

<b>Decision type:</b>	<b>Decision Specifically Delegated to Officers</b>
<b>Decision date:</b>	11 March 2025
<b>Decision maker:</b>	Tom Hook, Deputy Chief Executive City and Citizens' Services
<b>Decision title:</b>	Decision to enter into a design and build contract with Equans Regeneration Limited in relation to Phase 1 of the Northfield Hostel housing development site.

### Summary

<b>Decision being taken:</b>	<p>Approval to enter into a design and build contract with Equans Regeneration Limited for the delivery of this development project. The project budget has been allocated through the annual February Council budget-setting meetings.</p> <p>This decision acknowledges and approves modifications to the proposed contract, including changes to the liability and hardship clauses from those originally advertised. Additionally, the associated risks of proceeding with this contract have been noted and considered.</p>
<b>Key decision:</b>	<p>Key, it is over the £750,000 threshold</p> <p><a href="#">Forward Plan Entry</a></p>
<b>Source of delegation:</b>	<p>State how, when the decision was delegated and by who.</p> <p>Decision delegated at <a href="#">Cabinet Meeting on 9th September 2020</a> - The Head of Housing Services submitted a report seeking project approval, delegations, and budget, to enable spending from the Housing Revenue Account (HRA), on land purchases, build contracts and other necessary agreements and associated development costs for the purpose of delivering affordable housing. Cabinet resolved to:</p> <p>Give project approval to the proposals, to purchase land; enter into build contracts and any other necessary agreements or contracts and incur associated development cost spends, as set out in this report, and within the allocated HRA capital budgets and business plan, for the purpose of delivering more affordable housing in Oxford;</p> <p><b>Delegate authority to the Director of Housing, in</b></p>

**consultation with the Cabinet Member for Affordable Housing; the Head of Financial Services/Section 151 Officer; and the Council’s Monitoring Officer, to enter into agreements for the purchase of land, and any other necessary agreements or contracts and/or spend within the identified budget, for the provision of additional affordable housing\***; and

Delegate authority to the Chief Executive, in consultation with the Cabinet Members for Finance and Asset Management, and Affordable Housing, to approve any property or development purchases over £500,000 for affordable housing, within this project approval and budget envelope.

**\* NOTE:** Delegation in bold above is the delegation being relied upon to make the above decision. Following recent changes to the senior management structure, this delegation is now within the remit of Thomas Hook, Deputy Chief Executive City and Citizens’ Services.

**Cabinet Member:** Councillor Linda Smith, Cabinet Member for Housing and Communities

**Corporate Priority:** Good, Affordable Homes.

**Policy Framework:** Housing and Homeless Strategy 2023-28

The Deputy Chief Executive City and Citizens' Services decides as follows:

1. Approval to enter into a design and build contract with Equans Regeneration Limited for the delivery of this development project. The project budget has been allocated through the annual February Council budget-setting meetings.

This decision acknowledges and approves modifications to the proposed contract, as contained within the attached confidential appendix. Additionally, the associated risks of proceeding with this contract have been noted and considered.

Appendix No.	Appendix Title	Exempt from Publication
Appendix 1	Development Board Paper 3 February 2025	Yes This information is exempted from publication under Schedule 12A to the Local Government Act 1972 since it is information about someone else’s finances or business and contains information that could be considered

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		legally privileged information.
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## **Introduction and background**

1. The site at Northfield Hostel was acquired by Oxford City Council from Oxfordshire County Council on 8th June 2022 to develop an entirely affordable housing scheme consisting of 51 new build units (phase 1). The adjacent site was acquired by Oxford City Council from Oxfordshire County Council on 22 July 2024 for an additional 10 new build affordable units (phase 2).
2. The development is being delivered through the HRA by OCHL. Full Planning Approval has been granted for phase 1, and Outline consent has been secured for phase 2 – where a Reserved Matters application is required (currently scheduled for submission summer 2025).
3. Equans were appointed under a PCSA and demolition of the hostel has been completed under a JCT Minor Works contract.
4. The current HRA total scheme cost (TSC; includes build costs, land costs, Section 106 and HRA on-costs) for phase 1 is over the current approved budget. Increased costs are largely attributed to specification changes to satisfy regulatory changes and market inflation since the original cost estimate was undertaken. Costs have been assessed and benchmarked against other schemes and concluded as fair and offering value for money.
5. Equans has confirmed that they are currently in a position ready to proceed with the build contract, subject to instruction. OCHL has advised that costs would be expected to increase further if the scheme was to be re-tendered (build cost inflation and contingency) or if further delays are incurred.
6. This report seeks approval to award the Phase 1 building contract to Equans, to avoid further project delays and cost increases.
10. This decision acknowledges and approves modifications to the proposed contract, as contained within the attached confidential appendix. Additionally, the associated risks of proceeding with this contract have been noted and considered.

