



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	URGENT DECISION JULY 2022
Report Number	
Subject	ALLOCATION OF FUNDING FOR NET CARBON ZERO AFFORDABLE HOUSING DEVELOPMENT AT BROADLEAZE, DOWN AMPNEY
Wards affected	Down Ampney
Accountable member	CLlr Joe Harris Email: joe.harris@cotswold.gov.uk
Accountable officer	Claire Locke, Group Manager Email: claire.locke@publicagroup.co.uk
Summary/Purpose	To seek agreement from the Chief Executive to use Urgency Powers to underwrite the costs incurred by Bromford Housing Association in the preparation of a planning application for a net carbon zero affordable housing development at Down Ampney. A urgent decision is requested to prevent scheme development being delayed
Annexes	None
Recommendation(s)	<i>That funding is allocated from the £400,000 set aside for net carbon zero social rented homes, within the Capital Programme:</i> <i>(a) up to £100,000 to underwrite architect, consultancy and planning application fees; and,</i> <i>(b) up to £5,000 to fund the Councils legal costs to September 2022.</i>
Corporate priorities	<ul style="list-style-type: none">• Deliver good quality social rented homes.• Respond to the climate crisis
Key Decision	NO



Exempt	NO
Consultees/ Consultation	Bromford Housing Association Down Ampney Parish Council Bromford tenants in homes at Broadleaze, Down Ampney Down Ampney Football Club
Comments from Councillor Joe Harris	Following a briefing, satisfied with the justifications and recommendations and therefore for the Chief Executive to use his urgency powers
Comments from Councillor Mike Every	Following a briefing, satisfied with the justifications and recommendations and therefore for the Chief Executive to use his urgency powers
Comments from Councillor Stephen Andrews (Chair of Overview & Scrutiny Committee)	Following discussion with Councillor Andrews on other options Paragraph 8.2 has been added.



I. BACKGROUND

- 1.1 The Council wishes to accelerate delivery of affordable homes and lead by example in providing carbon zero homes that break the mould of traditional social housing, providing good quality, well designed homes with good thermal comfort and lower energy bills for tenants.
- 1.2 Based on legal advice, a partner Registered Provider was sought and following a selection process, Bromford Housing Association was appointed. The Council will now collaborate with Bromford through a formal agreement, to bring forward housing developments, on land either party own. Working together, the Council and Bromford Housing Association will design and build homes that meet their joint aspirations. The homes will then be owned and managed by Bromford and provide affordable accommodation for local people.
- 1.3 Delivering carbon zero affordable homes is a financial challenge due to the higher capital investment required at the outset. A key driver of the collaboration agreement between the Council and Bromford will be to build a delivery model that is affordable and can be applied at a larger scale, not just locally but nationally. The concept is that the initial scheme will inform the next and enable lessons to be learned and designs and costs to be refined.
- 1.4 The Council owns a number of small plots of land, some of which have been earmarked for housing development within the Local Plan. This includes the site at Broadleaze, Down Ampney which is identified as Site DA8 in the Local Plan and earmarked for 10 units. Adjacent to this land is a plot which contains Bromford Housing Association garages, which could provide vehicular access to the site and additional land for housing development.
- 1.5 Recognising that good design is key to the success of the Council and Bromford Housing Associations ambitions, an architect selection process focussed on companies with a track record of innovative and carbon zero development. Ridge and Partners LLP have been appointed and have now commenced detailed design work.
- 1.6 Site surveys are being carried out to inform the planning application and a communication strategy has been developed to ensure appropriate engagement with the Parish Council, neighbouring Bromford Housing Association tenants, the tenants who currently lease the Bromford owned garages, tenants and users of the neighbouring football clubhouse and other stakeholders.
- 1.7 The Council will retain ownership of the site, to protect its legal interest in the land until planning permission has been obtained and the relevant legal agreements are in place with Bromford to ensure the development meets the Councils requirements. A report will be brought forward to Cabinet in September seeking agreement to enter into a Collaboration Agreement and to transfer the land once planning permission has been obtained.

