

# Cabinet Report



Listening Learning Leading

Report of Strategic Director

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To: CABINET

DATE: 7 April 2016

## Berinsfield Regeneration

### Recommendations

(1) To recommend to Council to vire £1,500,000 from the Regeneration and Housing Initiatives in Science Vale and Didcot scheme in the provisional capital programme to the revenue budget for the purposes of preparing a comprehensive regeneration strategy and delivery plan for Berinsfield by December 2017

(2) To delegate authority to the Strategic Director, in consultation with the relevant cabinet members, to utilise the funding to produce a comprehensive regeneration strategy and delivery plan in the most cost effective and expedient manner

(3) To endorse the attached planning statement of intent as the only basis on which the council will consider promoting proportionate release of the Green Belt at Berinsfield

### Purpose of Report

1. Policy CSEN2 of the 2012 adopted core strategy provides for a review of the green belt at Berinsfield. The identified need for regeneration and capital investment to reinvigorate the village provides the exceptional circumstances to justify a review of the green belt in which the village is located.
2. This report makes the case for the Council to commit to producing a regeneration strategy and delivery plan to help achieve these aims. Over a 20 month period the priorities for the village will be agreed with residents and all necessary option appraisals, technical studies and outline designs will be prepared.

## Corporate Objectives

3. This proposal achieves the council's objectives of support for communities and effective management of resources. The outcomes of the work will contribute to improving health and wellbeing in Berinsfield.

## Background

4. The village of Berinsfield benefits from a location within a very strong economy, in a district with a comprehensive provision of amenities and highly attractive environment. However, the village is facing a number of potential challenges arising from, amongst others, the sustainability of its social infrastructure, the demographics of its population, levels of educational attainment and the condition of its building stock.
5. The village acts as a service centre to a wider area by providing a range of public facilities, services and businesses. Demographic, housing, economic and place making analyses show the main areas of challenge that need to be addressed. Many of these issues have also been identified in a draft Neighbourhood Plan, prepared by the Parish Council. Those issues can be broadly summarised as follows
  - the quality of open space and streetscape is poor in places presenting security and anti-social behaviour issues
  - the main health, education and community buildings are in poor condition and are operating below efficient capacity
  - a number of properties are identified as needing future investment. At 36% the area has more social housing than typical areas and less choice of intermediate tenures
  - household incomes are below the average for South Oxfordshire and, for many, are insufficient to support home ownership or private rented accommodation
  - there is a high and growing proportion of elderly residents in social housing who require more suitable accommodation
  - there are comparatively low levels of educational qualification and skills training , particularly for younger residents, that are limiting access to the growing employment opportunities in South Oxfordshire
6. Substantial capital and revenue investment will be required to addresses the challenges. Regeneration of the physical, social, sporting, housing, retail, commercial, environmental and public services infrastructure is needed, as part of a comprehensive and co-ordinated programme of improvements to create a better, more sustainable place for current and future generations.

## Exceptional circumstances for a Green Belt review

7. The South Oxfordshire Core Strategy 2012 provides in Policy CSEN2 that a local review of the Green Belt may take place at Berinsfield. Paragraph 7.21 of the Core Strategy explains that there are exceptional circumstances justifying a review of the Green Belt at Berinsfield because:

- areas of Berinsfield are in need of regeneration and the current Green Belt policy is inhibiting this;
  - some further land may be needed around Berinsfield to improve the mix of housing and to provide further opportunities for employment and service provision; and
  - Berinsfield is a local service centre and some further development would be consistent with the overall strategy.
8. This provides the planning context within which the council intends to produce a regeneration strategy. The central tenet of this work is that land will only be promoted for release from the green belt if, and only if, development funds the entire cost of an approved regeneration programme for the village.
9. The council is clear that any release of land from the Green Belt should only be on the basis that it is enabling development which will facilitate the comprehensive improvements required for the regeneration of Berinsfield. This is not a case where we consider it is necessary or appropriate to release the land in order to meet our housing land supply requirements. Nor is it considered to be a case where housing development with associated Section 106 or CIL payments could meet the objectives.
10. A planning statement of intent (attached) has been prepared for publication that can be given to landowners, agents and developers to explain why only proposals that meet the exceptional circumstance test will be considered.

### **Objectives for Berinsfield**

11. Through an over-arching masterplan and regeneration strategy we aim to;
- improve the quality, financial sustainability and physical condition of community facilities, including the school, health centre and leisure centre, through improvement, refurbishment and/or replacement
  - improve the quality of public spaces, streetscapes, business and retail areas in order to improve their quality of appearance, functionality and security
  - plan and design exemplar new and replacement housing development that is fully integrated with and enhances the village, broadening the tenure offer
  - increase the provision of skills and training opportunities in order to improve residents access to higher value employment opportunities
  - provide opportunities for training and employment for residents during any construction phases of the project

### **Proposed approach**

12. Delivering the Berinsfield regeneration strategy and delivery plan requires an extensive programme of work over the period April 2016 to December 2017. During this period options for achieving full scale regeneration of the village will be evaluated and should a delivery plan prove viable, the council will then consider promoting a proportionate release of the Green Belt. The key workstreams to be undertaken over this 20 month period include,

