

To: City Executive Board
Date: 18 September 2018
Report of: Executive Director – Sustainable City
Title of Report: Oxford Flood Alleviation Scheme (Amended land Disposal)

Summary and recommendations	
Purpose of report:	To present for approval the updated proposed land disposals and discounts in relation to the Council's commitment of up to £1,000,000 in-kind contributions from land disposal and compensation foregone to facilitate the Oxford Flood Alleviation Scheme.
Key decision:	Yes
Executive Board Member:	Cllr Alex Hollingsworth, Board Member for Planning and Transport
Corporate Priority:	Vibrant and Sustainable Economy, Clean and Green Oxford
Policy Framework:	Corporate Plan and Budget
Recommendations: That the City Executive Board resolves to:	
<ol style="list-style-type: none"> 1. Approve the amended disposal of land (as identified in Appendix 1) to the Environment Agency for the purposes of the Oxford Flood Alleviation Scheme. Such disposal to be below market value but subject to receipt of appropriate consents and the inclusion of appropriate restrictive covenants; with the Council also foregoing any land compensation in relation to the severance to the retained land. The values of the land identified in Appendix 1, being set out in Appendix 2; 2. Approve the increase in net in-kind contribution to be made by the Council to the EA from £450,500 to £663,500 (and up to £696,675, if required); 3. Approve the use of the Council's powers under the Local Government Act 1972: General Disposal Consent 2003 - disposal of land for less than the best consideration that can reasonably be obtained - to dispose of the land identified in Appendix 1 below market value; and 4. Grant delegated authority to the Executive Director - Sustainable City, in consultation with the Heads of Finance and Law and Governance, to enter into appropriate legal agreements with the Environment Agency to give effect to the above matters. 	

Appendices	
Appendix 1	CONFIDENTIAL Land Maps
Appendix 2	CONFIDENTIAL Land values
Appendix 3	CEB Report – Oxford Flood Alleviation Scheme - 13 th February 2018
Appendix 4	Risk Register

Introduction and background

1. The Environment Agency (“the EA”) has agreed a value of £121.11m for the Oxford Flood Alleviation Scheme (“OFAS”), as set out in its Outline Business Case. This includes £116.36m for design and construction and £4.75m for future maintenance. Oxford City Council (“the Council”) has already committed to a contribution of £1.5 million capital to help fund the scheme. The scheme is funded from a variety of sources including government grant, Oxfordshire County Council, the Local Enterprise Partnership as well as the City Council.
2. At its meeting on 6 April 2017, the City Executive Board (“the CEB”) authorised the increase of the Council’s project contribution towards the Oxford Flood Alleviation Scheme (OFAS) to up to £1m funded from in-kind contributions from land disposal and compensation foregone.
3. OFAS will reduce the flood risk for over 1,200 properties in Oxford. The in-kind contribution of up to £1m represents the Council’s continued commitment to the scheme and assistance in ensuring the scheme’s affordability.
4. The EA is intending to use Compulsory Purchase powers to secure access to land that is required for the scheme. The Council, through agreeing the transfer of rights and ownership as detailed in this report, will obviate the need for Council land to be compulsory purchased, which will reduce costs to both the scheme and the Council.
5. This paper follows the report to the CEB on 13th February 2018 (Appendix 3) and the resolution to commit an in-kind contribution, from land disposal and compensation forgone, of £450,500 towards the scheme. This paper seeks to increase the in-kind contribution but remain within the £1m limit agreed by the CEB.

Lands Strategy

6. On 13th February 2018 the CEB approved disposal of 68 parcels of land owned by the Council which are impacted either permanently or temporarily, positively or negatively, by the OFAS.
7. Since the first report to the CEB and as plans for OFAS have further developed, the EA has made revisions to some of their original plans. The main change is to the flood defence structure at Redbridge Park & Ride locality; from a ‘closed’ to an ‘open’ culvert. This will mean that the Council can no longer utilise the affected area for parking and will therefore transfer this parcel of land freehold to the EA (instead of allowing access rights). This change has resulted in the permanent loss of 51 parking spaces.

8. In addition to this there has been a reduction in the acreage of land required by the EA in and around South Hinksey Village and some minor changes to access provision; namely temporary access rights at Hinksey Park to a boundary wall to make repairs and a footpath diversion off Weirs Lane. A small unused section of Spragglsea Allotments will be required to build the watercourse control structure at Eastwyke Ditch.
9. The updated figures show 87 parcels of land, 28 parcels to be transferred freehold and 57 parcels of land to be retained by Oxford City Council with the Council granting rights to the Environment Agency to carry out works and access to maintain. 2 parcels of the land are expected to undergo betterment as a result of the OFAS.
10. Where the OFAS detailed design changes require further land revisions, it is proposed that the Oxford City Council will allow up to a 5% increase in value, alongside the 5% increase on total areas (already agreed by the CEB), subject to reasonable need and provided the new areas adjoin land previously included in the scheme. The details will be outlined in a Heads of Terms document between the Council and the EA.

Financial implications

11. These latest changes have resulted in an increase in land disposal costs by way of contribution in kind to the Council to £663,500 (£696,675 with a 5% variation) from £450,000 (net increase £213,500).
12. The loss of car parking at Redbridge Park and Ride should not have a material impact on revenue as the average occupancy of the car park is less than the total number of spaces left after the 51 space loss.
13. This in-kind contribution does not include temporary losses of the scheme on Council property. Compensation for temporary losses will be agreed by separate agreement with the EA, as cash sums (not payments in kind) once construction has started and the value can be fully established.

Legal issues

14. In Common Law, the owner of land adjoining, above or with a watercourse running through it has certain rights and responsibilities as the 'riparian owner' to maintain and manage that watercourse for the prevention of flooding and appropriate water management.
15. It is intended that land matters in relation to the OFAS will be handled via negotiated settlement between the Council and the Environment Agency rather than through Compulsory Purchase Order.
16. Any land disposals will be for the sole purpose of the OFAS development and suitable covenant(s) put on the disposal order agreement(s).
17. For cases where the Council is disposing of the freehold of land to the Environment Agency at no cost, the Council will be enacting its powers under the Local Government Act 1972: General Disposal Consent 2003 - disposal of land for less than the best consideration that can reasonably be obtained. The Council deems this appropriate use of powers as the Council considers that the disposal for the

purposes of delivering the Oxford Flood Alleviation Scheme is likely to contribute to the achievement of:

- i) the promotion or improvement of economic well-being;
- ii) the promotion or improvement of social well-being;
- iii) the promotion or improvement of environmental well-being; and
- iv) the best price reasonably obtainable for each of the parcels of land does not exceed £2,000,000.

In these cases the Council will transfer the deed and title of the land to the Environment Agency by agreement, reserving rights for the Council where appropriate.

18. For cases where the Council wishes to retain the freehold of land but is foregoing any compensation in relation to the severance and/or disturbance to the retained land, the Council will enter into a rights based agreement with the Environment Agency.
19. These specific and separate legal agreements will be entered into by the Executive Director- Sustainable City in consultation with the Heads of Finance and Law and Governance.
20. It is important to remember that the Environment Agency will continue with a Compulsory Purchase Order across the whole of the scheme unless settled agreements are reached.

Level of risk

21. Please see Risk Register in Appendix 3.

Equalities impact

22. No Equalities Impact Assessment is considered necessary after undertaking the screening process.

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Background Papers: None