

Report to: **Housing Advisory Board – Friday 27th May 2005**
Executive Board – Monday 13th June 2005

**OPTIONS FOR REDEVELOPMENT OF BUTTERWORT PLACE,
 BLACKBIRD LEYS**

<p>Report of: <i>Neighbourhood Renewal Business Manager</i></p> <p>Report Author: <i>Steve Northey, Housing Development Manager Tel no. 01865 252717 Email: snorthey@oxford.gov.uk</i></p> <p>Lead Member Responsible: <i>Housing Portfolio Holder</i></p> <p>Overview and Scrutiny Committee Responsibility: <i>Housing Overview and Scrutiny Committee</i></p> <p>Key Decision: <i>Yes</i></p>	<p>WARDS AFFECTED <i>Blackbird Leys</i></p>
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SUMMARY AND RECOMMENDATIONS

This report presents options for the redevelopment of the site of the old Butterwort Place maisonette block by Catalyst Housing Group who are one the Council's Registered Social Landlords preferred partners.

The redevelopment will directly assist the Council in meeting its objective of providing more affordable housing and will remove a source of crime and nuisance to local residents.

Financial implications are set out in the attached report

There are no staffing implications for Oxford City Council. The scheme will be achieved through existing staff resources.

The Housing Advisory Board is ASKED to advise the Strategic Director (Housing, Health and Communities) to exercise his delegated powers to approve Option 1 in the report.

The Executive Board is ASKED to approve the report of the Strategic Director (Housing, Health and Community) on the preferred option, as recommended to him by the Housing Advisory Board, and to ask officers to submit a report seeking Major Project Approval and land disposal consent under Rule 17 of the Council's Contracts Procedure Rules for approval.

1. BACKGROUND

- 1.1 Butterworth Place was the site of one the Council's eight maisonette blocks in Blackbird Leys. The blocks were considered for a rolling redevelopment programme in 2000. Structural problems with the staircase access to the upper flat deck led to the 18 flats in Butterworth Place being demolished in 2002.
- 1.2 The comprehensive redevelopment of the remaining seven maisonette blocks was shelved in 2003 because voids were very low and the decanting programme would have needed a large number of alternative dwellings for the scheme to be completed within reasonable timescales

2. OBJECTIVES

- 2.1 The objective of the scheme is to provide more affordable housing in Oxford and, by redeveloping the site, to remove a source of nuisance to the local community which meets the Council's Vision of making Oxford a safer city.

3. REDEVELOPMENT PROPOSALS

- 3.1 Catalyst Housing Group (CHG) have produced options for the site to include the 15 garages along the South side of Butterworth Place (see attached site plan). These have become increasingly vandalised and are a source of nuisance to local residents.
- 3.2 CHG have therefore proposed that the development area is extended across the grass verge fronting the old block. This would then allow the land currently occupied by garages to be used as part of the parking requirement for the new dwellings because the area would be overlooked. The views of the Police Architectural Adviser are sought as part of the planning approval process to ensure that layouts which provide parking in this way are safe and effective.
- 3.3 The Butterworth Place site is very close to Thrift Place which has two vacant, fire damaged properties owned by Bromford Housing Group (BHG). BHG have been given planning permission to convert these properties from single person flats to family houses and intend to start work in January 2006. It is important that the two sites are brought back into use in parallel so that they do not blight one another.
- 3.4 Options for the site are as follows :

Option	Rent	Shared Ownership	Private Sale	Total units	Build Costs	Social Housing Grant
1	13 x 2b/4p houses	Nil	Nil	13	£1.6m	£800k
2	5 x 2b/4p houses 6 x 2b/4p flats	6 x 1b/2p flats 3 x 2b/4p flats 2 x 2b/4p houses	Nil	22	£2.55m	£800k

3	5 x 2b/4p houses 6 x 2b/4p flats	Nil	6 x 1b/2p flats 3 x 2b/4p flats 2 x 2b/4p houses	22	£2.55m	Nil
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Option 1 (see plan attached)

- Site developed for 100% rented housing to meet priority housing need
- Land transferred at nil cost.
- Social housing grant funding from the Housing Corporation

Option 2 (see plan attached)

- Mixed rent and shared ownership
- Shared ownership at an average of 35% of the equity with rent at 3% of unsold equity.
- Land transferred at nil cost
- Social housing grant on rented housing from the Housing Corporation

Option 3

- Same mix of units as Option 2
- 50% of units for private sale rather than on a shared ownership basis.
- No grant from the Housing Corporation

3.5 Option 1 contributes more to meeting priority housing need than the other options because it will provide rented family housing. In addition, this part of Blackbird Leys is already densely developed with social rented flats and maisonettes and a new housing development would provide a better balance of affordable housing in the area.

