

## **Divisions Affected – Kidlington South**

### **CABINET**

**18 January 2022**

## **LAND AT STRATFIELD BRAKE, KIDLINGTON – PROPOSAL FROM OXFORD UNITED FOOTBALL CLUB TO OXFORDSHIRE COUNTY COUNCIL AS LANDOWNER**

### **Report by Corporate Director, Commercial Development, Assets and Investment**

#### **RECOMMENDATION**

**1. The Cabinet is RECOMMENDED to**

- a) Enter into negotiations as requested by Oxford United Football Club (OUFC) and with Oxfordshire County Council's current tenants to enable the use of Oxfordshire County Council (OCC) owned land for the development of a new football stadium, subject to planning permission.

**2. If Cabinet decide to proceed it is RECOMMENDED that**

- a) Officers ensure that any proposal by OUFC is consistent with the Oxfordshire Fair Deal Alliance's priorities, by achieving the following objectives for the use of the OCC's land:
  - i. maintain a green barrier between Oxford and Kidlington and improve access to nature and green spaces;
  - ii. enhance facilities for local sports groups and on-going financial support;
  - iii. significantly improve the infrastructure connectivity in this location, improving public transport to reduce the need for car travel in so far as possible, and to improve sustainable transport through increased walking, cycling and rail use;
  - iv. develop local employment opportunities in Oxfordshire;
  - v. increase education and innovation through the provision of a sports centre of excellence and facilities linked to elite sport, community sport, health and wellbeing;
  - vi. support OCC's net zero carbon emissions pledge through high sustainable development;
- b) Officers enter negotiations and agree a deal that achieves community benefit, meet OCC's aspirations and complies with The European Union

(Future Relationship) Act 2020 and is in accordance with S.123 of the Local Government Act 1972.

- c) Cabinet agree delegated authority to the Corporate Director, Oxfordshire County Council – Commercial Development, Assets and Investment, in consultation with the Portfolio Holder for Finance & Property, to agree financial terms and to instruct OCC Legal Services accordingly.

## **Executive Summary**

3. Oxford United Football Club (OUFC) have approached OCC and requested that OCC transfer c.18 hectares (44.48 acres) of land for the development of a new 18,000 capacity football stadium with ancillary leisure and commercial facilities to include, hotel, retail, conference, and training/community grounds.
4. OUFC's proposal requests that the majority of OCC's freehold land holding at Stratfield Brake be transferred to them for a term of 250 years. The land is currently leased out to three tenants by OCC being CDC (who in turn sub-lease to Kidlington Parish Council and Water Eaton and Gosford Parish Council), The Woodland Trust and Foxcotte Fencing Limited.
5. Taking account of this Council's commitment to maintaining access to nature, Officers have excluded from the proposal land leased from OCC by The Woodland Trust (c. 2.8 ha / 7 acres).
6. An 'Ethical Wall' has been put in place to avoid potential conflicts of interest between OCC and CDC and to ensure that the interests of each Council are represented independently by named officers.

## **Background**

7. OCC purchased part of the land at Stratfield Brake in 1937, to provide a strategic gap between north Oxford and Kidlington – the site is in the Green Belt. If all the various sites allocated for residential development in the Local Plans are built out, it would become an important piece of land preventing the 'coalescence of the settlements'. Consequently, any proposal for the use of this land must provide solutions to maintain a green barrier that is accessible to the public. This will include efforts by officers to identify additional land at Stratfield Brake that could be purchased by OCC to maintain a strategic green belt gap.
8. Part of the site is already sports ground. If a decision is made to support OUFC's proposal, the cost to replace facilities of at least a comparable standard as the existing community sports facilities at Stratfield Brake will be the responsibility of OUFC. Furthermore, the community sports facilities will be re-provided in such quantity and quality as agreed with the local planning authority and community clubs, and the annual operational costs for the community

