

Cabinet Report



Listening Learning Leading

Report of Head of Development & Regeneration

Reporting Officer: Jayne Bolton

Author: Charlotte Cottingham

Telephone: 01235 422474

Textphone: 18001 01235 422474

E-mail: charlotte.Cottingham@southandvale.gov.uk

Wards affected: Berinsfield

Cabinet member responsible: Paul Harrison

Tel: 0118 972 2665

E-mail: paul.harrison@southoxon.gov.uk

To: CABINET

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Berinsfield strategic review of progress to date and proposed way forward

Recommendations

That Cabinet agrees:

- a) that the project becomes the phased but comprehensive enhancement and expansion of Berinsfield;
- b) to support the concept of Garden Village status and that the council pursues this if it is demonstrated that this could enhance the ability to deliver the project;
- c) to define the council's desired roles and responsibilities through initial joint progression with the main landowners, to set in motion collaborative working agreements, clarifying roles and responsibilities, with Oxfordshire County Council, the Mount Farm landowner and Soha Housing and to explore the potential advantages and disadvantages of upfront investment from Homes England, all with a view to bringing a formal proposal to Cabinet later in 2019;
- d) to the principle of retaining some element of control over the Berinsfield project while ensuring that the council does not take on too much responsibility and associated risk;
- e) to delegate decisions on the procurement of any required professional and consultancy advice on the Berinsfield project to the Head of Development and Regeneration in consultation with the cabinet member for Development and

Regeneration and in accordance with the council's financial rules;

- f) to undertake a review of the position in relation to land ownership in Berinsfield.

Purpose of Report

1. To update Cabinet on progress with the comprehensive regeneration of Berinsfield and to seek approval for the way forward as set out in the confidential appendix one, a strategic report prepared for the council by Cushman & Wakefield.
2. To provide options for the level of control that the council may wish to retain in the Berinsfield project.
3. To set out the background and seek approval in principle for initial work to be carried out and a formal proposal to be brought to Cabinet in 2019, including actions for strengthened partnership working and clarification of roles and responsibilities.
4. To seek delegation, to the Head of Development and Regeneration in consultation with the Cabinet Member and in accordance with council's financial rules, decisions on the procurement of consultancy advice for the Berinsfield project.
5. To update cabinet members on the Berinsfield Community Services grants programme.

Corporate Objectives

6. The Berinsfield project aims to meet the following corporate objectives:
 - Invest in the district's future
 - Homes and jobs for everyone
 - Build thriving communities
 - Services that reflect resident's needs.

Background

7. Since the creation of the new management structure the council's senior management team has collectively agreed the need for more transparency for key projects as they evolve. Following the creation of the Development and Regeneration service it is considered by the head of service that this is an appropriate juncture to review the approach to this project.
8. In September 2018, Cushman and Wakefield, the council's strategic property advisors, were instructed to undertake a strategic review of the Berinsfield project to objectively consider the work progressed to date, current position and to recommend a proposed way forward. This report is attached in appendix 1. The key recommendation of the Cushman and Wakefield review was the need to confirm the project's scale and content and the council's desired roles and responsibilities. They recommended that the initial key aspects for the council to move the project forward should be:
 - to confirm that the project (and hence the project brief) is the phased but comprehensive enhancement and expansion of Berinsfield

- to consider the merits of applying for Garden Village status and pursue this if it is demonstrated that this could enhance the ability to deliver the project
 - To define the council's desired roles and responsibilities. They propose that these are the initial onward joint progression of the project with the Mount Farm landowner, but with parallel agreements between the council and Oxfordshire County Council, and between the council and Homes England (as public-sector partners).
9. The council's corporate plan 2016-2020 sets out a strategic objective of "homes and jobs for everyone" and, in particular, a corporate priority to "undertake a comprehensive regeneration of Berinsfield".
10. In April 2016, Cabinet approved the Berinsfield Community Investment Scheme, with £1.5million revenue funding and the overall principle of improving the health and well-being of Berinsfield residents. The scheme was to:
- be led by the local community – investment in Berinsfield's social infrastructure should be driven by extensive engagement with local people
 - capture land value – social infrastructure to be funded by uplift in the value of otherwise non-developable Green Belt land through the development of around 1,700 new homes at Berinsfield
 - build in sustainable facilities – ensuring a sustainable future for diverse local groups, volunteers and others, who provide services for their community
 - provide access to skills and employment
 - have high quality public space and streetscapes
 - diversify tenure mix – in delivering affordable homes, the scheme should reduce the village's existing concentration on social rent and diversify to include a wide range of intermediate and specialist products
 - and achieve faster housing delivery – for example the inclusion of build to rent, self-build, potential infrastructure loans and promoting modular build to accelerate the programme by 2-3 years.
11. The project team worked in accordance with national and local policy guidelines and the emerging Local Plan reflects the council's regeneration aims at Berinsfield. A Local Green Belt Study, prepared as part of the evidence base for the Local Plan, identified an area east of Berinsfield, along with the existing village, as being suitable for exclusion from the Green Belt and development of new homes to pay for regeneration in the village.
12. In December 2016, Cabinet approved the project moving from stage one (scoping and options analysis) to stage two (master planning, design and strategy) and throughout 2017 the team worked with residents and other stakeholders, on a conceptual masterplan, while negotiations took place to acquire land at Mount Farm from the landowner.

