

MD Recruitment OX Place and future delivery options for affordable housing supply

Purpose

Oxford councils are developing a proposed consultancy brief to consider future options for (the direct delivery of) affordable housing supply and possible structures to deliver this through OX Place or revised version of it.

Background/ Context

The company has been broadly successful in delivery terms to date and has developed 440 homes. It has returned £5m in dividend payments to the Council, plus other returns from borrowing and SLAs, with a further £8m of dividend current profiled over the next four years.

Development to date has been primarily affordable housing/ HRA funded. However, HRA spend is under pressure in terms of investment in existing stock to meet new consumer standards, building safety requirements; and retrofit works. However, the demand for affordable housing remains critical.

Macro-economic factors continue to challenge the development programme and delivery model. The recent change of arrangements at Barton Park (from OXP to OCC) was largely driven by the cost of borrowing, and this, and recent build cost inflation continues to impact on the programme and value for money.

Challenges across many sites in the current programme, and changes in staffing at OX Place, has led to a perception that the programme has stalled, that OXP are ineffective and that they lack the capability to find solutions.

Given the above, it is considered that further consideration is given now to the delivery approach deployed to deliver housing and whether changes to the 'Oxford Model' approach with OX Place compare favourably, or not, to alternative delivery models, including direct delivery within the Council and other partnership approaches.

It is recommended to commission consultancy advice to consider models that are successful for other Local Authorities including Dev. Co's and other subsidiary entities, with a clear analysis of what characteristics enable their success, and alternative partnership approaches that could also be deployed to deliver more affordable housing.

It is expected that the current development scheme pipeline will continue to be progressed and delivered under current arrangements, although an options appraisal (underway internally) may help to inform some delivery choices for the three largest schemes at the end of the delivery programme, and these choices may help to further inform and shape decisions with respect to longer term delivery models.

The new Managing Director will work closely with the Board and the Shareholder (OCC) to deliver this review and lead the implementation of the new "Oxford Model".