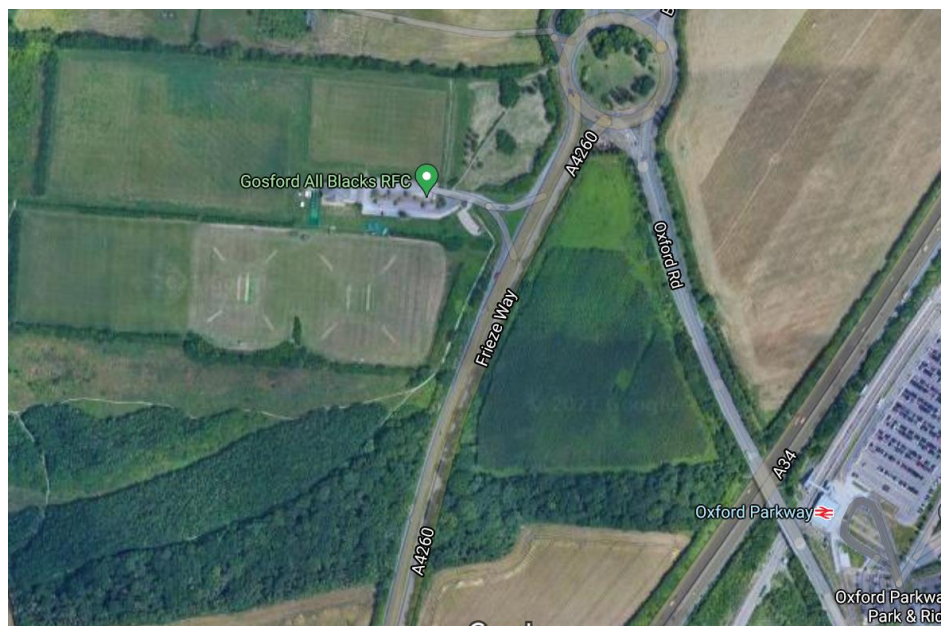
sports facilities will be taken on as the responsibility of OUFC for the full term of their lease.

### Land Ownership

9. The aerial photo below shows the area of land subject to the proposal within its wider context.



10. The aerial photo below shows the area of land subject to the proposal.



## Key Issues

11. OCC have received a proposal from OUFC to acquire a 250 year long-leasehold interest in the land. OUFC propose that the lease would be taken in the name of a corporate entity, owned 100% by Oxford United Directors shareholders, to be set up to develop the scheme. If the Club should cease to exist, the headlease will allow it to be leased to another professional football club. Any sublease of the Stadium site will require the Stadium to remain in place with community sports taking place in it at times when it is not being used for professional football. The Club would be required to register the stadium as an 'Asset of Community Value' to safeguard the future of the asset.
12. Whilst the proposal is for OUFC to lease c.18 hectares (44.48 acres) it may be helpful to note that the existing sports facilities comprises c.10 ha (25 acres) which will be subsumed into the proposal.
13. OUFC request that the remainder of the OCC land not utilised for the Stadium may be sublet as a whole or in parts by the corporate entity of OUFC, at a market rent to operators providing commercial and leisure facilities such as retail, hotel and conference facilities. All of these would, of course, be subject to planning approval. It is understood that the revenue from these is required to fund the construction of the Stadium. In the event that the OUFC fold and no professional football club can be found to sublease the Stadium, the entire headlease is assigned to the landlord.
14. Part of the site is a sports ground as shown on the plan above. OCC is not in possession / control of the sports ground, having leased the majority of it out until 2097 to CDC at a rent of £1 per annum, who have in turn sub-let to Kidlington Parish Council (KPC) for a similar term. There are no break clauses in these leases, hence there would need to be a tripartite agreement for any early surrender and all three Councils would need to satisfy themselves that they are receiving best value under any future arrangement. Negotiations would need to take into account that local clubs use the sports ground and it would be vital to ensure that community use of the site is secured for the future.
15. An area of land to the west of CDC's interest, which is leased out by OCC to The Woodland Trust, was originally included within OUFC's proposals. However, this has now been excluded. Officers will continue to challenge OUFC's design proposals to ensure that the minimum amount of Green Belt land is developed upon. They will also seek to maximise increases in public access to green spaces as a result of the proposals (e.g. to the triangular piece of land which is currently inaccessible).
16. The triangular piece of land is let on a short-term basis to Foxcotte Fencing Limited at a rent of £418 per annum, with the ability for OCC to break the lease on 12 months' notice.
17. Any decision to support the development of this land located within the Green Belt, should take into consideration the reason that OCC acquired this land, being to prevent the 'coalescence of the settlements' and to provide a strategic