3.6 Option 2 provides more affordable housing units in total and the loss of affordable housing is generally resisted by Planning . There would be no net loss of units overall compared to the scheme which previously occupied the site. However, compared to Option 1, there is a reduction in the number of rented houses and the shared ownership units make only a marginal contribution at best to meeting the needs of homeless households.

3.7 Option 3, which is the open market sale option, will involve significant loss of affordable housing and less housing to meet priority housing need.

3.8 The Council will receive nomination rights in perpetuity to all of the affordable housing units. These will be 100% of initial lettings and 75% of relets and the value to the Council in terms of savings on temporary accommodation at current prices for the various options is:

Option 1	13 affordable rented units	£312,000
Option 2	11 affordable rented units	£264,000
Option 3	11 affordable rented units	£264,000

3.10 Indicative site valuations are given in the Confidential Appendix attached. For options involving grant funding, the land price is discounted because this reduces the amount of funding required and improves the value for money of

the bid for the Housing Corporation, thus improving the chances of attracting funding.

- 3.11 CHG will submit a bid for grant funding, depending on the option selected by the Board, in July for the 2005 to 2007 Approved Development Programme. Capital allocations will not be announced until next Spring but CHG will progress the scheme as set out in section 7 below.

4. OTHER MEANS OF ACHIEVING THE OBJECTIVES

- 4.1 Opportunities in the City to develop affordable housing are very limited as the Council has developed its land bank and there is increasing dependence on the affordable planning policy to meet priority housing needs
- 4.2 Given the high level of need for affordable housing in the City and the Council's particular need for family housing for homeless households, opportunities to provide affordable housing on Council owned land should be optimised.
- 4.3 Appendix 1 summarises the options for the site. Under Prudential code, the Council could borrow to construct the dwellings itself. Given that Government would not provide any funding, if the Council developed the site as per Option 1, the repayments and interest would be more than the rental income and there may be subsidy implications.
- 4.4 The Council could sell the land on the open market, producing a capital receipt for the land as shown in the Confidential Appendix. However, this would involve significant less of affordable housing to meet the needs of homeless households.

5. PROCUREMENT

- 5.1 CHG were competitively selected as one of the Council's RSL partners in May 2000 in order to procure new social housing. On this basis there is no reason for open competition under the constitution to select a scheme partner for this site. In addition, CHG are able to bid under the Housing Corporation's 'Partnering Investment' programme which now limits the number of RSL's are able to access this type of funding.
- 5.2 Local authorities are able to dispose of land at less than market value to Registered Social Landlords under a General Consent from the Secretary of State (General Consent A of the Local Government Act 1988 , Section 25). This is for the provision of rented housing let on periodic tenancies and for housing sold on long lease on a shared ownership basis and this consent would be applied to the disposal of Butterworth Place for affordable housing.

6. CONSULTATION

- 6.1 There have been no comments received as a result of the report being placed on the Forward Plan at the time of writing this report. There will be

consultation through the Planning Approval process for the redevelopment of the site.

7. PROGRAMME

Planning application	August 2005
Executive Board project approval & land disposal consent	July 2005
Planning approval	October 2005
Land transfer/ building contract signed	January 2006
Start on site	March 2006
Practical completion	March 2007

8. FINANCIAL IMPLICATIONS

- 8.1 Under the Prudential code all reasonable options need to be considered. Local Authorities, in carrying out their duties under Part 1 of the Local Government Act (England and Wales) 2003 are required to have regard to all aspects of the Prudential Code that relate to affordability, sustainability and prudence. This means that a range of options has to be considered as set out above and summarised in the attached appendix

9. STAFFING IMPLICATIONS

- 9.1 The Neighbourhood Renewal Business Unit will be responsible for facilitating the redevelopment of Butterwort Place and Legal Services will carry out the land transfer
- 9.2 These tasks will be carried out within existing staff resources of the above Business Units.

This report has been seen and approved by Councillor Turner (Portfolio Holder), Lindsay Cane (Legal and Democratic Services), Val Johnson (Neighbourhood Renewal Manager and David Higgins (Financial Services)

Background papers: None