

**To:** Delegated Decisions of the Board Member, Housing Needs

**Date:** 3rd November 2011

**Item No:**

**Report of:** Head of Corporate Assets

**Title of Report:** Extension, 21 Farmer Place, Oxford

## Summary and Recommendations

**Purpose of report:** To seek approval to enter into an agreement with Oxfordshire County Council to part fund an extension to provide additional accommodation for foster children.

**Key decision?** No

**Single Member decision:** Councillor Joe McManners ~ Housing Needs

**Report approved by:** David Edwards, Executive Director Regeneration and Housing.

**Finance:** David Watt

**Legal:** Lindsay Cane

**Policy Framework:** Meeting housing need

**Recommendation(s):** The Executive Member for Housing (Councillor McManners) is RECOMMENDED to:

Approve the Council's entry into a formal agreement with Oxfordshire County Council to part fund an extension at 21 Farmer Place, to enable the fostering of additional children as detailed in the report, and otherwise on terms and conditions to be agreed by the Head of Corporate Assets.

## Appendices

1. Risk register. Appendix 1.

## **Background**

1. 21 Farmer Place is a three bedroom end terrace property which has been occupied by the current tenants for seventeen years. During this time they have been very successful foster parents to a number of children.
2. Owing to the current acute shortage of foster parents, the County Council Social Services Foster Team approached Oxford City Homes with a proposal which would enable this family to foster additional children. This type of arrangement has been used with foster parents who are owner occupiers but not with Local Authority tenants.
3. The proposal is for Oxfordshire County Council to fund the building of a two bedroom, two storey rear extension and for the Council to pay back, over five years, the predicted increase in asset value that the extension will provide.
4. Planning permission has already been applied for and granted.

## **Legal implications**

5. A formal agreement will be entered into between the parties which will identify the costs involved, the responsibilities of both parties and the timescale for repayment. The County Council will not hold any legal interest in the City Council's asset.

## **Financial implications**

6. The City Council has commissioned an independent valuation of the property in its current condition and an estimation of its value on completion of the extension. The Market Value being £225,000 and the value subject to the extension being built being £275,000.
7. It is therefore proposed that, under the agreement, the City Council will payback the County Council the sum of £50,000, the increase in asset value, over a five year period at a rate of £10,000 per annum. No interest will be charged. The first instalment will be due 12 months after the Practical Completion of the works, which is estimated to be in March/April 2012. It is proposed that the £10,000 annual payment to the County Council will be funded from the HRA Capital budget with the first payment estimated to be due in April 2013.
8. The works have been tendered and the lowest tender received is the sum of £66,093. The County Council will initially fund the full

building costs with the City Council paying back £50,000 of this. This sum being the increase in asset value. The County Council will not be reimbursed for the remaining sum of money, £16,093, this is their contribution to the partnership.

9. It has been agreed that the City Council (Oxford City Homes) will design, tender and supervise the works at a cost to the HRA. This will be absorbed into the existing workload of the Housing Projects Team.
10. The increase in the number of bedrooms will result in the tenants paying an additional rent of £6.89 per week or £358.28 per annum. This sum is held at this level due to the rents convergence policy.

### **Staffing Implications**

11. Corporate Assets Housing Projects staff have designed, and will manage, the proposed works within their existing workload.

### **Environmental Implications**

12. The extension is being built in accordance with the current Building Regulations and double glazed category A PVCu windows will be installed.

### **Equalities impact**

13. This extension will help to ease the acute shortage of foster care places and will give a secure home to two children currently in care.

### **Level of risk**

14. Both parties are in full agreement and legal teams have approved the wording of the proposed agreement and the County Council will hold no legal interest in the City Council's asset.
15. The financial risk is also low with the County Council funding the initial build cost and the City Council repaying £50,000 over a five year period at 0% interest.

Name and contact details of author:

Chris Pyle  
[cpyle@oxford.gov.uk](mailto:cpyle@oxford.gov.uk)  
Extension: 2330

List of background papers:

Formal Agreement  
Tender returns.

Version number: 1



APPENDIX 1. Single Member Decision Report Risk Register – Extension, 21 Farmer Place

Risk Score															
Impact Score: 1 = Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic															
Probability Score: 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain															
No.	Risk Description	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P			Q	Q	Q	Q	I	P
1.	Delays cause increase in costs	1 2	P 2	Recommendations not approved, causing delays and contractor will not stand by price.	Mitigating Control: Keep contractor in touch with process. (M)	1 2	P 2	Action: Accept Action Owner: C Pyle Mitigating Control: Accept Control Owner: C Pyle	Outcome required: Approval Milestone Date: 21 August 2011	1	2	3	4		
2.	Delays and increase in costs	2	2	Contractor goes into administration	Mitigating Control: Approach next lowest contractor Level of Effectiveness: (M)	2	2	Action: Accept Action Owner: C Pyle Mitigating Control: Accept Control Owner: C Pyle	Outcome required: Milestone Date:						
3.	Poor quality of work	1 2	P 2	Contractors operatives poor	Mitigating Control: strong contract management procedures ensures early identification of faults (M)	1 2	P 2	Action: Accept Action Owner: C Pyle Mitigating Control: Accept Control Owner: C Pyle	Outcome required: Approval Milestone Date: 21 August 2011	Q 1	Q 2	Q 3	Q 4	I	P
4.	Delays and increase in costs	2	2	Contractor capacity issues	Mitigating Control: seek compensation and approach next lowest tenderer. Level of Effectiveness: (M)	1	1	Action: Accept Action Owner: C Pyle Mitigating Control: Accept Control Owner: C Pyle	Outcome required: Milestone Date:						
5.	Funding by Oxfordshire CC not forthcoming.	5	2	Project dependent on funding therefore will not go ahead.	Mitigating Control: None Level of Effectiveness: (L)	5	2	Action: Accept Action Owner: C Pyle Mitigating Control: Accept Control Owner: C Pyle	Outcome required: Milestone Date:						

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