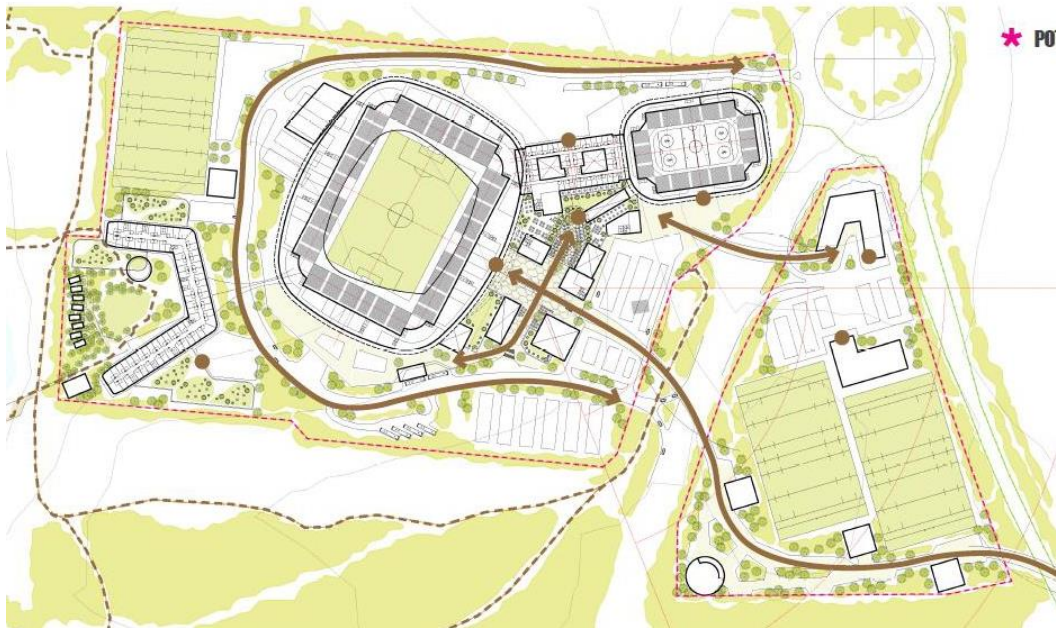
gap between north Oxford and Kidlington. Officers recognise that the loss of Green Belt is a challenge in terms of National Planning Policy and political perception. The land hatched below, being approximately 18.6ha (46 acres), is let by OCC to The Woodland Trust, and Officers will ensure that none of this land will be included in any agreement with OUFC.



18. The proposal provides opportunities to significantly improve the infrastructure connectivity in this location and to work with key stakeholders (including local Sports Clubs) to enhance facilities for the benefit of the local community. OUFC are committed to supporting OCC's net zero Carbon emissions pledge to new developments and to improving public transport to reduce the need for car travel in so far as is possible.
19. CDC are the local planning authority. Under the terms of the proposal OUFC are entirely responsible for obtaining planning permission subject to approval from OCC as landowner. It should also be noted that OCC will be Statutory Consultee in any planning application.
20. To enable OCC to conclude negotiations with the various leaseholders and for OUFC to obtain satisfactory detailed planning consent for a new Stadium, an early decision as to whether to proceed in principle is required so that legal and pre-planning due diligence can be concluded by May 2022, a planning application submitted by May 2023 and construction of the new Stadium to be completed by May 2026.
21. The reason for the OUFC proposal is as a result of the Club's plans to relocate their existing facilities from the Kassam Stadium and to construct a new stadium with ancillary leisure facilities, thereby providing a new home for the Club within a new 'leisure destination hub' supporting growth in tourism, leisure, and employment within Oxfordshire. OUFC's agreement to play at the Kassam Stadium ends in May 2026, after which the Club have nowhere to play. Consequently, there is a short window of opportunity for them to find a new home.

