

To: City Executive Board

Date: 9th February 2011

Item No: 7

Report of: Head of Community Housing & Community Development

Title of Report: PROVISION OF ADDITIONAL AFFORDABLE
HOUSING ROSE HILL REDEVELOPMENT

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Summary and Recommendations

Purpose of report: Five additional affordable housing units are proposed to be built as part of the Rose Hill redevelopment scheme and the report seeks approval to enter into a supplemental agreement to the original Development Agreement for the scheme to deal with these additional units. Furthermore, this report requests that grant funding is made available to Oxford Citizens Housing Association to secure these properties as general needs rented accommodation.

Key decision? Yes

Executive lead member: Councillor Turner, Councillor Bance

Report approved by:

City Executive Director:

Finance: Legal:

Policy Framework: Corporate Plan 2009-12 'More housing, better housing for all'
'Stronger and more inclusive communities'
Regeneration Framework

Recommendation(s): Executive Board is asked to:

a) agree to increase the scope of the original Rose Hill development project to include five additional affordable housing units.

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b) delegate to the Head of Corporate Assets the authority to negotiate the terms of, and to enter into, a Supplemental Agreement to the original Development Agreement with Oxford Citizens Housing Association (OCHA) and Taylor Wimpey to deal with these additional units.

Department of Transport to stop up the section of the path adjacent to Nos 30 and 34. This strip of land is included in the planning consent to redevelop Nos. 30 and 34 and the disposal to OCHA will be dealt with under Head of Corporate Assets delegated powers.

- 2.6 30 Wynbush and 34 Cottesmore Road were originally sold under Right to Buy and are subject to the Council's standard disposal covenants. It is proposed to release these covenants under the Head of Corporate Assets delegated powers.

3. Procurement and funding

- 3.1 While developing the additional five units is considered unlikely to require a separate procurement process and, in isolation, would fall below the EU procurement regulations threshold, in theory, there is a very small risk that this position could be subject to external challenge. Procurement and Legal Officers have considered this and feel that any potential risk can be reduced through issuing a Voluntary Transparency Notice. This notice will reduce the period in which a challenge can be made to only 10 days. These notices are issued by public bodies in these types of situations. The City Executive Board is therefore asked to approve the issue of such a Voluntary Transparency Notice in partnership with OCHA.
- 3.2 Two houses are already covered by the contractual and financial arrangements set out in the Development Agreement and there are clear benefits in being able to draw on the existing contractual arrangements and the technical/ supply side relationships with Taylor Wimpey to cover the new additional housing. This will require a Supplemental Agreement to the Development Agreement to be entered into, to deal with the terms of the construction of the additional units.. The overall intention of this document will be to mirror the terms and conditions of the existing Development Agreement
- 3.3 The only area where this will not be possible is in regard to the financing of the works. Two of the total of seven units are funded as general needs rented housing under the Development Agreement through cross subsidy from sales by Taylor Wimpey but this cannot be extended to cover the additional five units because there is no matching increase in private housing numbers. OCHA have therefore bid for grant funding of £275k from the Homes and Communities Agency to fill the gap.
- 3.4 Competition for grant funding is likely to be high because it is a limited pot and is being allocated under the old rules, which means it can be used to fund general needs rented housing. Officers feel it would be prudent to be able to offer to HCA some level of joint funding of the £275k required to improve their value for money assessment. There is currently £116k in unallocated S106 developer contributions and approval is sought to use up to £100k of this money to secure the additional units as general needs rented housing.

4. Level of risk

- 4.1 A risk assessment has been undertaken and the risk register is attached as Appendix 1.

5. Equalities Impact

- 5.1 The mix of units proposed by OCHA reflects the need for family housing which is an area of priority need for homeless households. The units will be built to meet the HCA Housing Quality Indicators for accessibility.
- 5.2 The Council will have nomination rights to these units and these will be allocated through the ORAH Partnership and Choice Based Lettings.

6. Climate change/ environmental impact

- 6.1 The additional units will achieve Code for Sustainable Homes level 3 which is the same as the standard as the other affordable housing properties in the scheme.

7. Financial implications

- 7.1 The Head of City Development has confirmed that £116k of unallocated s106 is available to be applied to the scheme. This is currently included in Oxford City council's capital programme.
- 7.2 Funding of £275k is being sought from the HCA.
- 7.3 In the event that HCA funding is not forthcoming, officers will agree with OCHA changes to the tenure of the additional units to secure them as affordable housing. This is likely to involve developing a number for shared ownership but the Council would seek to use the developer contributions monies to optimise the number of general needs rented units.

8. Legal Implications

- 8.1 The proposed Supplemental Agreement will in effect extend the existing legal arrangements between the three parties to cover the additional units. While the Voluntary Transparency notice does, of course, bring additional public attention to the proposal, it is considered that limiting the time for a challenge is an effective way of dealing with this situation.

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