13. Stage two work was delayed by not being able to gain access to the land for technical surveys and by slow progress on land acquisition. On 12 May 2017, a land acquisition bid was placed by Homes England that was rejected by the landowner via his agent, Adkin (Rural and Commercial Surveyors) but the landowner has subsequently shown interest in the principles of regeneration for the village.
14. The Mount Farm landowner took on a promoter, Ptarmigan Land, to work with his agent and take forward a proposal to provide part of the land to the council for community facilities, agreed social infrastructure and 700 homes. In that scenario the landowner would retain his interest, seeking to develop 1,000 homes on the remaining land and contributing CIL or S106 towards the required infrastructure. From late 2017 to early 2018, work focused on discussing draft Heads of Terms for a land acquisition and development agreement between the council, the landowner, Ptarmigan and Homes England. The Heads of Terms were not agreed between the parties.
15. Over the last two years the team has carried out extensive engagement with Berinsfield's community and stakeholders, including drop-in sessions, workshops and a doorstep survey, so that residents can influence aspects from facilities and community uses to scale of development. More in-depth discussions with local groups and OCC officers on themes such as sports, open space, a community hub, housing and education have informed the conceptual masterplan and the Active Communities Team commissioned a Community Hub Feasibility Study to inform a design brief for the hub. This work has been paused pending the determination of the overall approach to the project.
16. From the start of the project there have been regular OCC liaison meetings with officers and inclusion of their ward member in engagement events and mailings. Through recent strategic level meetings with senior management in both councils, Oxfordshire County Council has expressed a willingness to be closer involved in the scheme and discussion on strategic partnership working continues.
17. There was buy-in for the principles of the Berinsfield project at a local and national level and Berinsfield is cited at Government led training events as a good example of aspiration for regeneration. £995,000 Estate Regeneration funding from the Ministry of Housing, Communities and Local Government (MHCLG, formerly DCLG), the fifth highest award in the country, in the first instance, helped to fund a Community Development and Engagement Officer on the ground during 2017. The team has maintained links with MHCLG and Homes England.
18. Regular liaison meetings are held with Soha Housing, who currently own the largest share of housing in Berinsfield. A strong partnership approach to working with Soha Housing will be important in helping to integrate the existing village with new development.
19. However, while there has been an exemplary level of engagement, which has resulted in local people welcoming development that would more than double their village, the project team considers that more work is needed to coordinate the interest of all the different stakeholders and landowners to truly integrate new development with the existing village, and to progress the project and masterplan. To achieve the necessary health and well-being improvements, more work is needed to focus on the comprehensive regeneration of the whole village, through collaborative working and by basing any future masterplanning on garden community principles.

Berinsfield Garden Village bid

20. The council's strategic property advisors, Cushman and Wakefield, as set out above suggest that "The council considers the merits of applying for Garden Village status and pursues this if it is demonstrated that this could enhance the ability to deliver the Project." Due to tight timescales a bid for Garden Village status for Berinsfield was submitted on 13 November 2018 however it does not commit the council to accepting the status if successful. From informal feedback it is understood that there are a large number of applicants and an announcement on the successful applicants is expected in March 2019.
21. The principles of the Berinsfield project to date are mirrored in the garden community qualities' set out in the Government's Garden Communities Prospectus:
 - a) Clear identity – a distinctive local identity as a new garden community, including at its heart an attractive and functioning centre and public realm
 - b) Sustainable scale – built at a scale which supports the necessary infrastructure to allow the community to function self-sufficiently on a day to day basis, with the capacity for future growth to meet the evolving housing and economic needs of the local area
 - c) Well-designed places – with vibrant mixed-use communities that support a range of local employment types and premises, retail opportunities, recreational and community facilities
 - d) Great homes – offer a wide range of high quality, distinctive homes. This includes affordable housing and a mix of tenures for all stages of life.
22. The South Oxfordshire District Council's Garden Communities bid for Berinsfield was based on the current masterplan layout but looked afresh at the whole village, including new development, infill, brownfield regeneration, and innovative infrastructure improvements as a comprehensive enhancement and expansion of Berinsfield.
23. The Government offer of assistance for garden communities includes resource funding, delivery advice and support, help to establish delivery vehicles and cross-government brokerage to overcome barriers to delivery.
24. Whether or not the garden communities bid, based on the conceptual masterplan achieved by the end of 2017 through extensive, community engagement, is successful, the project team is working more closely at a strategic level with OCC who endorsed the bid and welcome an opportunity to provide a joined up public sector approach to regeneration of Berinsfield.
25. If Garden Village status for Berinsfield is not achieved in March, according to government guidance provided at a pre-bid support event attended by officers, it is likely that the project will be put on a waiting list for future recognition. In that scenario the project would still benefit from some support from MHCLG and access to a network of other garden communities. Garden community principles may be achievable for Berinsfield even without the formal status be awarded.

