

To: City Executive Board

Date: 22nd October 2008

Item No:

Report of: Interim Head of Property and Facilities Management

**Title of Report: Land South of Grenoble Road -
Possible South Oxford Urban Extension**

Summary and Recommendations

Purpose of report:

To advise Members of a possible partnership arrangement with adjoining landowners (Magdalen College and Thames Water) to progress the development of the Council's landholding south of Grenoble Road.

Key Decision? Yes

Executive lead member: Councillor Bob Price

Report approved by:

Executive Director, City Regeneration: Mel Barrett

Finance: Jeremy Thomas

Legal: Sarah Fogden/Penny Gardner

Policy Framework:

Recommendation(s):

1. To endorse the undertaking of preliminary work to establish if the Council's objective of the early delivery of Grenoble Road can best be achieved through collaborative working with Magdalen College and Thames Water, subject to a detailed report back on whether such an arrangement would represent best value.
2. To note that specialist external consultancy support will be procured to advise the Council as to the optimum way forward.

BACKGROUND

1. Members will be aware of the possible opportunities for significant residential development, in excess of 4,000 units, on land to the south of Grenoble Road currently owned by Magdalen College, Thames Water and Oxford City Council. Discussions have been ongoing between the three parties for some time in relation to planning policy aspects, however more recently it has become apparent that there is a need for a clear way forward in relation to respective landholdings given the significant costs that will be involved in bringing this site forward for development.
2. The two adjoining landowners have tabled proposed Heads of Terms for an "Equalisation Agreement". Essentially this is a set of proposals setting out how the three parties would work together to bring forward our joint ownerships for development. This would include how costs to reach the point of submission of a planning application would be shared, how any enabling infrastructure would be facilitated and finally how any capital receipts would be distributed and any other none financial benefits achieved. The benefit of an Equalisation Agreement is that it helps to de-risk the project for all parties concerned in that there is a sharing of costs and benefits and, for example, no one party loses out because they have the public open space allocated on their land. Members should be aware that this is potentially a complex and lengthy project.
3. In relation to the discussions detailed above the total land ownership of the three parties, shown shaded on the attached plan, is in the order of 166 hectares, of which the City Council owns approximately 35 hectares. The matter is made more complex by virtue of the existence of restrictive covenants and the grant of leases between the parties. The total site area of the possible options for the South Oxford Urban Extension consulted on, shown edged black on the attached plan, is approximately 502 hectares, of which the Council's total ownership (shown hatched) is approximately 105 hectares.
4. It is also the case that Thames Water and Magdalen College have jointly previously commissioned a piece of work to examine what is the optimum land for initial development, exploring this from both a planning perspective and in terms of the physical characteristics of the site. The conclusion of this work was that land predominantly owned by Magdalen and Thames Water was most ideally suited for initial development.
5. Members will be aware that the land falls outside of the administrative boundary of Oxford City Council and that both South Oxford District Council and Oxfordshire County Council are opposed to the principal of development. This will clearly make achieving development more challenging.
6. Members will also be aware that the Panel of Inspectors that independently examined the draft South East Plan recommended that there should be a selected, highly focused review of the boundaries of the greenbelt south of Oxford to consider the need for further development beyond the recommended 4,000 houses, including that required after 2026. It is also the case that Oxford City Council has now made representation to the Boundary Commission for inclusion of the subject land to the south of Grenoble Road within the Oxford City Council administrative boundary.

REPORT

7. The proposal is now to obtain external consultancy support to advise the Council in relation to all aspects of this matter. Principally to:
 - Provide development appraisal and valuation advice generally, together with advice on the terms of an “Equalisation Agreement” with Thames Water and Magdalen College, and whether such an approach would represent best consideration for the Council, confirming whether or not the Magdalen/Thames Water sites offer the best initial opportunity for obtaining a planning consent to enable residential and other enabling development.
 - Give initial high-level advice on the likely quantum of capital receipts to be generated from this proposal.
 - Consider the extent to which the Council may wish to consider using its landholdings to generate other non financial benefits in terms of:
 - Increased levels of affordable housing.
 - Enhancement of the public realm.
 - Increased use of renewable energy sources and sustainable materials.
 - Delivering an exemplar development.

FINANCIAL IMPLICATIONS

8. The proposal is to fund the initial consultancy support from the Council’s Planning and Delivery grant. It is anticipated that this should not exceed £30K, although we will endeavour to procure advice on a basis that serves to minimise initial costs. It is intended that there will be an additional bid to CLG for financial support in terms of bringing forward this opportunity.
9. Magdalen College and Thames Water have already incurred significant consultancy costs in moving this project forward, and have stated that they are prepared to fund any further required consultancy fees (inasmuch as these need to be expended by the proposed partnership to enable the submission of an outline planning application) with the Council reimbursing these through the terms of any Equalisation Agreement. Whether this represents the optimum arrangement for the Council will be explored as an integral part of the consultancy advice now proposed.

