

To: Future Oxfordshire Partnership

Title of Report: Oxfordshire Housing and Growth Deal, Homes from Infrastructure (Hfi) Programme- Lessons Learned

Date: 13th June 2022

Report of Paul Staines: Interim Head of Programme

Status: Open

Executive Summary and Purpose:

The purpose of this report is to inform the Future Oxfordshire Partnership (The Partnership) of the findings of a recent lessons learned review of the Growth Deal Homes from Infrastructure (Hfi) programme.

The review was a request of the Partnership Scrutiny Panel and the findings presented to their meeting on 7th June.

How this report contributes to the Oxfordshire Strategic Vision Outcomes:

The Oxfordshire Housing and Growth Deal has a key role to play in delivering well-designed infrastructure and homes, sufficient in numbers, location, type, size, tenure, and affordability to meet the needs of our county, as set out in the Strategic Vision [here](#).

Recommendation:

That the Future Oxfordshire Partnership notes the report.

Appendices: None

Homes from Infrastructure Programme

- 1) The Homes from Infrastructure Programme (Hfi) is a £150m investment in strategic infrastructure (as part of the overall, five year, £215m Oxfordshire Housing and Growth Deal) to support the acceleration of already planned housing in Oxfordshire.
- 2) The Hfi programme has two aspects.
 - Firstly, the commitment to spend £30m per annum over 5 years- to March 2023-on named strategic infrastructure projects, identified as accelerators for planned housing growth in Oxfordshire.

- Secondly that this infrastructure expenditure will then accelerate at least 6,549 planned homes that might not otherwise have come forward at this pace. This is because either the completed infrastructure allows housing to be built earlier than otherwise planned or the investment provides developers with confidence to build out sites faster than they otherwise might.
- 3) Whilst the original Hfl timeline in the Deal was a five-year period from 2018/19 to March 31st, 2023, government agreed a two-year extension to the programme to March 31st, 2025, to reflect the impact of the COVID pandemic.
 - 4) The extension applies to both the programme and its benefits- accelerated housing. Infrastructure schemes can continue into the two-year extension, subject to the approval of a business case, whilst all housing schemes that can show delays in the original delivery trajectory can continue to count completed housing up to March 2025. However, where pressures have been identified, priority has been given to Infrastructure Schemes which are able to be delivered within the original programme period and so without the need for additional business case approval.
 - 5) Finally, within the agreed timeline for the programme it had an agreed spend trajectory of £30 million per annum, the final tranche of which has been recently received.
 - 6) Oxfordshire County Council (OCC) are the lead delivery partner for the infrastructure element of Hfl which they deliver through their capital projects governance framework, whilst the districts are responsible- as far as they are able- for ensuring the accelerated delivery of housing, recognising districts cannot significantly impact or manage housing delivery within their areas beyond having up to date local plans in place.
 - 7) The infrastructure element of the Hfl programme comprises 23 infrastructure projects that include road, rail, cycle routes and footpaths, as well as social infrastructure such as schools. All schemes were identified at the outset of the Hfl programme as capable of accelerating housing because of being funded either wholly or partly by the Growth Deal.
 - 8) All infrastructure schemes have also been subject to annual review using OCC's capital governance framework to ensure that they continue to show alignment to the required benefits of the programme- accelerated housing, that they continue to demonstrate value for money in achieving these benefits and finally that they are deliverable within the timeframe of the programme.

The Lessons Learned review

- 9) The review was based upon OCC receiving stakeholder and partner feedback on the programme. A questionnaire was sent to all relevant partners, who were charged with socialising the questions within their organisations to ensure a collective corporate response from each.
- 10) The questionnaire was split into sections to better understand the views of partners, these were:

- The set-up of the Hfl programme
- The methods used to identify the infrastructure projects funded.
- The governance and management of the programme.
- How well the programme was delivered

How the Hfl Programme was set up

- 11) Much of the feedback from partners on the set up of the programme can be traced back to the fact that the programme did not benefit from a period of mobilisation before it went live, for example
- It was not possible to set up the management and governance structures in advance of the programme's commencement.
 - There was limited opportunity to engage with wider partners, such as developers on our ambitions for the programme.
 - There was limited opportunity for OCC to upscale its infrastructure delivery programme management resource in advance to reflect the scale of the new programme.
 - There was equally limited opportunity before the programme began- and no added resources- for districts to upscale their capacity to meet the demands of the programme.
 - There was limited time to consider the choice of infrastructure projects in the programme, leading in the view of some districts that they may have missed opportunities.
- 12) The consequences of the lack of a mobilisation period demonstrates that any further arrangement should seek to include such a mobilisation period- probably at least 6 months- before going live with the programme to allow for partners to set up the relevant processes and structures and allow sufficient time to ensure collective agreement on the programmes benefits as the best way to maximise the programme's utility.

The methods used to identify the infrastructure projects funded.

- 13) Partners commented upon the Hfl programme's sole focus being accelerated housing delivery and noted that this meant that we could not fund some schemes with wider benefits, for example the promotion of active travel options.
- 14) District partners also felt that they didn't have as much input into the choice of infrastructure schemes as they might have ideally liked, leading to some missed opportunities, specific comments included:
- Some of the projects appeared to be selected as they were 'quick wins' rather than those that added most value for the districts. Perhaps reflecting the fact that this was- for infrastructure projects- a short time limited programme that needed to deliver within the dates of the Growth Deal
 - There could have been value in linking the strands of the Growth Deal together more strongly at the outset and feeding that into the decision matrix that decided the choice of projects, for example the Hfl and Affordable Housing Programmes where perhaps it might have been possible to use the lever of Hfl funding to secure more, or different types of affordable housing.

