

To: City Executive Board

Date: 19th November 2014

Report of: Head of City Development

Title of Report: Westgate and Community Infrastructure Levy.

Summary and Recommendations

Purpose of report: To consider a proposed financial contribution to the Westgate Alliance towards the public realm works associated with the Westgate development.

Key decision Yes

Executive lead member: Councillor Bob Price

Policy Framework: Corporate Plan - Vibrant and Sustainable Economy, West End Area Action Plan – more attractive spaces.

Recommendation(s):

- 1. To recommend to Council to apply Community Infrastructure Levy receipts to the value of £1,134,000 in two phases of £567,000 each (50% in Q1 2016/17 and 50% in Q1 2017/18) in order to fund public realm works that fall outside the site covered by the planning application for the Westgate redevelopment scheme .**
- 2. To delegate to the Executive Director of Regeneration and Housing responsibility to complete an appropriate legal agreement in conjunction with the Council's Monitoring Officer and Section 151 Officer.**

CONTEXT

1. The Westgate outline planning permission is accompanied by only a limited planning condition (Section 106) agreement that primarily relates to on-site provisions. The off- site infrastructure impacts of the development are to be considered in the context of the Community Infrastructure Levy (CIL) that will be paid by the applicant in phases once development commences. The exact scale of the CIL liability is calculated at the time of the Reserve Matter permission. It is anticipated that it will be in the region of £4.2 million.
2. This Reserve Matter application provides the details of public realm improvements that the Westgate Alliance proposes to carry out as part of its development. The application also identified in this design those public realm improvements considered advantageous beyond the application boundary. However, there will be no planning obligation on the applicants to carry out this work as part of the development.
3. In the normal course of events now that CIL is operational as City Council policy it falls to the City and County Council's to consider what infrastructure is needed to mitigate the impact of developments across the City. The process is then for the City Council, as the sole recipient of CIL payments, to confirm in its Capital programme what infrastructure paid for by CIL it will commit to provide in the coming years in consultation with the County Council.
4. Officers have been working with the Westgate Alliance on plans to use some of the CIL money that will be paid to the City Council by the Alliance to undertake public realm improvements adjacent to the development but falling outside the application site. This report seeks City Executive Board approval for this in principle and to recommend to Council that this is included In the Capital Programme for payments in 16/17 and 17/18.

PROPOSAL

5. The proposal is to make a payment of £1,134,000 from the £4.3 million CIL payment that will be paid to the City Council by the Westgate Alliance and that this sum should be used to improve the public realm at the following locations:
 - Bonn Sq, from the middle of Queen Street north to the margin of the Square
 - Castle St and Norfolk Street, the western pavement.
 - Infilling the underpass ramp on the west side of Castle Street by County Hall.
 - Pennyfarthing Place, by St Ebbes Church, including the link to St Ebbes St
6. The full cost of the public realm works at Westgate both within and beyond the application site is £8.5 million, of which the CIL contribution would be £1,134,000. This sum would not be made available until the

Alliance has made its CIL payments to the City Council. These fall due at roughly £1.1m a time in Q4 14/15, Q4 15/16, Q4 16/17 and Q4 17/18. It is proposed in the light of the timetable for development and the public realm works that the CIL contribution would be made in two tranches of £567,000 each in Q1 16/17 and Q1 17/18.

Receipt of CIL	Payment of Grant
2014/15 Q4 - £1.1m	-
2015/16 Q4 - £1.1m	-
2016/17 Q4 - £1,1m	2016/17 Q1 - £0.567m
2017/18 Q4 - £1.1m	2017/18 Q1 - £0.567m

7. The purpose of the CIL is to provide funding for the infrastructure elements of new developments across the City.
8. If the City Council were not to fund these works through CIL some important areas around the Westgate development would remain in their current state and would damage the overall quality and success of the development and its integration/ relationship with the rest of the City centre. In particular there could be an unattractive gap in the public realm between the existing Bonn Square and the threshold of Westgate and the subway ramps by County Hall would not be filled in leaving an unattractive 'hole' adjacent to the prominent approach to the City centre from the station and the West. Another area is Pennyfarthing Place by St Ebbes Church and Sainsbury. This small area is currently rather 'down and heel' but could be made attractive and inviting. It too has the potential to be an important pedestrian route approach from the East and the bus stops on St Aldates via Pembroke Street. The City Council is the ground landlord for the development site and through the Development Agreement with the Westgate Alliance will benefit financially from the success of the scheme.
9. The proposed mechanism is for the City Council to give a grant to the applicant towards its costs for the infrastructure works as listed above.
10. The Westgate Alliance, County Council and City Council have signed a detailed Highways Agreement (S278) prior to the grant of the outline planning permission. This specified in considerable detail the nature of the works on the public highway to be carried out by the Alliance, together with the provision of payment of County Council costs to oversee the works and commuted sums at 9% to cover the liabilities for maintenance. It is considered that this Highway Agreement provides the City Council with an appropriate level of confidence that the proposed works to the public realm, for which the grant is requested, will be carried out satisfactorily.

11. It is proposed that the City Executive Board should agree in principle to make a financial contribution to the works to the public realm falling outside the red line of the application site by means of a capital grant of £1,134,000 in two payments to the Westgate Alliance. This would need to be confirmed by Council in its Capital Budget which will also agree CIL Infrastructure projects over the next 4 years. There will be a suitable legal agreement to give effect to this proposal between the parties.

