) to undertake the post planning design package and uses this work to formulate a firm price for the council (IE at the second stage).</p> <p>The Council need only proceed to contract stage for the main build if the contractor is willing and able to proceed at a price within the EA cost estimate. If the preferred contractor is unable to do so, the design package is assigned to the Council who can then use it to procure an alternative contractor (on a single stage basis).</p> <p>The risk with this approach, however, is that if the PCSA fails to deliver a contractor willing to work within the cost envelope, in which case the council would then even have to accept a higher works cost, or write off the sum spent on the PCSA and undertake a more fundamental review of the scheme.</p>
<p>2) Contractor insolvency</p>	<p>There has been a spate of top tier contractor insolvencies in the post pandemic, high inflation period. The risk of this occurring will be managed by the production of a detailed and realistic cost plan by the Employer's Agent, a two stage procurement process as detailed above, Dunn & Bradstreet (or similar) financial stability checks being made prior to award, the requirement for a 10% performance bond being in place before the contract is underway, and the close monitoring of contractor once on site by the Employer's Agent, in terms of time, cost and quality, so any issues are detected and dealt with in a timely manner.</p>
<p>3) Failure to secure Brownfield Infrastructure Land (BIL) grant from Homes England.</p>	<p>The chances of securing these monies are hard to quantify. Early engagement with Homes England on it has occurred over the past five years, and now that the project has planning permission, and is now in effect "shovel ready" the chances of success are now much higher.</p> <p>As per the government website, the project would seem highly suitable to the funding criteria, which is as follows: -</p> <p><i>We want to support a diverse range of partners, both public and private sector, to unlock strategic housing sites including housing-led, mixed-use opportunities where brownfield, infrastructure, or</i></p>

	<p><i>land projects face delivery and/or viability challenges.</i></p> <p><i>The fund supports the delivery of smaller, locally important sites, as well as larger-scale transformative projects of regional or national significance.</i></p> <p><i>Eligible activity includes:</i></p> <ul style="list-style-type: none"> <i>• land acquisition, preparation and enabling works</i> <i>• brownfield site remediation and works to heritage assets</i> <i>• provision of on- and off-site utilities and transport infrastructure</i> <i>• provision of placemaking improvements and community facilities</i> <i>• provision of <u>section 106</u>-required infrastructure (excluding affordable housing)</i> <i>• capitalised fees required to deliver the project</i> <p>Officers have submitted the bid for BIL funding in December 2024. Therefore, the outcome of the bid should be known before the Council is required to enter the PCSA with its preferred contractor. Therefore, if the BIL bid is unsuccessful, the project can be paused (ahead of signing the PCSA) pending a further report to evaluate the options and project viability in this context.</p>
<p>4) Failure to secure Social Housing Grant (SHG) from Homes England.</p>	<p>The SHG assumptions made are higher than our previous successful bids for other social rented projects which commenced on site in 24/25. However, this could be justified, as the build costs for this scheme are higher still owing to inflation and the complex nature of the design.</p> <p>However, the new government has reiterated its commitment to 1.5m homes over the parliament, and for many of these to be affordable, with a preference for social rent. Homes England secured interim funding in the Autumn statement for top funding for its programme, pending a large settlement in the main Spring budget. The Council has an excellent relationship with Homes England with a track-record of delivery, and so</p>

	the prospects of securing these monies would seem more than reasonable.
5) Availability of Housing Investment Fund (HIF) monies from the Council itself.	Within its MTFS, the Council has committed to subsidise the delivery of every affordable home with £50k of internal subsidy. So, for this project of 180 affordable homes, there will be a HIF requirement of £9m, and so the Director of Finance, Resources and Business Improvement will need to confirm the availability of this sum prior to proceeding to works contract stage.
6) Failure to secure the Community Infrastructure Levy (CIL) monies required to deliver the town park.	It is possible that there will be many competing projects for limited Council CIL monies, and so the availability of this funding stream is an obvious risk, and it will require the CIL bidding round 2 to come forward in a timely manner for the Cabinet to support any such bid that comes forward from the Council acting as developer on this site. In terms of optics, this project is liable to pay CIL, so there is a certain logic that payment could be ringfenced to deliver a community benefit as part of the broader project.
7) Failure to secure Kent County Council's share of the Kent Business Rates Growth Pool to fund the build of the public realm / piazza improvements to link the new development to Sandling Road / Week Street and the broader KCC strategic HQ.	This concept has long been established within the Maidstone East Steering Board that comprises senior Cllrs and Officers from both KCC and the Council, and so on the proviso that this strategic relationship can be satisfactorily maintained with the same agreed common interest, these monies should be forthcoming. But until the Council is in receipt of them, the matter remains risk, but realistically, the sum involved is not fundamental to the key decisions to be made in the context of this report.
8) Mono tenure nature of the proposed development.	<p>The proposed tenure mix is for 100% social rented homes on the residential element of the project. This approach chimes with the desire of the Cabinet at the present time and will through the virtue of higher SHG rates for this tenure reduce borrowing on the scheme, and so financial risk too.</p> <p>A mono tenure approach does present potential challenges in respect of mixed and balanced communities, and so officers will continue to explore the fiscal impact of delivering some of the homes for shared ownership, perhaps through a partnership deal with a local registered provider.</p>

	However, the price they are willing to pay for said homes could be a further brake on the viability of the scheme (versus high grant yielding social rented homes). If all the homes are for social rent, a local lettings plan will need to be adopted by the Cabinet to ensure a good mix of households to reside together.
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6 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The issue will be considered by the Housing and Community Cohesion PAC on 14 January 2025 with a view to the outcome being reported to Cabinet on 22 January 2025.

7 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 The next steps, subject to the decision made by Cabinet on the preferred mix, will be for officers to make the application to Homes England for Grant funding following agreement of the MOU. For officers to work with the appointed Employers Agent to source a suitable contractor and to enter into the necessary design and subsequent works packages.

8 REPORT APPENDICES

- 8.1 The following documents are to be published with this report and form part of the report:
- Exempt Appendix 1: Financial Metrics
 - Exempt Appendix 2: Financial Viability Outputs
 - Exempt Appendix 3: Individual Cost Elements

9 BACKGROUND PAPERS

Policy and Resources Committee Report "Land Acquisitions" 15 September 2021