## **Reasons for the decision**

11. To enter into a build contract with Equans Regeneration Limited. OCHL will act as the development manager on behalf of the Council, and will undertake the direct development of Phase 1 of the Northfield development in the HRA.
12. To deliver 51 affordable new homes – which supports the Council's strategy and priority of providing more affordable housing. This initiative contributes to the City Council's affordable homes delivery programme. Alternative Options Considered.
13. Approving the additional associated risks are to avoid procurement, reputational damage with HE, loss of HE funding, affordable housing delivery setback.

**Here list the other options and why they were not recommended.**

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14. If the Council does not proceed with a build contract with Equans Regeneration Ltd., a re-tendering process will be required. This would introduce additional time and costs to the programme, potentially risking viability. Should the development become unviable, the Council would be unable to deliver it directly as outlined in the Affordable Housing Supply Programme.
15. Contract award and Start on Site (SoS) must be completed by March 2025 to comply with Homes England (HE) funding requirements.
16. If an agreement is not reached imminently, the project would require a re-tender, which will not result in a better price and will expose the project to greater cost inflation (estimated at c. £500k) plus an increase in consultancy costs. There is also an additional cost associated with retendering of this work.
17. Homes England Funding Dependency. Failure to award the contract before March 2025 would require withdrawing the Homes England bid, with no new funding opportunities for at least 12 months due to shifts in Affordable Homes Programme (AHP) timelines. Any delay in Practical Completion (PC) beyond March 2027 could result in the loss of the final grant payment, as this coincides with the AHP21-26 programme deadline (including its one-year "run-off" period).
18. Reputational Risk with Homes England and the Supply Chain, failing to proceed with the contract could damage the Council's reputation with Homes England and key contractors.
19. Affordable Housing Delivery Setback, this project is part of the City Council's strategy to deliver 51 affordable homes. Failing to proceed will delay or halt this goal, reducing the supply of much-needed affordable housing.

### **Equalities Impact**

20. The delivery of 51 new affordable homes in Oxford City will make a significant contribution to addressing the ongoing housing crisis affecting both the city and the wider UK. These homes will be allocated to individuals and families on the housing register in accordance with the Housing Allocations Policy, ensuring fair access to much-needed housing and promoting greater equity within the community.

### **Risks**

21. Set out in appendix 1.

### **Carbon and Environmental Considerations**

22. For key decisions only

### **Implications of making the decision**

<b>Financial implications</b>	This section should be completed by finance officers. You will need to provide all relevant background information to the finance officer to	<b>Completed by:</b> Nigel Kennedy, Head of Financial Services
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	enable them to complete this section. IN ADDITION TO HoF CONSULTATION	(Section 151 Officer) <b>Date:</b> Insert date
<b>Legal implications</b>	Legally privileged advice has been provided separately to this officer decision notice as part of the report to the Development Board.	<b>Completed by:</b> Iwona Defer, Major Projects Lawyer <b>Date:</b> 05/02/2025
<b>Other implications</b>	Include any other relevant implications not listed above.  This should include any equalities impact issues.	<b>Completed by:</b> Insert name and job title <b>Date:</b> Insert date
<b>Member declared interests</b>	Include in here details where any member has declared an interest in the matter in line with the Code of Conduct. Please speak with the Monitoring Officer if you are unsure.	<b>Completed by:</b> Insert name and job title <b>Date:</b> Insert date

<b>Background Documents</b>	
List the background documents and, if possible, link to them.	
All background papers must be listed in accordance with the Local Government (Access to Information) Act and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. This includes, any material which discloses facts or matters on which the report or an important part of it is based and which have been relied on in the preparation of the report Each document must be listed and a copy of each document made available to members and the public on request, (or they should be directed where to find it if it is already published on the Council's website). All confidential, exempt, copyrighted and published works are EXCLUDED from this requirement.	
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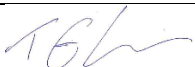
<b>Report author</b>	Insert details here
Job title	Insert details here
Service area or department	Insert details here
Email contact	Insert details here