Level of risk

12. The proposal is to give a grant to the Westgate Alliance, which will bear of the full risks for the public realm works involved.

Climate change / environmental impact.

13. There are no implications directly flowing from this report. However, the Westgate Alliance's design concept for the public realm seeks to integrate the new development into the character of the City centre, enabling the pedestrianised area to be extended

Equalities impact.

14. As above, there are no implications directly flowing from this report. However, the Westgate Alliance's design concept for the public realm seeks to enable extensive pedestrian flows around and through their development including for all those with mobility impairments.

Financial implications

15. As explained in the body of the report above, the finance involved would be available in the Council's capital programme once it is in receipt of the CIL cash payments. The proposal is to phase the payments to 50% in Q3 2014/15 and 50% in Q2 2015/16.
16. Each year a four-year rolling plan of CIL expenditure will be drawn up and approved as part of the City Council's annual budget discussions. This process commences with the 15/16 budget round. At the current time CIL receipts remain at a modest level (approximately £155k), but by the start of the 15/16 financial year sufficient funds should have accumulated to begin to release some CIL monies towards infrastructure projects. Liability notices have been issued alongside planning permissions for £1.3 m. The first Westgate instalment is also expected around the turn of the financial year.
17. A first draft CIL programme has been prepared and discussed with the County Council. Agreed priority projects are identified in the draft programme, the aim being to draw up a programme that is realistically deliverable within the likely CIL funding available, utilising matched funding opportunities wherever possible. Preferred and contingency

projects have been identified as well to allow for the possibility that other sources of funding may be obtained for some projects; that CIL receipts may turn out to be higher than forecast; or that some projects may slip due to other factors. The draft programme is sketchier for the later years.

18. This draft CIL Programme (attached as an appendix) indicates that there is scope to progress all City Council priority infrastructure projects together with making this contribution towards these public realm works at Westgate.

Legal Implications.

19. It is proposed that a suitable legal agreement is drawn up between the City Council and Westgate Alliance in order to safeguard the interests of the City Council and ensure that the money is only paid across to the Westgate Alliance at the appropriate stages and if not used will be returned to the City Council.

Name and contact details of author:-

Name: Michael Crofton Briggs
 Job title: Head of City Development
 Service Area / Department: City Development
 Tel: 01865 2360 e-mail: mcrofton-briggs@oxford.gov.uk

List of background papers:

- Appendix 1: CIL receipts**
Appendix 2: Draft CIL Programme

Version number: 4

Appendix 1 - CIL Receipts October 2014

£

Total £ - Liability notice sent	£1,329,669.96
Net excl Relief (expected or confirmed)	£1,102,319.96
Total demand notices sent	£154,865.00
Total CIL received	£154,865.00

**Appendix 2- draft
CIL programme
2015/16-2018/19**

Project		Priority	Cost Total Cost of project (£k)	2014/15 CIL ask this year (£k)	2015/16 Q1 CIL ask this quarter (£k)	2015/16 Q2 CIL ask this quarter (£k)	2015/16 Q3 CIL ask this quarter (£k)	2015/16 Q4 CIL ask this quarter (£k)	2016/17 CIL ask this year (£k)	2017/18 CIL ask this year (£k)	2018/19 CIL ask this year (£k)
Park End Street walking, cycling and public realm improvements, including changes to junction with New Road as part of Queen Street pedestrianisation	County	High	2015		250	250	250	250			
Westgate library improvements – as identified in LGF bid	County	Medium	8000						1000		
Enabling works for pedestrianisation of Queen Street	County	High	TBC							1000	
Relocation of coach parking	County	High	TBC							1000	
Eastern Arc transport improvements	County	High	TBC								1000
Expansion of schools serving Northern Gateway	County	High	TBC								TBC
Develop new burial space	City	High	1600		100	100	100	100	200		
Improvements to Horspath athletics track/ sports ground	City	High	800					50	450		
Oxford Spires Academy Gym	City	High	650				200				
Quarry pavilion/community centre	City	Medium	1200				100	100			
Pavilions programme/other sport and recreation – programme tbc	City	Medium	TBC							TBC	TBC
Community centres - Barton improvement, Blackbird Leys redevelopment, Donnington redevelopment, Florence Park development, Headington development - programme tbc	City	Medium	TBC							TBC	TBC

Western conveyance channel (project development costs)	shared / third party	High	125000				500		500		
Seacourt P&R expansion and access improvements – as identified in LGF bid	shared / third party	High	4365						1600		
Westgate area public realm improvements	shared / third party	Medium	2880						625	625	
Forecast income for strategic projects (80% of total)				320	1220	340	340	340	2240	2240	2240
Projected total expenditure				0	350	350	1250	400	4375*	2625 (+TBC)	1000 (+ TBC)
Contingency - Other schemes from the Connections to Oxford station package as identified in the LGF bid	County	High	18700		TBC	TBC	TBC	TBC	TBC	TBC	
Contingency - Eastern Arc transport improvements	County	High	TBC							TBC	TBC
Contingency - Park and Ride expansion	County	High	TBC								TBC
Contingency - Quarry pavilion/community centre	City	Medium	1200					400			
Contingency - East Oxford Project	City	Medium	TBC					200			
Contingency - additional Westgate area public realm improvements	shared / third party	Medium	2880							500	
Total of contingency projects				0	0	0	0	600 (+TBC)	TBC	500 (+TBC)	TBC

* Further discussion will be needed to agree a programme for 16/17 that matches the expected income. At the moment there are a number of important projects scheduled for CIL funding that year

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