- Could the Hfl programme have added value to other infrastructure programmes at the outset, for example links to the Housing Infrastructure Fund (HIF) projects in Oxfordshire might have generated added value from both programmes, although it should be noted that such links were forged through subsequent programme reviews.
- 15) These illustrate the fact that the Hfl programme had restrictions of both time and benefit that with hindsight were a tighter constraint than was realised at the outset. This led to schemes that did not accelerate housing, but which had wider benefits to Oxfordshire not being promoted and the programme being inevitably restricted to schemes that were 'shovel ready' and could be delivered within the five year timeframe of the programme.

The Governance and Management Structures of the Programme

- 16) Partners offered broadly positive feedback about the governance of the Hfl programme, albeit reflecting that this was another area that would have benefited from a period of mobilisation at the programme's outset.
- 17) Partners felt for example that the management meeting structure was logical and helpful and that the decision to appoint an SRO for the programme and similar in each partner council meant that there was a clear hierarchy of accountability and decision making.
- 18) Partners also fed back that the establishment of the Infrastructure Advisory Subgroup had been positive and enabled better engagement with members- across all councils- of the progress of the Hfl programme.
- 19) Partners did however comment that the resourcing of the governance arrangements had been a challenge as councils had to meet these resource requirements from within their existing officer base, and that the scale of this commitment had not really been accurately assessed at the outset of the programme.
- 20) This resourcing point then related to feedback from the centre that engagement of partners was on occasions a challenge- both in the identification of the correct points of contact and them being able to offer the necessary time to the programme.
- 21) Finally. the establishment of a central team was agreed to have been helpful as was acknowledgment of the engagement processes put in place to work with the partners to check both progress with infrastructure and accelerated housing. Partners noted the need for this level of engagement to be maintained as the programme concludes.

How well the Programme was delivered

- 22) The key feedback on the delivery aspects of the programme related to:
- The challenge of the budget profile agreed for the programme.
 - The challenges posed by the annual reviews.

- The management of project risk
 - The ability of partners at both county and district to gear up for delivery – a point related to earlier points about the lack of a mobilisation period and resourcing.
- 23) Earlier progress reports on the Growth Deal have highlighted the challenges faced by the agreed spend profile of £30 million per annum and the fact that this does not reflect the reality of any infrastructure programme where spend is backloaded to the later construction stages.
 - 24) Fortunately, it has been possible to front fund schemes- which are then reimbursed- not originally included in the Hfl programme and this has allowed us to meet our spend profile commitments without impairing our delivery ambitions.
 - 25) Several partners did feedback on the process of annual reviews that have taken place each year of the programme. The key message was that the review process, whilst inclusive and transparent posed challenges for the partners, especially when it resulted in shifts of funding. This was especially the case where the project being deselected had positive attributes outside of the tight confines of the HFI programme- accelerated housing- and had strong local support.
 - 26) Partners also commented upon the management of the programme. There was general agreement that the direct link of named housing sites to named infrastructure projects was a more complex 'many to many' relationship that we showed in our programme. This led to challenges in accurately proving the positive effects of the programme that had to be worked through.
 - 27) This complexity also spilled over into the management of risk. Partners felt that the need to assess risk for both an infrastructure project and an associated risk for related housing projects led to a complexity that did not aid either its effective communication or management and that this was compounded by the limits of influence that districts have over the housing delivery trajectories on those sites accelerated.
 - 28) The final point made by partners concerned the ability of partners to deliver the programme. It is fair to say that all partners had to undergo a learning curve with a number of aspects of the Growth Deal and the Hfl programme was no exception.
 - 29) In hindsight we can see that capacity was not where it needed to be within the partnership at the outset of the Growth Deal and although funding was provided centrally and a team recruited, they were also new to the Growth Deal and had to get up to speed.
 - 30) Similarly, the feedback reminds us that the delivery of the Deal, indeed any partnership arrangement has a resource implication that needs to be identified both centrally and at individual council level and account made of that.
 - 31) Finally, this once again reminds us of the importance of a mobilisation period at the outset of any programme, to allow us to arrange ourselves correctly and to 'hit the ground running'.

Conclusion

- 32) This report outlines partners views on the progress of the Hfl programme and sets out how, if any such arrangement were available in the future, we might adjust our approach to maximise its value to Oxfordshire.
- 33) There can be no doubt that the Hfl programme has been broadly effective, housing has been accelerated and still is on target. This shows that the Hfl programme did give confidence to developers to develop at a faster pace than they might otherwise. As this was the core benefit and target for the Hfl programme it should be counted as successful at this point
- 34) The feedback does however offer us valuable lessons about how we could as a partnership learn from the experience of the Growth Deal, particularly around Oxfordshire thinking about what it wants to achieve from such a programme and ensuring its utility is maximised, giving ourselves the time to properly prepare, the resources required in each partner to fulfil their roles and being clear about each partners governance and decision-making roles at the outset to help us set realistic expectations of each other.
- 35) The feedback also recognises however that many of these points emanate from the fact that the Deal was negotiated and implemented in a short timescale, and that the other side of this point is that the partners were in a place where we could take advantage of such an opportunity, mobilise at short notice, learn on the job and still deliver successfully.
- 36) Finally, it is important to note that this report solely reflects the Oxfordshire Housing and Growth Deal - Homes from Infrastructure (Hfi) programme- as one programme to accelerate housing delivery in Oxfordshire. Overall housing delivery has been successful throughout Oxfordshire with several of the districts in the top 25 per cent of delivery nationally.
- 37) The FOP is asked to note the report

Legal Implications

- 38) None arising from this report.

Other Implications

- 39) None arising from this report.

Background Papers

None

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