

Report to: Executive Board - Monday 10th October 2005
Housing Advisory Board – Thursday 13th October 2005

**REDEVELOPMENT OF BUTTERWORT PLACE, BLACKBIRD LEYS
MAJOR PROJECT APPROVAL AND LAND DISPOSAL CONSENT**

Report of:	<i>Business Manager: Neighbourhood Renewal</i>	WARDS AFFECTED <i>Blackbird Leys</i>
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Lead Member Responsible:	<i>Housing Portfolio Holder</i>	
Scrutiny Committee Responsibility	<i>Housing Overview and Scrutiny Committee</i>	
Key Decision	Yes	

SUMMARY AND RECOMMENDATIONS

This report seeks Major Project Approval for the redevelopment of the site of the old Butterwort Place maisonette block by Catalyst Housing Group who are one the Council’s RSL 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 report

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

The Executive Board is **ASKED** to:

- i) grant Major Project Approval under section 5.04 of the Contract Regulations for development of 11 family houses for affordable rent
- ii) approve Catalyst Housing Group as the development partner for the scheme
- iii) approve the disposal of the land to Catalyst Housing Group on the terms agreed in principle by Executive Board in June 2005 under Rule 9 of the Contract Regulations, subject to the approval of the Strategic Director (Housing, Health and Communities), as recommended by the Housing Advisory Board.
- iv) instruct the Neighbourhood Renewal Manager and Legal Services Manager to negotiate the detailed terms for disposal of the land and to complete the transfer of the land.

1. BACKGROUND

- 1.1 Butterwort Place was the site of one the Council's eight maisonette blocks in Blackbird Leys. Structural problems with the staircase access to the upper flat deck led to the 18 flats in Butterwort Place being demolished in 2002.
- 1.2 Executive Board in June 2005 considered a number of options for the site and approved the redevelopment for family housing for affordable rent .

2. OBJECTIVES

- 2.1 The objective of the scheme is to provide more affordable housing to meet priority housing need 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 The proposal is to dispose of the site to Catalyst Housing Group (CHG) who will redevelop the old maisonette site together with the adjoining grass verge and the row of 15 garages along the South side of Butterwort Place (see attached site plan). Only 8 of the garages are let and the block has become increasingly vandalised and is a source of nuisance to local residents
- 3.2 The scheme will provide 11 family houses for rent in the following mix:
 - 5 x 2 bed/4 person
 - 5 x 3 bed/5 person
 - 1 x 4 bed/6 person
- 3.3 Planning and County Highways have been consulted on the extension to the site area to include the garages and the highway verge. County Highways have informally expressed no objection. Planning have suggested changes to the layout and in order to avoid developing units on backland plots, it has been necessary to reduce the number of units from 13 in the option appraisal considered by Executive Board in June to 11. The derelict row of garages will be removed and parking spaces for the new houses provided in their place.
- 3.5 The Council will receive nomination rights in perpetuity to the 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 will be £264,000
- 3.6 CHG will submit a bid for grant funding of £670,000 in October for the 2006/2008 Housing Corporation Approved Development Programme. Capital allocations will be announced in February 2006. The grant input reflects CHG's overall development programme average.

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 given the high level of need, and the Council's particular need for family housing for homeless households in particular, the use of Council owned land for this purpose should be optimised.
- 4.2 Appendix 1 summarises the options for the site and indicative site valuations are given in the Confidential Appendix attached
- 4.3 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, 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. Under planning policy 50% of the dwellings would be affordable and this would produce significantly 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 and on this basis, further competition under the constitution to select a scheme partner for this site is not required. 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.

6. DETAILS OF LAND DISPOSAL

- 6.1 Approval is sought to dispose of the land (edged black on the attached plan) freehold with vacant possession at nil cost as set out in the option selected by Executive Board in June 2005. The land is held for housing purposes by the Council under Part II of Housing Act 1985.
- 6.2 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 (The General Consent under Section 25 of the Local Government Act 1988 for the Disposal of Land to Registered Social Landlords). 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 Butterwort Place because it is being developed solely for affordable housing.
- 6.3 No further consent of the Secretary of State to this disposal is required by virtue of Section 32 of the Housing Act 1985 or Section 123 of the Local Government Act 1972.

7. CONSULTATION

- 7.1 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.

8. PROGRAMME

Planning application	December 2005
Planning approval	March 2006
Land transfer	May 2006
Start on site	August 2006
Practical completion	September 2007

9. FINANCIAL IMPLICATIONS

- 9.1 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

10. STAFFING IMPLICATIONS

- 10.1 The Neighbourhood Renewal Business Unit will be responsible for facilitating the redevelopment of Butterwort Place and Legal Services will carry out the land transfer
- 10.2 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 FOR HOUSING AND PLANNING; VAL JOHNSON, NEIGHBOURHOOD RENEWAL BUSINESS MANAGER; PENNY GARDNER, FINANCIAL AND ASSET MANAGEMENT BUSINESS MANAGER AND JEREMY THOMAS, HEAD OF LEGAL AND DEMOCRATIC SERVICES

Background papers: None