

To: The Future Oxfordshire Partnership

Title of Report: Oxfordshire Housing and Growth Deal Financial Report:
Update at the end of Quarter 3 2022/23

Date: 20 March 2023

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 financial position for the Oxfordshire Housing and Growth Deal. The report provides updates on the following funding streams as at the end of Quarter 3 2022/23:

- Housing from Infrastructure (Hfi) 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.

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 the county, as set out in the Strategic Vision [here](#).

Recommendation:

The Future Oxfordshire Partnership are asked to note the financial position as at the end of December 2022.

Appendices:

Annex 1: Housing from Infrastructure (Hfi) Programme

Annex 2: Growth Deal Capacity Fund

1.0 Introduction

1.1 This report sets out the financial position for the remaining two strands of the Oxfordshire Housing and Growth Deal as at the end of December 2022.

- Housing from Infrastructure (Hfi) 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 a further strand of the deal, the 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 remaining two 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:

- Receives grant funding from the government.
- Ensures that recommendations to the Future Oxfordshire Partnership on schemes to be funded are in accordance with the grant conditions and within the funding available.
- Provides regular monitoring reports 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 as at the end of Quarter 3 2022/23

3.1 Housing from Infrastructure Programme

3.1.1 £150.0m grant funding supporting the Housing from Infrastructure Programme was agreed on the basis it would accelerate the provision of at least 6,549 planned homes that might not otherwise have come forward at this pace. The programme comprises schemes covering road, rail, cycle routes and footpaths, as well as a school. Schemes may be either fully or part funded via the programme.

3.1.2 £120.0m of the grant funding had been received by the end of 2021/22. The remaining £30m will need to be claimed retrospectively subject to the conditions set out by DLUHC in December 2022 (see Item 6 on the agenda).

- 3.1.3 £142.7m of the grant funding is expected to be used to support capital expenditure and £7.3m has been used to fund revenue costs associated with the Housing from Infrastructure programme.
- 3.1.5 Annex 1 sets out that total expenditure up to 31 March 2022 was £110.5m (including £49m expenditure on schemes funded by the grant where other funding released as a result will be recycled to meet the costs of Housing from Infrastructure schemes). On the basis of the current programme, forecast spend is £36m in 2022/23 with actual spend of £18.9m as at the end of December 2022. This includes a prepayment of £4.1m to National Highways in respect of the A34 Lodge Hill scheme.
- 3.1.6 Just over half of the expenditure to date and forecast spend in 2022/23 relates to two schemes, North Oxford Corridor (Loop Farm) and Oxford Science Transit (Eynsham Park & Ride). Both these schemes are in the construction stage.
- 3.1.7 Prepayments made up to the end of 2021/22 include £16.5m for Upper Heyford M40 Junction 10 and £5.9m for Oxpens Bridge in Oxford City. With the reduction in the funding allocation from £18.8m to £8.7m for the M40 Junction 10 scheme, a revised funding agreement with National Highways is currently being drafted. This is expected to result in a repayment of £10.9m from that scheme.

3.2 Growth Deal Capacity Fund

- 3.2.1 The Growth Deal Capacity Fund totals £5.0m. The first instalment of £0.5m was paid in 2017/18, followed by £2.5m in 2018/19 and £2.0m in 2019/20.
- 3.2.2 The ringfenced funding was expected to be used over the life of the programme which was originally planned to run from 2017/18 to 2022/23. At each year end, funding that has not been spent has been carried forward through the County Council's earmarked reserves. Costs expected to be met from the Capacity Fund were:
- 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.
- 3.2.3 £1.8m of the funding remained available as at the end of 2021/22. Actual spend at the end of Quarter 3 of 2022/23 was £0.3m, with a forecast of £0.5m by 31 March 2023. This will leave a balance of £1.3m.
- 3.2.4 An update on the use of the remaining funding will be provided in future reports.

4.0 Financial Implications

- 4.1 The report sets out the financial update at the end of Quarter 3 of 2022/23 for the remaining two strands of the Oxfordshire Housing and Growth Deal.
- 4.2 As set out in Item 6 DLUHC require all existing and recycled funds to be fully utilised before any further grant funding can be claimed so it is not anticipated that there will be a further grant claim in 2022/23.

5.1 Legal Implications

- 5.1 In accordance with the Oxfordshire Housing and Growth Deal Delivery Plan, the County Council is the accountable body for the financial management of the two remaining key financial streams.
- 5.2 There are no legal implications arising directly from this report.

6.0 Risk Management

- 6.1 As noted in previous updates the availability of workforce and materials and inflationary increases in contract prices are increasing the risk to the deliverability and cost of capital schemes. Since a significant number of the Housing from Infrastructure schemes are still to enter contract let, the overall financial risk to the programme remains high but this is being monitored and further changes to manage the overall programme will be considered as necessary.
- 6.2 Action will need to be taken to manage the programme to ensure that any increases in project/programme spend can be met within the available funding.

7.0 Conclusion

- 7.1 This report sets out an update on the actual and forecast spend against the Oxfordshire Housing and Growth Deal funding streams at the end of Quarter 3 2022/23.
- 7.2 The Future Oxfordshire Partnership is asked to note the financial update set out in the report.

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