

Executive

Update report and request for approval of capital funding for Dashwood Road Primary School Site, Banbury

6 December 2010

Report of Head of Housing Services

PURPOSE OF REPORT

This report is to update members on progress on the Dashwood Road Primary School site following a report submitted on the 24th May 2010. Significant progress has been made to deliver this scheme and a smaller amount of funding from the capital reserves for affordable housing is now required.

This report is public

Recommendations

The Executive is recommended:

- (1) To note the progress made with partnership working at Dashwood Road Primary School, Banbury and approve funding for the scheme from the capital reserves for affordable housing of £200,000.

Executive Summary

Introduction

- 1.1 Following the report to Executive in May 2010 regarding the Dashwood Road Primary School, staff from the council, Oxfordshire County Council, Paradigm Housing Group and the Homes and Communities Agency (HCA) have met to agree how this scheme can be funded. Since the report the scheme has been granted planning permission. The scheme comprises of 18 units of housing to be let at social rents (current HCA target rent levels). These meetings have led to the parties agreeing a reduction in the land price for the scheme of £200,000 plus a reduction in the S106 commuted sums costs of around £100,000. CDC has agreed that five of the units can be let as supported housing for people with a learning disability. These people will be assessed as in need of housing via the District's Housing Register. This is a group that needs specialist provision and there is currently insufficient provision in the District.
- 1.2 The reduction in costs has increased the scheme's overall financial viability. Although the Homes and Communities Agency is very unlikely to be able to fund the scheme from the 2010/11 National Affordable Housing Programme

due to lack of available grant, Paradigm are able to fund from private borrowing and reserves from recycled capital grant. The funding provided by this Council will enable the delivery of this scheme which will cost in the region of £3.5m. With this funding in place the scheme will be able to start on site early in 2011. As well as providing much needed affordable housing units, this will provide new life for the school building which is currently standing empty.

Proposals

- 1.3 That Dashwood Road Primary School site is funded from the CDC capital reserves to allow the scheme to start on site by March 2010. The scheme includes five units for people with Learning Difficulties. All units will be subject to nomination rights from the CDC Housing Register

Conclusion

- 1.4 These scheme will enable a further 18 affordable properties for target social rent to be delivered in the District. The scheme can start on site by March 2011 and will be completed in 2012.

Background Information

- 2.1 Dashwood Road Primary School is within the 'Brighter Futures' area of deprivation and development of this scheme will not only provide units of affordable housing but bring an empty property back into use. The scheme is a good example of partnership work whereby value for money has been significantly improved and joint strategic objectives of both the District and County Council have been achieved. Paradigm funding the scheme from recycled capital grant has saved significant amounts of new public funding.
 - 2.2 This scheme is being prioritised for CDC capital funding because of the additional leverage it will bring from recycled capital grant and the RSL's own private borrowing. It is appreciated that the Council does not have sufficient funds to deliver large amounts of housing on its own but can use resources to lever in additional funding and enable schemes to be developed.
 - 2.3 The scheme will all be at existing social rent levels. The units will comprise of 3 one bedroom flats, 5 two bedroom flats, 2 three bedroom flats and 6 three bedroom maisonettes with private gardens.
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Key Issues for Consideration/Reasons for Decision and Options

- 3.1 Affordable housing remains a key priority for the Council but it is likely to become more challenging to deliver affordable housing in the current economic climate. This provides a good opportunity for much needed provision.
- 3.2 Although there is not sufficient capital to deliver significant amounts of housing from the current capital reserves this can be used to add value and leverage for larger amounts of funding (in this case over £3m)

The following options have been identified. The approach in the recommendations is believed to be the best way forward

- Option One** To fund the Dashwood Road Primary School site from the CDC capital reserves
- Option Two** Not to fund the Dashwood Road Primary School site from the CDC capital reserves

Consultations

- Oxford County Council** Consultation has been carried out with the Learning Disability Commissioning and Contracting team about the strategic housing needs for this client group.

Implications

- Financial:** If this funding is approved this will result in an estimated capital expenditure of £200,000 from the earmarked reserves for capital expenditure for affordable housing.
Comments checked by Joanne Kaye, Service Accountant 01295 221545
- Legal:** There are no legal implications arising from the funding of these schemes although Legal and Democratic services have helped secure nomination rights to the properties.
Comments checked by Pam Wilkinson, Team Leader – Planning and Litigation 01295 221688
- Risk Management:** No payments will be made until the schemes have started on site and final payments will be withheld until completion.
Not providing sufficient affordable housing leaves the Council at increased risk of homelessness which could increase the costs of this service.
Comments checked by Rosemary Watts, Risk Management and Insurance Officer 01295 221566

Equalities

The provision of good quality affordable housing underpins the Councils commitment to equality for all groups in our communities. The Dashwood Road Project now provides more a mixed scheme including provision needed for people with learning difficulties.

Comments checked by Claire Taylor , Community and Corporate Planning Manager 01295 221563

Wards Affected

Grimsbury and Castle

Corporate Plan Themes

Strategic Priority 1 – Cherwell A District of Opportunity includes the aim of securing more housing through an appropriate mix of market and affordable housing.

Executive Portfolio

**Councillor Councillor Gibbard
Portfolio Holder for Planning and Housing**

Document Information

Appendix	None
Background Papers	
Executive Report of the 24 th May 2010 ; Request for approval of funding for affordable housing schemes from CDC capital reserves	
Report Author	Fiona Brown, Strategic Housing Officer
Contact Information	01295 221659 fiona.brown@Cherwell-dc.gov.uk