

Divisions Affected – Rose Hill and Littlemore

CABINET MEMBER FOR FINANCE

22 September 2023

FREEHOLD DISPOSAL FORMER PLAYING FIELDS NORTHFIELD HOSTEL LITTLEMORE OX4 6LD

**Report by Executive Director:
People, Transformation & Performance**

RECOMMENDATION

The Cabinet Member is RECOMMENDED to approve the freehold sale of land comprising the former playing field at Northfield Hostel for social housing to a named purchaser in consideration of OCC receiving a capital receipt.

Executive Summary

1. Oxfordshire County Council (OCC) sold the Northfield Hostel, edged blue on the plan below,) in 2022 for a social housing development, (hostel site).
2. It is now proposed to sell the adjoining former playing field site, 2,530sqm 0.6 acres), edged red on the plan below to a named purchaser for social housing. (Playing field site).
3. A single planning consent was received for the development of both sites but the development and sale of units on the playing field site can only commence once an agreed number of properties have been delivered on the hostel site. With this restriction the timing of the sale of homes built on the OCC, playing field, land is outside of our control.
4. A sale has been agreed to the owner of the hostel site, for the full market value. This eliminates the risk and uncertainty of not knowing when the capital receipt will be received.

Background

5. OCC originally owned the combined freehold of the land shown on the plan below, shown edged red and blue. The property was historically used as a weekly

residential boarding hostel for some of the children studying at the nearby Northfield Special School (now the Orion Academy).

6. The hostel closed in 2014 and the building and land were declared surplus to operational requirements and placed on the Capital Disposal Programme list.



RED - OCC retained playing field land 2,530sqm (0.6 acres)
BLUE - The City land 4,942sqm (1.2 acres)

7. Following Cabinet approval on 18 August 2020 conditional contracts were exchanged for the freehold sale of part of the site edged blue to a named purchaser, the hostel site. Completion of the sale was conditional upon a single planning permission being granted for the combined site. Detailed permission for 51 affordable units on the hostel site and outline permission for 10 market units on OCC's retained, playing field, land.
8. Planning permission was granted in March 2022 enabling completion of the sale in June 2022 of the hostel site, with OCC's intention thereafter to market its retained land, the playing field site. Any sale of the retained land being dependent upon the planning conditions linking the two sites first being satisfied.
9. As a result of issues with contractors and changes in funding policies there have been delays in the owners of the hostel site commencing the development. The result of this delay means there is uncertainty in respect of when the development of the playing field site could commence.
10. The only way to overcome this uncertainty is to either submit a fresh planning application for just the playing field site, which would result in the site needing a higher proportion of affordable homes, and the potential value falling as a result, or seeking to sell the site to the owner of the hostel site.

11. Terms have been agreed for a sale to the owner of the hostel site, a named purchaser. Details of the sale are exempt because of the confidential nature of this information relating to the terms of the sale agreed.

12. The heads of terms agreed are set out in detail in confidential Annex 1.

Risk Management

13. The Council must ensure that all capital payments received come from the client account of a firm of solicitors acting for the purchaser, which has taken responsibility for money laundering checks. The Council may wish to conduct independent checks on the source of the funds and must reserve the right to withdraw from the transaction at any stage in the event that these are not completed to its satisfaction.

Corporate Policies and Priorities

14. The sale of the site supports the agreed Property and Asset Strategy agreed in November 2022, by maximising the value of investments to support the long-term financial sustainability of the Council land and supporting the local community by the provision of land for social housing,

Staff Implications

15. There are no staff implications.

Equality & Inclusion Implications

16. There are no equality and inclusion implications.

Financial Implications

17. The Capital & Investment Strategy for 2023/24 agreed by the Council in February 2023 sets out that the principle that capital receipts should be treated as a corporate resource and used across the capital programme flexibly.

18. The proposal from the named purchaser would provide a capital receipt for a sale set out in the disposals programme. The sale price is supported by independent valuation advice. The disposal is therefore compliant with the best value requirements as set out in section 123 of the Local Government Act 1972

Comments checked by:

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Legal Implications

19. The Council has power to dispose of its land assets pursuant to Section 123(1) of the Local Government Act 1972, subject to its duty to ensure it receives best value for them. The Council owns the freehold to the site.

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Sustainability Implications

20. There are no sustainability implications

Risk Management

21. The information as set out within the Exempt Annex No 1 demonstrates assessment as to the financial risks has been undertaken resulting in concluding the recommendation to dispose of the site.

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14 September 2023