Berinsfield Community Services Grant

26. In April 2017 Council approved a one-off growth bid “to provide a discretionary fund to support and enhance community led local services so that they can take on the proposed new community facilities that will emerge from the Berinsfield Community Investment Scheme.” A budget of £100,000 was split across two years and during 2017/18 expenditure of £47,925 across five grants to Berinsfield Community groups, was approved by Individual Cabinet Member Decisions.
27. The groups that benefited all provide vital community services and are the Berinsfield Information and Volunteer Centre, The Berin Centre (formed around the former Employment Action Group), Youth Challenge Oxfordshire, The Berry Youth Centre and Berinsfield Voluntary Day Centre (for older residents).

Group/purpose	Grant given
The Berin Centre towards core costs in four service areas	£15,000
BIVC for IT, training new volunteers and core costs	£17,500
Youth Challenge Oxfordshire core costs, programme and equipment costs, contingencies and event sponsorship	£7,425
Berinsfield Voluntary Day Centre towards core costs including lunches for elderly service users	£1,500
Berry Youth Centre to cover an annual lease to keep the group open.	£6,500
	£47,925

28. For 2018/19 we have received applications from all the groups above and Berinsfield Football Club, which total more money than is available in this final year of the grant scheme. To make sure that any funding we offer meets the original purpose of the scheme, which was to support organisations to enable them to gain a strong position for being involved in the running of any future community facilities, we have asked applicants to respond to an additional question: “How will you use this funding to enhance your organisation, to make it stronger, to enable it to be involved in the running of any future community facilities that may be provided in the development of Berinsfield?”
29. As this funding will not be spent during this current year, in April a carry forward request will be submitted to the Head of Finance to spend the grant budget in 2019-20.
30. Grants will be allocated via ICMD and evaluated using a scoring mechanism.

31. Berinsfield project consultancy costs

32. The current budget for the Berinsfield project is £2.495 million, comprising an initial council funding of £1.5 million in April 2016 and £995,000 granted by the Department for Communities and Local Government in March 2017. Expenditure of that budget on consultancy advice to date is summarised in the table below.
33. The work carried out included some technical studies, masterplanning and legal advice, which can be used as the project moves forward. Several consultants were appointed under a framework agreement with Amec (now Wood plc).

Expenditure on consultancy advice April 2016 to December 2018		
Type of contract	Consultant	Amount spent
Consultants paid via Amec (now Wood plc) framework agreement	Amec (now Wood plc)	£243,556
	Quod (financial modelling, planning, socio-economics, environmental legislation and negotiation)	£498,930
	Hester Architects (masterplanning and design guidance)	£245,952
	DPA2 (property advice)	£27,040
	GVA (property advice)	£20,506
	Mace (quantity surveying)	£131,520
	Camargue (engagement in 2016)	£65,500
	Montagu Evans (land advice)	£14,575
Consultants paid directly	BCLP (Legal advice)	£12,068
	Bond Dickinson (Legal advice)	£4,171
	Montagu Evans – (direct land advice)	£27,000
	MEL Research (household survey)	£10,303
		£1,301,120

34. To ensure the most efficient and effective progression of the Berinsfield project, this paper seeks Cabinet approval to delegate decisions on the procurement of any required professional and consultancy advice on the Berinsfield project to the Head of Development and Regeneration in consultation with the cabinet member for Development and Regeneration and in accordance with the council's financial rules.