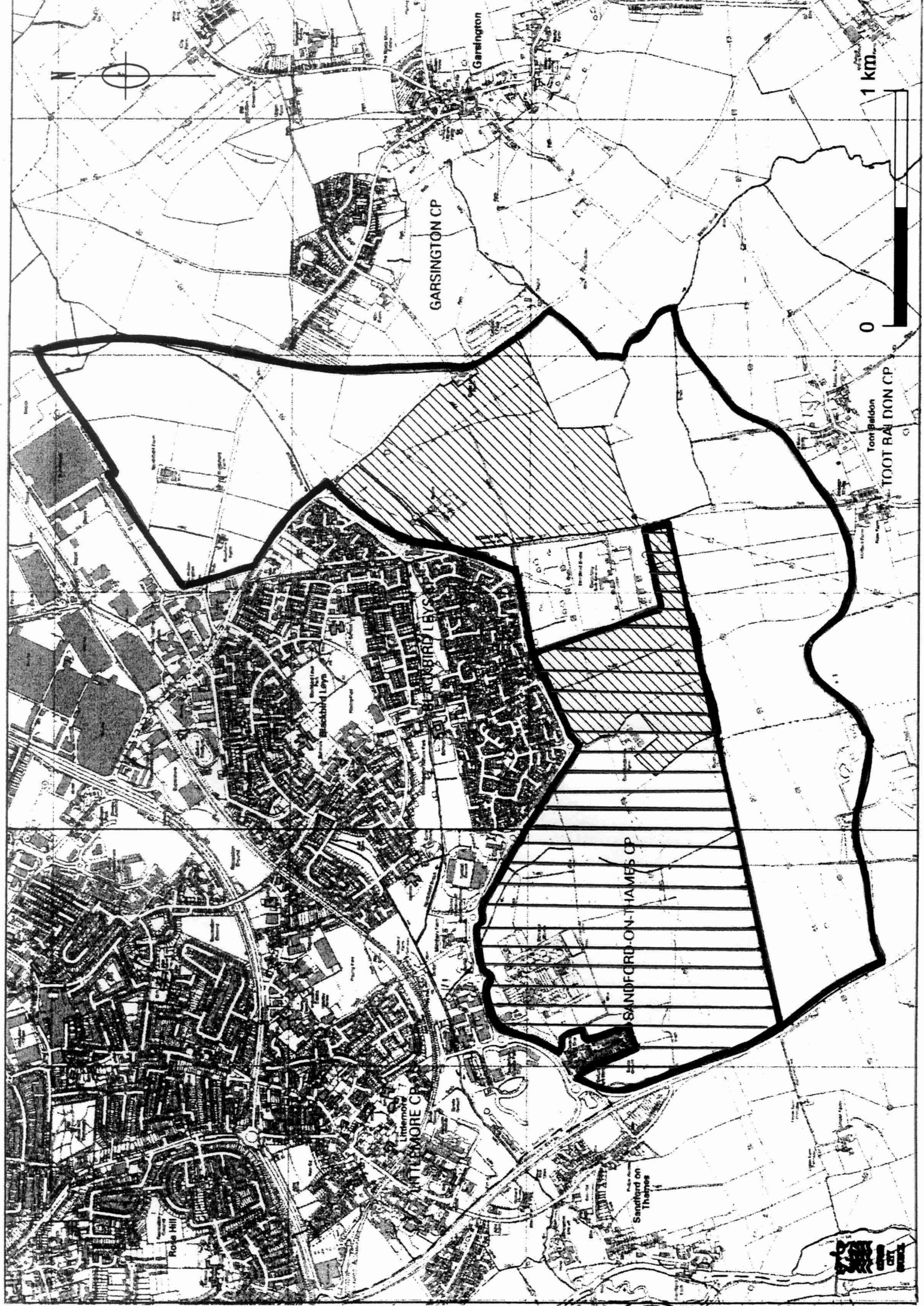
NEXT STEPS

10. Following the receipt of advice and any negotiation as appropriate a detailed report will be brought back outlining proposed next steps as to whether to proceed on a joint venture basis with adjoining landowners or not.

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List of background papers: None



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GARSINGTON CP

WILMORE CP

SANDFORD-ON-THAMES CP

TOOT RAD DON CP