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### Consultee checklist

<b>Consultees</b>	<b>Name and job title</b>	<b>Date</b>
<b>Senior officer</b> e.g. the relevant service manager / Head of Service where the decision maker is the Chief Executive or an Executive Director.	Where a consultation is not required state N/A	N/A
<b>Head of Financial Services</b> Where required by the Constitution or conditions of the delegation	Nigel Kennedy, Head of Financial Services (Section 151 Officer)	5 March 2025
<b>Head of Law and Governance</b> Where required by the Constitution or conditions of the delegation	Emma-Louise Jackman, Head of Law & Governance	4 March 2025
<b>Cabinet Member(s)</b> Where required by the conditions of the delegation	Councillor Linda Smith, Cabinet Member for Housing and Communities	6 March 2025
<b>Ward Members</b> Where required by the Constitution or conditions of the delegation		

### Decision Maker Approval

<b>Name and job title</b>	<b>Date</b>
 Tom Hook, Deputy Chief Executive City and Citizens' Services	11 March 2025

This form must be completed and sent to Committee and Member Services **on the date that the decision maker signs it. This must be only done once all consultees have given their approval. The decision shall be effective from the date of**

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**publication; therefore, it is important that you send to Committee and Member Services as soon as it is completed and dated by the decision maker. Please note that it is not effective until it is published and the call in period has passed.**

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## NOTES

The law<sup>1</sup> requires the Council to record executive and non-executive decisions taken by officers under delegated powers and to publish them on the Council's website.

These requirements apply to decisions that would have been taken by Council or the Cabinet if delegated powers had not been given to an officer:

- under an express delegation granted at a meeting of Cabinet, Council or a Committee.
- in accordance with Part 4.4 of the Constitution as follows:
  - Awarding a contract where authority has been specifically delegated to officers by Cabinet or a Cabinet Member (regardless of value)
  - Acquiring or disposing of freeholds or leaseholds granting new leaseholds (excluding assignments and rent reviews) where authority has been specifically delegated to officers by Cabinet or a Cabinet Member (regardless of value)
  - Making a regulatory order which affects a number of people, for example a Public Space Protection Order or a Parking Place Order
  - Where the effect of a decision is to grant a licence or permission or it affects the rights of citizens
  - Discharging any other express delegation from Cabinet or a Cabinet Member a committee or Council.

These requirements **do not** apply to:

- planning and licencing matters where there are established arrangements for recording decisions: or
- decisions which are purely administrative or operational in nature

All other officer decisions should be recorded on an officer decision form but do not need to be published. They must though be stored so as to ensure that they are not lost should an officer leave the authority.

### **Exempt or Confidential information**

Information relating to a delegated officer or single member decision does not have to be made public if it is exempt or confidential. Summary information from this decision

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<sup>1</sup> the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012/2089 (Regulation 13(4)) and The Openness of Local Government Bodies Regulations 2014/2095 (Regulation 7)

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sheet (excluding all exempt or confidential information) will be published on the Council's website.

## **Key or Non Key Decision**

A key decision is an executive decision which is likely to:

- Have a significant effect on people living or working in a least two wards or
- Involve spending, income, or saving a significant amount – whether an amount is significant depends on the Council's total budget for the service involved. For this Council 'significant' in budgetary terms is:
  - Expenditure, income, or savings of £750,000 or greater in the context of the medium term financial strategy,
  - Acquiring or disposing of freeholds with a consideration over £500,000 in the context of the medium term financial strategy except for disposals pursuant to right to buy legislation
  - Acquiring or disposing of leaseholds where either the rental value is in excess of £250,000 per annum and/or the premium is £750,000 except for statutory lease renewals under Part 2 of the Landlord and Tenant Act 1954 and disposals pursuant to right to buy legislation and disposals pursuant to right to buy legislation.
  - Acquiring or disposing of easements with a value over £750,000 and/or rental value over £250,000 each year

A key decision can only be taken and recorded here if notice of it has been published on the Forward Plan for at least 28 clear days. Key decisions taken by officers may be "called in" by any four councillors or the Chair of the Scrutiny Committee within two days of the notice of decision being published.

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