Options – future development

35. Officers are seeking Cabinet support for the proposals as set out in the recommendations and invite comments or queries arising from this paper. To achieve delivery of the Berinsfield project principles there are three main options:

- a) The council retains some element of control over the project while ensuring that it does not take on too much responsibility and associated risk. Under this option the council would define roles and responsibilities, focus on initial joint progression with the main landowner and his agents and seek parallel agreements with OCC and Homes England to secure outline planning consent in line with Local Plan site allocation at Local Plan Examination in Public. This option would see as much subsequent delivery responsibility as possible transferred to the private sector but under legal agreements and would involve work on an open book basis to agree a detailed masterplan, viability model and land transaction. In this option council could enter into a conditional Funding Agreement with Homes England to secure upfront investment in community infrastructure. This is the preferred option and further details of how this might progress are set out in Appendix one, section four.
- b) The council invests considerable additional resources, staff and financial, to acquire the land (either alone or in partnership with other stakeholders) and deliver the new development and associated community infrastructure as a developer. While this option would still allow parallel agreements with Homes England for funding and with OCC and Soha Housing to develop sites within the existing village, it exposes the council to considerable risk for example in the event of market changes. It also relies on the landowner's willingness to relinquish his interest in the site

c) The council retains only the level of control available through the planning process and, once the Local Plan has set the strategic framework, the major development site and infill sites in the existing village may be delivered by the private sector. While this option could deliver a substantial amount of housing it is less likely to deliver the infrastructure proposed and there is a risk that some infill sites in the existing village would remain undeveloped, risking blight and reducing the potential for integrating the whole village.

36. Future governance of the project under options 35 a), b) and c) above would be fulfilled through strengthened partnership working with Homes England, OCC and Soha Housing. Collaborative working is more likely to ensure successful delivery.

Financial Implications

37. To date the council has incurred expenditure of over £1.3 million to the Berinsfield project (formerly known as Community Investment Scheme) from a revenue of £2.49 million budget (comprising of £1.5 million council revenue funding and £995,000 Government Estate Regeneration Funding). As the future direction becomes clearer there will be a need to undertake relevant financial appraisals to understand any potential financial implications for the council.

Legal Implications

38. As the project moves forward there will be a need to commit legal resources to clarifying the discussion on restrictive covenants on the land concerned and to understand land ownership and to ensure maximum benefit of the council-owned land is achieved.

39. There will be significant legal resource implications arising from the need to enter into various agreements to embrace partnership working and progress with delivery.

40. The various technical studies received through the ESPO contract need to be checked in relation to warranties for the council to guarantee their future usefulness, there will be a need to consider professional advice contracts.

Risks

41. A project risk register is maintained for the Berinsfield project and informs the corporate risk register for South Oxfordshire District Council. The key medium to high risks identified include:

- a) Community support may dwindle because of lack of progress and no change in the short to medium term.
- b) Market forces may reduce housing demand, which would slow programme delivery and threaten comprehensive regeneration.
- c) Lack of progress may cause existing infrastructure, facilities and businesses to close or move elsewhere quicker than they can be replaced resulting in a downward spiral of socio-economic conditions in Berinsfield.
- d) Decisions on timing of and contributions to identified strategic infrastructure, for example a new Thames crossing at Culham, may cause further delay to the project,

or result in failure to obtain planning consent and have a negative impact on the health and well-being of local people.

- e) Lack of clarity on roles and responsibilities of partners and or advisors may result in financial and/or reputational risk to the council.
- f) Increased certainty of deliverability because of Local Plan adoption will result in increased land value and greater costs to the council should it subsequently be deemed appropriate to acquire land.
- g) The bid for Garden Village status may fail resulting in no additional Government support and some reputational impact on the council, which may reduce stakeholder confidence and willingness to launch beneficial, innovative design solutions.

42. Mitigation of these risks will occur through working closely with the local community and engaging with strategic and local stakeholders. Seeking one or more delivery partners and expediting agreements with strategic partners such as Homes England and landowners, including Oxfordshire County Council and Soha Housing, is seen as the way to mitigate the possible impact of market changes and multiple inter-dependencies. Expediting agreements and proceeding with detailed masterplanning is seen as the way to mitigate the potential impacts of delay on the sustainability of local businesses and groups.

Other implications

43. To date the project team has comprised council staff and consultants under an approved ESPO Framework Agreement with Amec Foster Wheeler (now Wood plc). As part of considering the way forward there will be a requirement to determine the appropriate professional support needed.

Conclusion

44. The council's commitment to the Berinsfield project since 2016 has achieved rare, local buy-in for development that would more than double the size of an existing village, if it provides much needed community infrastructure. Berinsfield remains one of the most deprived communities in South Oxfordshire. However, there is a need to ensure that the council does not take on too much responsibility and associated risk in progressing this project.

45. The council is well placed to launch collaborative working arrangements with several partners and officers recommend an approach that allows the council some control over the project but one that shares the risk with other stakeholders.

Background Paper

Confidential Appendix 1. Berinsfield - strategic review of progress to date and recommended way forward, September 2018, prepared for South Oxfordshire District Council by Cushman & Wakefield.