

To: Future Oxfordshire Partnership (formerly the Oxfordshire Growth Board)

Title of Report: Oxfordshire Housing and Growth Deal Financial Report Quarter 1 2021/22

Date: 20 September 2021

Report of: Director of Finance, Oxfordshire County Council (Accountable Body)

Status: Open

Executive Summary and Purpose:

The purpose of this report is to update the Future Oxfordshire Partnership on the 2021/22 financial position at the end of Quarter 1 for the Oxfordshire Housing and Growth Deal. The report covers the three grant funding streams:

- Infrastructure programme
- Affordable Housing programme
- Growth Deal Capacity Fund

The report is prepared by the Director of Finance for Oxfordshire County Council in the capacity of Section 151 Officer of the Accountable Body for the Oxfordshire Housing and Growth Deal and gives assurance over the grant funding and expenditure.

The fourth strand of the Deal, Productivity is reported through the OXLEP Board under separate arrangements

Recommendation: That the Future Oxfordshire Partnership notes the 2021/22 Quarter 1 financial report.

Appendices:

Annex 1: Infrastructure Programme
Annex 2: Capacity Fund

1.0 Introduction

1.1 This report sets out the financial position for Quarter 1 2021/22 of the following three stands of the Oxfordshire Housing and Growth Deal and associated funding streams from Homes England (HE):

- Infrastructure Programme.
- Affordable Housing Programme.
- Growth Deal Capacity Fund.

1.2 The report is prepared by the Director of Finance for Oxfordshire County Council (the County Council) in the capacity of Section 151 Officer of the Accountable Body for the Oxfordshire Housing and Growth Deal and gives assurance over the grant funding and expenditure.

1.3 Funding for the fourth strand of the deal Productivity Programme is managed by the Oxfordshire Local Enterprise Partnership (OxLEP) and financial performance is reported independently to the Future Oxfordshire Partnership.

2.0 Oxfordshire Housing and Growth Deal Fund Financial Governance

2.1 In accordance with the Oxfordshire Housing and Growth Deal Delivery Plan, the County Council is the accountable body for the financial management of the three key financial streams. A quarterly report is provided to the Future Oxfordshire Partnership. Responsibility for the management of each financial stream is held by the programme lead.

2.2 As the Accountable Body, the County Council is responsible for ensuring that:

- Funding is received from Government.
- Recommendations to the Future Oxfordshire Partnership on schemes to be funded are in accordance with the grant conditions.
- Regular monitoring reports are provided to the Future Oxfordshire Partnership.

2.3 The County Council also holds the risk should Government require funding to be repaid if it is unspent or deemed to have been misused.

3.0 Financial Summary Quarter 1 2021/22

3.1 Infrastructure Fund

3.1.1 The Infrastructure Fund totals £150.0m. The grant funding is being paid to the Accountable Body in five equal annual instalments of £30.0m. 2021/22 is the fourth year of the Infrastructure Fund Programme.

3.1.2 The full list of schemes and latest profile of spend over the programme is set out in Annex 1. The total forecast spend on growth deal schemes reported for 2021/22 is £24.9m with actual spend for Q1 of £3m.

3.1.3 The majority of schemes are now progressing through the pre-construction phases with planning submissions expected in 2021/22 and construction and

completion from 2022 onwards. This is reflected in the forecasted spend profile for 2022/23 & 2023/24.

- 3.1.4 Based on the latest estimated cost plans recently submitted for certain scheme, the figures will be updated to reflect the reallocation of grant funding. This will be reflected in the next report. As schemes progress through design to contract let, further variations are anticipated but are expected to be funded from within the total infrastructure fund allocation.

3.2 Affordable Housing Fund

- 3.2.1 The Oxfordshire Affordable Housing Programme (OAHP) is expected to provide funding to support the delivery of up to 1,322 units of affordable housing. The programme has continued during the first four years of the Growth Deal following agreement to extend the original three-year programme by a year into 2021/22 in order to deliver against the target.

- 3.2.2 The actual funding claimed is agreed periodically with Homes England based on the number of affordable housing units that are in contract to be delivered. To support the cashflow of the housing authorities, it has been agreed with Homes England to move from an annual claim to a quarterly claim process. This will also support the in-year monitoring by giving greater visibility of progress to date.

- 3.2.3 Funding of £25.6m was claimed in the first three years of the programme and supported 658 units of affordable housing.

- 3.2.4 Following analysis of the current delivery plan, a bespoke approach has been agreed with Homes England and MHCLG to maximise the number of affordable homes deliverable in the remaining period of the deal. This approach will provide flexibility and support to the delivery of schemes this year, and as necessary, into the future. To date a total of £1.4m has been requested for the Year 4 Quarter 1 drawdown and this is expected to be transferred in September 2021.

3.3 Growth Deal Capacity Fund

- 3.3.1 The Growth Deal Capacity Fund totals £5.0m. The grant has been paid to the County Council in three instalments. The first instalment of £0.5m was paid in 2017/18, followed by £2.5m in 2018/19 and £2.0m in 2019/20.

- 3.3.2 The funding is available to be used over the life of the programme which was originally planned to run from 2017/18 to 2022/23. At year end, funding that has not been spent is carried forward through the County Council's Earmarked Reserves. The budget is split into three elements:

- Housing Delivery: Staff costs for the core Housing and Growth Deal team.
- Delivery of the Oxfordshire Joint Statutory Spatial Plan including staff costs.

- Feasibility: costs of feasibility works including Rail Connectivity Study (part funding) and Oxfordshire Infrastructure Strategy (OxIS) refresh.

3.3.3 Annex 2 sets out the financial position, which includes a carry forward of £2.4m into 2021/22. The future profile of spend remains under review and will be extended into 2023/24. This will be reflected in the next report.

4.0 Risk Management

4.1 The financial performance of the Oxfordshire Housing and Growth Deal Grant funding streams is closely monitored by the Growth Deal Programme Board. This will ensure that forecast spend of the Growth Deal period is accurate, based on the knowledge of the programme plans, and actual spend is reported, based on a monthly review of all transactional activity and balanced to the County Council financial systems.

4.2 Any risk identified to the Oxfordshire Housing and Growth Deal Funding streams will be reported to the Growth Deal Programme Board for review and appropriate mitigation action will be agreed. Any strategic risk to the overall programme will be reported to the Future Oxfordshire Partnership.

5.0 Conclusion

5.1 This report sets out the spend against the Oxfordshire Housing and Growth Deal funding streams for Quarter 1 2021/22.

5.2 The Future Oxfordshire Partnership is asked to note the 2021/22 Quarter 1 financial report.

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