

**Full Council**

---

|                         |  |
|-------------------------|--|
| <b>Report Title:</b>    | <b>Thame Community Land Trust Loan Deferral Request</b>                    |
| <b>Meeting Date:</b>    | <b>8 August 2023</b>   |
| <b>Contact Officer:</b> | <b>Mandy Sturdy, Town Clerk<br/>Bob Austin, Thame Community Land Trust</b> |

**Background**

1. Thame Community Land Trust Limited (TCLT) is a community benefit society registered with the FCA and a charity registered with HMRC. It is in the process of developing, with its partner, SOHA Housing, a site at Windmill Road, for 31 affordable homes for Thame residents- 9 x 3-bedroom, 18x 2-bedroom and 4x 1-bedroom units. There will be 16 affordable rented units and 15 shared ownership units.
2. The site has been declared an exception site by SODC. Planning approval for the site is restricted to affordable housing.
3. The prime objective is to maintain inter-generation family support and mitigate the drift of younger residents from Thame caused by the cost of open market housing.
4. The project has been supported to planning application stage by the government's Community Housing Fund (CHF) to the value of £256,000
5. The project is also supported by a partnership agreement with Thame Town Council (TTC) which has provided loan finance in two tranches of £20,000. This request is related to the second of the two.
6. It is expected that, following completion of the project, TCLT will continue to invest in community assets for the people of Thame.

**Progress to date**

- Planning approval has been given subject to Section 106
- Section 106 has been submitted in its final version and hopefully will soon be within the formal approval phase. Priority for Thame residents is confirmed and the tenure plan and associated locations agreed. Guarantees of affordability in perpetuity for all units have been included.
- Stage 1 of the tender process has been completed and contractors are selected. Stage 2 of the process is ready to go.

7. The initial plan was to pay off the TTC loans prior to the expiry of the interest free period of 2 years. However, delays in the S106 approval process (not caused by TCLT) together with problems relating to access on Windmill Road have affected progress. As a consequence, in March 2023, TCLT paid the first capital instalment of the first loan. However, the resolution of the access issues has proved protracted as noted in the minutes of the NPCC May 2nd meeting as follows:

*“It is important the current track remains open during construction works, which was just awaiting SOHA approval of a methodology but there are positive indications this will be confirmed shortly.”*

8. As you may gather, the approval of the methodology took longer than anticipated but will remove any issues on access during the construction period. It is subject to a formal agreement which will be concluded shortly. Easements over third party land have been agreed and are awaiting signature.
9. The task of providing the methodology has been borne by SOHA Housing who as a result face delays in stage 2 of the tender process and who need more time to complete its timetable. It has requested an extension to February 29th 2024 and, at the same time, expressed its determination and commitment to the project. It is probable that the full term of the extension will not be required but caution dictates that provision be made for any unforeseen occurrence. The purchase option agreement has been extended as a consequence.
10. Unfortunately, the extension to the time needed means that TCLT faces a temporary cash flow problem to meet the August 14th loan repayment instalment date- hence the request.

### **Request**

11. The first repayment amount of £2,000 plus 1 year's interest on the second loan agreement is deferred until 29<sup>th</sup> February 2024 or to the date of the Trust's acquisition of the Windmill Road site if earlier. The first repayment is currently due on August 14th 2023.

### **Recommendation:**

- i) To approve that the first repayment amount due on the Thame Community Land Trust second loan agreement is deferred until 29<sup>th</sup> February 2024 or to the date of the Trust's acquisition of the Windmill Road site if earlier.***