2. FINANCIAL IMPLICATIONS



- 2.1 The report in September will also consider high level funding requirements, considering estimated development costs, available subsidy and any funding gap. The net carbon zero element of this development is likely to mean capital build costs would render the scheme unaffordable to a Housing Association without subsidy. Therefore it is likely that the Council will need to bridge the funding gap.
- 2.2 Whilst these costs will be agreed at a later date once detailed designs have been finalised and any planning requirements or conditions have been embedded, costs are being incurred now in the joint preparation of the Planning Application. Due to the costs involved in preparing a planning application and the fact the Council could withdraw from this process, an underwriting of the costs involved is sought to provide Bromford with some comfort as they are paying the appointed consultants.
- 2.3 The estimated costs for consultancy which should be incurred in advance of the planning application are shown below:

Consultant	Costs (excluding VAT)
Architect	£23,000
Civil Engineer	£4,000
MEP Engineer	£9,000
Structural Engineer	£3,500
Net Zero Carbon Specialist	£11,450
Planning Consultant	£13,980
Arboricultural and Ecological survey	£1,378
Topographical & boundary Survey	£1,640

Transport assessment	£3,500
Lighting assessment	£1,000
Clearing overgrown vegetation to enable full surveys	£990
Sub-total	£73,438
VAT	£14,688
Total	£88,126



- 2.20 The planning fee is estimated to be £7,424. A total underwriting of up to £95,550 is therefore required and a maximum sum of £100,000 is sought to allow for any additional costs which may be incurred.
- 2.21 In addition the Council continues to require external legal support from Trowers Hamlin in the preparation of the legal agreement with Bromford. A maximum sum of £5,000 is sought for ongoing legal work, in advance of the September report.
- 2.22 Funding of £400,000 has been allocated within the Capital Programme for investment in feasibility studies and other work to support the provision of social housing built to net carbon zero (Minutes at Council February 2022, item 65 referes). In addition, the capital receipt from the sale of The Cotswold Club was earmarked for investment in carbon zero affordable housing developments on other sites in the District (Minutes at Cabinet December 2021, CAB.66 refers).
- 2.23 These underwritten costs will form part of the larger cost model and will not be in addition to the funding gap the Council subsequently agrees to meet.

3. CONCLUSIONS

- 3.1 **Funding set aside within the Capital Programme for social housing delivery should be allocated to underwrite the costs incurred by Bromford Housing Association in preparing a planning application for net carbon zero homes at Broadleaze, Down Ampney and to fund the Councils legal costs.**

4. LEGAL IMPLICATIONS

- 4.1 The legal implications of transferring this site to Bromford and for delivering this development on mutually agreed terms will be covered by legal agreements which will be explained in detail in the September 2022 Cabinet report.

5. RISK ASSESSMENT

- 5.1 Both the Council and Bromford Housing Association share aspirations for the development of this site. The likelihood of either party withdrawing from this partnership is considered extremely low.
- 5.2 There is a risk that the planning application is not approved however this is a site designated within the Local Plan and it is hoped that the proactive engagement with local stakeholders will gain support for the development.
- 5.3 There is a risk that the Planning Application Decision is delayed. The sites sits within the 8 Km Zone of Influence of North Meadow in Cricklade, which is a site of Special Area Conservation. This means a Habitat Regulations Assessment would need to be undertaken



and the Council and Bromford would have to submit a Mitigation Strategy. At present a Strategic Recreation Mitigation Strategy for dealing with Planning Applications that fall within the zone is being developed. It is likely this will offer the option for developers to pay a sum per dwelling (in the region of £1,000 per dwelling) where they cannot provide alternative green space for recreation as part of the development. The financial requirement would not affect the ability to progress with this development. However, the backlog of planning applications that cannot currently be determined pending the development of this strategy means there could be a delay in processing the Down Ampney Application once it is submitted.

6. EQUALITIES IMPACT

6.1 Not relevant to this report.

7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

7.1 Details on the climate benefits will be included in the Cabinet report in September.

8. ALTERNATIVE OPTIONS

8.1 The Council could decide not to underwrite the above mentioned costs but this will delay progress with this scheme and could create a situation where Bromford do not wish to progress at their risk and therefore a planning application cannot be prepared.

8.2 Options to seek Outline planning permission or delay this decision to underwrite costs have been explored. Outline consent would not enable the Council to transfer land ownership with sufficient control that the development of the size and nature intended would be taken forward. A full application enables the development to be jointly agreed and only then would land be transferred, supported by legal agreements. Delaying this decision to underwrite costs until September would mean the submission of a planning application would be delayed and therefore be further back in any backlog of applications created by the HRA requirements. Both options could be pursued but are not recommended.

9. BACKGROUND PAPERS

9.1 Medium Term Financial Strategy (adopted February 2022).

(END)