

CABINET – 18 AUGUST 2020

DISPOSAL OF DEVELOPMENT SITES TO OXFORD CITY COUNCIL

Report by Corporate Director – Commercial Development, Assets & Investment

RECOMMENDATION

1. **The Cabinet is RECOMMENDED to**
 - (a) **Agree the principle of off-market sales to the City Council, as a named purchaser, of the following properties:**
 - **Part of Northfield Hostel for delivery of 100% affordable housing**
 - **Former Depot Site at Lanham Way for delivery of 100% affordable housing**
 - **Former Blackbird Leys Swimming Pool for incorporation into the regeneration scheme**
 - (b) **To declare the Former Blackbird Leys Swimming Pool surplus to requirements.**
 - (c) **Delegate authority to the Director for Property, Investment and Facilities Management and the Director of Law and Governance to agree appropriate terms.**

Executive Summary

2. The City Council are actively seeking new sites in order to deliver additional affordable housing to meet Growth Deal pipeline numbers. In addition, the City are seeking to bring forward their regeneration of Blackbird Leys. The County Council owns development sites in Oxford and also the Former Blackbird Leys Pool. Consequently, this has resulted in discussions between the two Councils culminating in provisionally agreed terms between the parties, subject to contract and formal approval from both Councils.

Introduction

3. The County Council (County) owns two sites in Oxford city which are surplus to operational requirements and have been identified as having potential for

development. Consequently, the sites have been promoted for the most valuable alternative use via the planning process to enable the County to maximise value. Where commercial development is not possible, or does not represent best value, then residential development has been promoted.

4. The City Council (City) are actively seeking new sites in order to deliver additional affordable housing to meet Growth Deal pipeline numbers. It is understood they are struggling to find suitable sites, so they approached the County to discuss whether any sites within Oxford could be made available for year three of the Growth Deal (31 March 2021). Northfield Hostel and Lanham Way were identified.
5. It has been made clear throughout that any sale would be subject to the County being able to demonstrate best value in accordance with S123, the City would be required to deliver more than the 50% affordable housing required through planning in order to tick Growth Deal boxes.
6. It has further been agreed that any sale to the City would be to its Housing Revenue Account and not the City's subsidiary Housing Development Company.
7. The County also owns the Former Blackbird Leys Swimming Pool which is non-operational, with the pool area boarded over. It is leased to the Trustees of the Oxfordshire County Scouts until January 2022. There is little potential for alternative development as in planning terms it is defined as a community use building. The City approached the County to discuss its inclusion in the Blackbird Leys regeneration scheme, although it should be noted that it is not essential for their scheme.
8. Extensive negotiations were entered into with the City which has now resulted in mutually beneficial agreement between the parties, subject to contract and formal approval from both Councils.

Exempt Information

9. The detailed proposals / provisionally agreed terms are summarised in Annex 1. *The information contained in the annex is exempt as it is commercially sensitive in that it falls within the following prescribed category:*
 3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information);*

and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that a negotiation is ongoing and would prejudice the position of the authority in the process of that negotiation and the Council's standing generally in relation to such matters in future, to the detriment of the Council's ability properly to discharge its fiduciary and other duties as a public authority.

Legal Issues

10. The County has an obligation under Section 123 of the Local Government Act 1972 to achieve the best consideration reasonably obtainable. The processes followed should be robust and transparent and there must be good reasons for selling local authority property other than on the open market, hence sales to a named purchaser should only occur when the Council is satisfied that the price agreed is not less than could reasonably be obtained on the open market i.e. best value.
11. In summary the sale of these sites to the City as a named purchaser is in both parties' mutual interests, with the price negotiated reflecting best consideration when all factors are taken into account, and a combined initiative between the Councils to deliver Growth Deal pipeline numbers in terms of affordable housing.
12. The sale price for the individual properties fall within the delegated authority of the Director for Property Investment and Communities Facilities Management. However, on the basis that the sales to the City as a named purchaser will be a departure from the usual procedure of placing the properties on the open market, Cabinet approval is sought to proceed with the disposals.

Communications

13. The Trustees of the Oxfordshire County Scouts are aware of the regeneration scheme proposals and the possibility that the mutual rolling option to break may be exercised as a result.

Financial and Staff Implications

14. Northfield Hostel and Lanham Way have previously been declared surplus to requirements and are in the residual disposal programme. The current capital programme funding assumes capital receipts from these sites and selling to the City should enable the receipts to be forthcoming in 2021/22, together with the receipt for the Former Pool.
15. It should be noted that the County will retain the playing field part of Northfield Hostel for the time being and this will generate a further capital receipt in due course.
16. There will be annual revenue savings for Northfield Hostel in relation to Council Tax and ongoing security and repairs to the empty property which is vulnerable to trespass and vandalism.
17. The County will continue to receive the rent for the Former Pool until completion occurs.
18. There are no staff implications.

Equalities Implications

19. There are no equalities implications.

STEVE JORDEN

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Background papers: None

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