

To: The Future Oxfordshire Partnership

Title of Report: Arrangements for Managing the Oxfordshire Housing and Growth Deal

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 (FOP) on the arrangements for managing the schemes funded through the Housing for Infrastructure Scheme following the receipt of a letter from Department for Levelling Up, Housing and Communities (DLUHC) in December 2022 setting out the conditions for the release of the remaining £30 million Housing for Infrastructure grant funding.

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.

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 is asked to:

1. Request the Chief Executive of Oxfordshire County Council to write to DLUHC to formally accept the terms of the letter from DLUHC to Oxfordshire Leaders and OCC Chief Executive dated 5th December 2022.
2. Agree that in accepting the terms of the letter referred to in Recommendation 1, Oxfordshire County Council will, as accountable body and in consultation with the relevant District or City Council regarding the impact on accelerated housing numbers, take responsibility for decisions necessary to manage the programme in accordance with the updated conditions set out by DLUHC.
3. Note that it will be necessary to agree revised Terms of Reference and Memorandum of Understanding to reflect the change in responsibility as set out in recommendation 2, and ask officers to bring these forward as soon as possible, recognising these will only take effect following approval by each local authority.

1.0 Introduction

- 1.1 This report sets out updated arrangements for managing the Housing from Infrastructure Programme following the revised arrangements and monitoring requirements set out by DLUHC in December 2022.
- 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.

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 Housing for Infrastructure programme.
- 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.
- 2.4 This report updates the existing arrangements following the receipt of updated requirements for the release of the remaining £30m grant funding in December 2022.

3.0 Housing from Infrastructure Programme

- 3.1 Following the decision by the Future Oxfordshire Partnership (FOP) to end the Oxfordshire Plan 2050, the DLUHC reviewed the implications along with the availability of the final £30m instalment of the grant funding. Following an update on the availability of the funding received in early December 2023, the remaining £30m will be released subject to the following conditions:
 - Oxfordshire County Council S151 Officer to confirm that all recycled funds have been returned to the programme and spent before further funding will be provided.
 - Oxfordshire County Council S151 Officer to confirm any changes to the anticipated spend and housing delivery profile for the next three years (2022/23 to 2024/25) on a quarterly basis (February/May/August/November, unless otherwise agreed).
 - Oxfordshire County Council S151 Officer to confirm expenditure on qualifying Housing from Infrastructure schemes in-year on a quarterly basis (February/May/August/November, unless otherwise agreed), payment to be made in arrears.

- No funding will be available beyond the 2024/25 financial year. Oxfordshire authorities will need to cover any expenditure beyond this date, or reconsider which projects to prioritise if necessary.
 - Oxfordshire authorities remain responsible for funding cost increases in project/programme spend.
 - As part of quarterly monitoring, Oxfordshire authorities to provide an update on Local Plan progress.
 - To agree with DLUHC the format for detailed monitoring.
- 3.2 The letter also sets out that the Oxfordshire Districts are expected to work with the County Council to ensure timely provision of the necessary information to DLUHC. Therefore, collaboration across authorities will continue to be required, providing quarterly updates (including housing numbers).
- 3.3 In September 2022 the FOP agreed a revised programme of schemes up to the value of the funding available from the Housing for Infrastructure strand of the Housing & Growth Deal (including the use of recycled funds). Acceptance of the terms in the letter dated 5th December 2022 will allow those schemes to progress.
- 3.4 Current programmes indicate that all schemes are projected to utilise their Housing & Growth Deal allocations within this revised timescale. The risk that events cause schemes to be unable to spend their allocations in the period is mitigated by the retained freedom to *switch* schemes in and out of the programme to maximise legitimate spend (subject to housing number assessment).
- 3.5 Agreeing to the terms of the DLUHC letter will require Oxfordshire County Council, as accountable body and in consultation with the relevant District or City Council regarding the impact on accelerated housing numbers, take responsibility for decisions necessary to manage the programme in accordance with the updated conditions set out by DLUHC.
- 3.6 As a consequence of accepting the term of the letter, and reflected in paragraph 3.5, revisions to the FOP Terms of Reference and Memorandum of Understanding will be required. These should be brought forward for approval by the FOP as soon as is practical, recognising that they will only take effect following the approval by constituent local authorities

4.0 Financial Implications

- 4.1 The update about the financial position at the end of December 2022 at Item 7 notes the impact of inflationary pressures and the availability of materials and labour impacting on the council's capital programme.
- 4.2 All existing funding and recycled funds need to be utilised before any further funding can be claimed.
- 4.3 Since no funding will be available beyond the 2024/25 financial year action will be taken by Oxfordshire County Council as the Accountable Body, in consultation with

the relevant district as appropriate, to manage the programme to ensure that any increases in project/programme spend can be met within the available funding and that there is no unfunded spend after 31 March 2025.

5.0 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 An update to the terms of reference and Memorandum of Understanding for the FOP will be required to reflect the recommendations in this report. The Memorandum of Understanding is intended to be non-binding, as stated at paragraph 15.1, and no legal obligations or legal rights arise between the parties.

Risk Management

- 6.1 Action will be taken by Oxfordshire County Council as the Accountable Body to:
- manage the programme, in consultation with the relevant district, to ensure that any increases in project/programme spend can be met within the available funding.
 - ensure that there is no unfunded spend after 31 March 2025.

7.0 Conclusion

- 7.1 This report sets out an update on the arrangements for monitoring and managing the Housing for Infrastructure Schemes.
- 7.2 The Future Oxfordshire Partnership is asked to note this update and agree the recommendations set out above.

Report Author:	Lorna Baxter, Director of Finance & S151 Officer
Contact information:	Kathy Wilcox, Head of Financial Strategy
	Tel: 07788 302163