- sustainable social infrastructure plan including leisure, education and health provision
- community involvement in developing the plans, aligning plans with those of SOHA and other providers, leading to a long term governance model
- production of masterplan, including planning strategy, green belt review, design code for new housing, and technical studies
- development of the financial model, land assembly strategy, procurement and delivery mechanism and public private sector funding agreements

## **Funding regeneration**

13. Housing development in South Oxfordshire is now subject to a Community Infrastructure Levy (CIL) supported by site specific mitigation developer contributions. These developer payments cannot fund a comprehensive regeneration programme.
14. There are no other known grants or government funding streams in the current financial climate. Although all options will be explored our expectation is that only land value uplift from development can deliver the scale of funds needed for comprehensive regeneration of Berinsfield
15. Development of a viable financial model is one of the project work streams. It will show the uplift required from new development to fund the social infrastructure identified and how this may be achieved. Commercial development is not expected to deliver the level of uplift required.
16. The cost of the programme of work to produce a regeneration strategy and delivery plan and viable financial model is estimated at £1,500,000.
17. Should the outcomes of the programme of work support the promotion of green belt release, and should this be achieved through the planning process, we estimate that a comprehensive regeneration programme will commence within three years. Procurement, land assembly and delivery of improvements and new housing may be funded through a variety of means including, council investment, joint venture arrangements and developer-led consortia. The optimum approach will be determined at a later stage once the financial appraisal options are evaluated.

## **Options considered**

18. Do Nothing: The existing inequalities will remain and it is likely that they will worsen over time. The issues facing the community are not ones that the private sector would address or fund. Doing nothing will disadvantage a specific community from benefiting from the economic growth and wellbeing in South Oxfordshire.
19. External public sector funding: There are no known public sector funds available to the Council that would fund the work required to produce the regeneration strategy and delivery plan.
20. Council lead and front-fund the regeneration strategy: The only way in which this strategy/ delivery plan can proceed is if the council front-funds and produces it. The outcomes from this work, should a comprehensive regeneration programme be viable,

will provide a long term statutory framework that will ensure the regeneration programme is maintained through to completion.

## **Risks**

21. Lack of community support: The Berinsfield draft Neighbourhood Plan supports a comprehensive regeneration programme. We will work closely with all sections of the local community to ensure all needs and issues are identified and taken into account. An essential element of the programme is to gain community buy-in and active involvement.
22. Cost overruns/failure to achieve desired outcome: The project will be commissioned and managed in accordance with the council's project management methodology. There will be three critical stage milestones at which the project will be reviewed, reported on and funding released. Specified programme and project management disciplines will be applied.
23. Land value uplift is insufficient to deliver comprehensive regeneration: The council will need to take a decision on whether to proceed with promoting the release of specified green belt land should the uplift be too low to deliver the regeneration objectives.
24. Green belt review does not lead to release of development land: This is an unlikely scenario as the inspector's report on South's core strategy in 2012 recognised the importance of the regeneration of Berinsfield and endorsed a green belt review. Should this occur the regeneration aims would not be achieved.
25. Market forces reduce housing demand: Insufficient demand for new housing would slow programme delivery and threaten comprehensive regeneration.

## **Financial Implications**

26. This stage of the scheme is revenue expenditure but the budget for the scheme sits in the capital programme. Ordinarily it is not possible to vire from capital to revenue budgets. However, as any capital scheme is expected to be funded from new homes bonus and this is a reserve that can be used to fund capital or revenue expenditure, we are able to make the virement in this instance.

## **Legal Implications**

27. External advice has been obtained in relation to this regeneration approach. The advice received, in summary, is that in the event that the council, having an approved regeneration policy /strategy in place, seeks to acquire land for the purpose of achieving the regeneration of Berinsfield the relevant powers are section 120 of the Local Government Act 1972 and Section 226 of the Town and Country Planning Act 1990. Section 120 authorises the acquisition of land by a local authority by agreement for the purposes of the benefit, improvement or development of its area. Section 226 of the 1990 Act authorises acquisition (by agreement and compulsorily) if the local authority thinks that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. The local authority must not exercise the power of acquisition under Section 226 unless they think the development, re-development or improvement is likely to contribute to the achievement of one or more of the well-being objectives (economic, social, environmental).

28. The powers of acquisition are widely drawn, enabling acquisition by a local authority for development by itself or for assembly and disposal to private developers.

### **Programme Management**

29. This is potentially a major undertaking for the Council and the project will therefore, throughout its life, be subject to close management and scrutiny to ensure that it meets its objectives.

30. Day to day management will be the responsibility of the Science Vale Development Manager based on an agreed and detailed project plan, with an associated resource schedule identifying key actions and critical paths against which performance and progress can be monitored. There will be regular reports to lead cabinet members and a senior programme steering board will direct the overall workplan.

### **Conclusion**

31. Through the core strategy 2012 the council has given a commitment to the regeneration of Berinsfield. The proposed approach in this report will provide a strategy to achieve this and a viable delivery plan, with clear leadership by the council to ensure the plans are carried through into action.

#### Attached Paper

- Planning Statement of Intent