22. The relocation of OUFC is likely to be of significant media and public interest, both locally and nationally. In addition, any support given to the development of Green Belt land may also attract attention. Consequently, throughout the process, it will be necessary for Officers to carefully coordinate media communications

An illustrative masterplan of the proposed scheme is below:



## Oxfordshire Fair Deal Alliance Principles

23. Officers consider that the proposal provides opportunities that support the Oxfordshire Fair Deal Alliance principles for the use of the OCC's land including;
- (a) maintaining a green barrier between Oxford and Kidlington and improving access to nature and green spaces;
  - (b) enhanced facilities for local sports groups and on-going financial support;
  - (c) significantly improve the infrastructure connectivity in this location, improving public transport to reduce the need for car travel in so far as possible, and to improve sustainable transport through increased walking, cycling and rail use;
  - (d) develop local employment opportunities in Oxfordshire. Estimated 800+ new jobs;
  - (e) increase education and innovation through the provision of a sports centre of excellence and facilities linked to elite sport, community sport, health and wellbeing;
  - (f) support OCC's net zero carbon emissions pledge through high sustainable development;

## Financial Implications

24. The potential financial implications are set out in Appendix 1.

Comments checked by:

Ian Dyson, Assistant Director of Finance, [ian.dyson@oxfordshire.gov.uk](mailto:ian.dyson@oxfordshire.gov.uk)

## Legal Implications

25. It should be noted that this Report relates to OCC as landowner, and not as Statutory Authority.

26. Councils are required to maximise the land value in accordance with S.123 of the Local Government Act 1972 and cannot dispose of land for a consideration (i.e. monetary payment) less than the best that can be reasonably obtained in the market, except with permission of the Secretary of State.

27. OUFC have provided Counsel's Opinion stating that as long as OUFC's proposal is compliant with S.123 of the Local Government Act 1972, the proposal is unlikely to give rise to state aid or subsidy concerns. Legal Services will seek verification of this in due course, but at present have no reason to doubt it.

28. In view of CDC's involvement with the transaction (both as current lessee of the site and as planning authority) and because CDC is being asked to surrender an asset (its existing lease) to facilitate the transaction, there is potential for conflict of interest between the two authorities. Maintaining the Ethical Wall between officers referred to at paragraph 6 above will be important.

Comments checked by:

Richard Hodby, Solicitor, Legal Services ([richard.hodby@oxfordshire.gov.uk](mailto:richard.hodby@oxfordshire.gov.uk))

## Equality & Inclusion Implications

29. As part of any proposal both OCC and CDC will be looking to see that the sports clubs and community uses will continue to be provided within any new development.

30. In light of the proposed location which is close to existing public transport facilities it will provide easier access for the public.

31. The proposal would provide for an increase in local employment opportunities estimated by OUFC at 800+ new jobs.

## **Sustainability Implications**

32. Any proposal by OUFC must support OCC's net zero Carbon emissions pledge through high sustainable development aspirations and overall net zero emissions targets.
33. Any proposal must seek to enforce less reliance on cars and improve sustainable transport through increased walking, cycling, and rail use.
34. Opportunity to design and create a state of the art, sustainable building with ancillary facilities that recognise the challenge of climate change.

## **Risk Management**

35. Consideration should be given to the political, local and planning challenges of supporting development on OCC owned land that is located within the Green Belt.
36. Negotiations between the various leasehold interests, stakeholders and users will need to be carefully managed to ensure existing community facilities are re-provided and disposal of land at best value is achieved.

## **Proposed Next Steps**

37. If agreed, Officers to explore and negotiate a commercially acceptable proposal, and to undertake appropriate due diligence, in accordance OCC's statutory functions and legal obligations.
38. Officers to write to OUFC clearly setting out the Oxford Fair Deal Administration's commitments for the use of OCC owned land.

CEDR Member:

Steve Jorden, Corporate Director, Oxfordshire County Council – Commercial Development, Assets and Investment

Contact Officer:

Charles Maxlow-Tomlinson, Investment and Development Consultant, Oxfordshire County Council – Property, Investment & FM, Commercial Development, Assets and Investments

January 2022