

# Executive

## Approval for Funding of Land at Claypits, London Road, Bicester

7 December 2009

### Report of Head of Housing Services

#### PURPOSE OF REPORT

To seek approval for expenditure of £187,250 grant funding from the Capital Reserves for Affordable Housing towards the land for affordable housing at Claypits, Bicester.

This report is public

#### Recommendations

---

The Executive is recommended:

- (1) To approve a supplementary capital estimate of £187,250 to secure nomination rights to four affordable housing units at Claypits, London Road, Bicester.

#### Executive Summary

---

##### Introduction

- 1.1 The Claypits housing scheme includes plans for a new care home, twenty units of ExtraCare housing with Bedfordshire Pilgrims Housing Association and a forty unit market housing scheme that has received a planning agreement. It has been agreed that the County Council will provide four units of general needs affordable housing as part of the market housing section of the site subject to social housing grant being secured. The planning agreement has provided for affordable housing via the ExtraCare housing units which count towards the Council's affordable housing targets. Confirmation of funding is being secured to both enable delivery of the four units of affordable housing and to enable the completion of the development of the site.
- 1.2 Executive approved the expenditure for the Claypits scheme in May 2006 but delays with the land transfer has meant this allocated funding has not been spent to date. This report is to re-refer this matter to Executive and if approved reinstate the planned expenditure into the

Capital budget.

- 1.3 Payment of this housing grant to Oxfordshire County Council (“the County Council”) in return for nomination rights to four general needs housing units was agreed in principle in 2006, but the County Council is now seeking formal commitment from the Council that as part of the land transfer, this money will be paid.
- 1.4 To date work on the scheme has proceeded on the basis that the two Councils trust that the land transactions will proceed as previously agreed.
- 1.5 Requests for capital expenditure are normally made as part the annual capital bidding process. However, the need to ensure flexibility and provide leadership in uncertain flexible times often demands a quicker response so that affordable housing development opportunities are maximised.

### **Proposals**

- 1.6 It is proposed payment of £187,250 originally agreed in May 2006 to Oxfordshire County Council to secure delivery of the affordable housing units is confirmed.
- 1.7 In return for the above payment, four units are secured through the planning agreement as affordable housing, for which the Council will have full nomination rights. These units are additional to the Council’s normal policy requirement and the payment is required to offset the reduction in the land value through provision of affordable rather than market housing.

### **Conclusion**

- 1.8 Commitment to this payment will allow the transfer of land to go ahead and development to commence. The four affordable housing units provided will contribute towards the Council meeting its future targets for affordable housing – targets that have been placed at risk during difficult economic times.

## Background Information

---

- 2.1 The Claypits site (see Appendix A) comprises a former County Council highways depot, an allotment site owned by the Council and previously leased to the Town Council, and some surplus Council land. When investigating the potential for their surplus land, the County Council discovered that it was contaminated, and this contamination extended to Cherwell's surplus land and the allotments. As a result the allotments were taken out of use pending the remediation of the contamination.
- 2.2 It has taken some years to deal with this site, as it was necessary to secure an access from Miller Homes, a drainage outfall into the new development to the south, and to agree how to deal with the contamination. Some time ago it was agreed that the Council would transfer its surplus land, as shown hatched as Appendix A, to the County Council so that it may use part of the site for a new care home and (contributory to the Council's affordable housing targets) twenty ExtraCare housing units.
- 2.3 The County Council is responsible for dealing with the contamination, including remediating the allotments, and this work is largely completed – after which the allotment site will be re-let to the Town Council. Part of the site is to be offered for sale by the County Council on the open market, having planning consent for forty units. It has been agreed that the County Council will arrange for four affordable housing units to be included on this part of the site, subject to the housing grant being provided by the Council. The remainder of the site is being considered for a market housing scheme which would include the four units of affordable housing for which funding is being sought.
- 2.4 Council approval of funding is necessary to ensure not only the delivery of affordable housing units in Bicester, but also the completion of the development of the site. The scheme has financed the treatment of contamination on the Council's land, part of which was previously used as allotments, and is to be returned to the Town Council so that that use can resume. The Council will generate a capital receipt of £50,000 from the sale of its surplus land, plus an additional payment in the event that the costs of remediating the Council's land prove to be less than an agreed sum. Meanwhile all the Council's land, including the allotments, has been remediated at no cost to the Council. It has been agreed that affordable units should be included in the land to be sold, subject to grant being provided by the Council. A higher ratio was not required due to the fact the twenty ExtraCare units are regarded as social housing.
- 2.5 The funding was agreed by Executive previously in May 2006, but was removed from the capital programme due to delays in the project delivery. However work is now proceeding and it is necessary to complete the agreed land transactions with the County Council. This requires confirmation of the Council's commitment to pay the agreed

social housing grant.

- 2.6 The scheme was granted planning permission in August 2006 (planning application 06/01166/F).

### **Key Issues for Consideration/Reasons for Decision and Options**

- 3.1 Payment of this money has been agreed previously with Oxfordshire County Council. Not to fund these units would mean the Council would need to renegotiate the terms agreed for the transaction with the County Council and vary the planning agreement. This would mean a loss of the four affordable housing units.
- 3.2 The delivery of affordable housing remains a corporate priority and these four units will help the Council meet its targets for affordable housing in difficult economic times.

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

- |                   |   |
|-------------------|---|
| <b>Option One</b> | To agree to reinstate the approval of grant funding of £187,250 for this scheme.  |
| <b>Option Two</b> | To not approve funding for the scheme with the understanding that the terms of the transaction and the planning agreement will need to be varied and the affordable housing units are not provided. |

### **Consultations**

- |             |   |
|-------------|---|
| <b>None</b> | External consultation is not required. It is within the Council's corporate priorities to provide affordable housing in the District. |
|-------------|---|

### **Implications**

- |                   |  |
|-------------------|--|
| <b>Financial:</b> | This payment will result in capital expenditure of £187,250 from the Council's earmarked reserves for capital expenditure on affordable housing.<br><br>Comments checked by Eric Meadows, Service Accountant for Planning, Housing and Economy 01295 221552. |
| <b>Legal:</b>     | Commitment to fund this is necessary before the land transfer can be completed in its present form.  |

Comments checked by Liz Howlett, Head of Legal and Democratic Services 01295 221686.

**Risk Management:** This payment will not be made until the land is transferred to a Registered Social Landlord for the development of affordable housing. Nomination rights to the Housing will be secured through the Council's standard nomination agreement.

Comments checked by Rosemary Watts, Risk Management and Insurance Officer 01295 221566.

#### **Wards Affected**

---

**Bicester South**

#### **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 Michael Gibbard**  
**Portfolio Holder for Planning and Housing**

#### **Document Information**

---

<b>Appendix No</b>	<b>Title</b>
None	N/A
<b>Background Papers</b>	
Executive Report of the 15 May 2006 <b>National Affordable Housing Programme for 2006/07 – 2007/08</b>	
<b>Report Author</b>	Fiona Brown, Strategic Housing Officer
<b>Contact Information</b>	01295 221659 Fiona.brown@cherwell-dc.gov.uk