**DECISIONS DELEGATED TO OFFICERS**

|  |  |
| --- | --- |
| **Decision title:**  | Blackbird Leys Regeneration Project: Deed of Variation to the Development Agreement with Peabody Trust |
| **Decision date:** | 09 November 2023 |
| **Source of delegation:**  | Cabinet, [on 13 September 2023](https://mycouncil.oxford.gov.uk/ieListDocuments.aspx?CId=527&MId=7518&Ver=4) (Item 10 - Blackbird Leys Development Project: Variations to Development Agreement with Development Partner) resolved to:1. Delegate authority to the Executive Director (Development), in consultation with the Cabinet Member for Housing; Deputy Leader (Statutory) - Finance and Asset Management; and Cabinet Member for Inclusive Communities, to agree (within the parameters set out within the report and associated appendices) and sign the final terms of a Deed of Variation to the Development Agreement between OCC and its development partner, Peabody.
 |
| **What decision was made?**  | To enter into a Deed of Variation to the Development Agreement with Peabody Trust. |
| **Purpose:**  | The decision delivers a revised development agreement between development partners Oxford City Council and Peabody for the delivery of the Blackbird Leys Regeneration Project. |
| **Reasons:**  | The Development Agreement (DA) sets out how the Blackbird Leys Regeneration Project is to be brought forward through a series of Gateways, where at key stages the scheme’s viability is tested and agreed by both parties. Further background on the Development Agreement can be found in the Blackbird Leys Development Project Detailed Design [report to Cabinet dated 11 March 2020.](https://mycouncil.oxford.gov.uk/documents/s53452/DRAFT%20Cabinet%20Report%20-%20v9.4.pdf)Since 2018, OCC officers have been working with development partners to achieve scheme efficiencies to close the viability gap through Stages 1 and 2. The scheme continues to have considerable viability issues, and as such, Stage 2 viability work is ongoing.In 2022, Peabody Housing Association merged with CHL and became Peabody in April 2023, and is continuing the development partnership on the Blackbird Leys regeneration project.In June 2022, after CHL was acquired by Peabody, a decision was made by the development partners to review the viability and deliverability of the Blackbird Leys Regeneration Project, which paused the project’s progress. Until this point, CHL had been ready to submit a planning application for the scheme, which was not submitted at the time due to the viability review. The review consisted of a Pre-construction Services Agreement (PCSA) by a Peabody appointed contractor, to assess the scheme’s viability and deliverability.In December 2022, once the PCSA was completed and Peabody were satisfied with the findings, the project progress resumed. Although the project still faced ongoing viability issues due to inflation, increasing construction costs and supply chain issues, OCC and Peabody agreed to proceed with the scheme. In February 2023, a decision was made to submit a planning application for the scheme even though the project still faced substantial viability issues and had therefore not completed the Stage 2 viability requirement, to progress into Stage 3. A hybrid planning application was submitted on 23/02/2023 and was validated on 14/03/2023. The application received resolution to grant permission in August 2023.Due to a multitude of issues and occurrences, including delays and viability concerns, the DA between OCC and Peabody needs to be amended through a Deed of Variation (DoV) to enable the development to proceed.  |
| **Decision made by:** | Tom Bridgman - Executive Director (Development) |
| **Other options considered:** | The Cabinet decision of 13 September 2023 set out the principles on which the authorisation to enter into the DoV was given. The final form of the DoV adheres to those principles and therefore its completion was authorised by Cabinet. The alternative would be to not enter into the DoV, which would put delivery of the project at risk. |
| **Documents considered:** | A summary of the legal effect of the various provisions in the Deed of Variation drafted by the Council’s lawyers (exempt from publication by reason of commercial confidentiality). |
| **Key or Not Key:**  |  Key  |
| **Wards significantly affected:** | Blackbird LeysNorthfield Brook |
| **Declared conflict of interest:**  | None |
| **This form was completed by:****Name & title:****Date:** | Tom Woodhams – Lawyer Team Leader: Major Projects, Property and Contracts08 November 2023  |

**Approval checklist**

|  |  |  |
| --- | --- | --- |
| ***Approver*** | ***Name and job title*** | ***Date***  |
| **Decision maker**  | Tom Bridgman - Executive Director (Development) | 09 November 2023 |

**Consultee checklist**

|  |  |  |
| --- | --- | --- |
| ***Consultees*** | ***Name and job title*** | ***Date***  |
| **Senior officer** | Carolyn Ploszynski, Head of Regeneration and EconomySignature Carolyn Ploszynski | 19 October 2023 |
| **Head of Financial Services** | Nigel Kennedy, Head of Financial Services | 09 November 2023 |
| **Head of Law and Governance**  | Emma Jackman, Head of Law and Governance | 09 November 2023 |
| **Cabinet Member** | Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset ManagementCouncillor Ajaz Rehaman, Cabinet Member for Inclusive CommunitiesCouncillor Linda Smith, Cabinet Member for Housing | 09 November 2023 |