

**To:** The Future Oxfordshire Partnership

**Title of Report:** Oxfordshire Housing and Growth Deal: Update at the end of Quarter 4 2022/23

**Date:** 25 July 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 progress, spend and housing delivery for schemes included as part of the Oxfordshire Housing and Growth Deal. The report provides updates on the following funding streams as at the end of Quarter 4 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 March 2023.

**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 March 2023 as well as an update on housing numbers achieved as a result of the programme.

- 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.

## **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.
- Will, 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.
- Provides regular monitoring reports to the Future Oxfordshire Partnership and to DLUHC.

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 4 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 was received by the end of 2021/22. The remaining £30m will need to be claimed retrospectively and is subject to the conditions set

out by [DLUHC in December 2022](#).<sup>1</sup> In response to this letter, Oxfordshire County Council has written to DLUHC and Homes England confirming acceptance of the final funding and agreement to the associated governance and reporting requirements.

- 3.1.3 Grant funding of £143m is expected to be used to support capital expenditure and £7m has been used to fund revenue costs associated with the Housing from Infrastructure programme.
- 3.1.4 In accordance with the new conditions, amounts available as a result of previous funding switches have to be utilised before the remaining £30m growth deal funding can be claimed. These switches amount to £49m and added to the £120m grant funding already received, provide a total funding provision of £169m to date.
- 3.1.5 Annex 1 sets out the total expenditure on the capital element of the Growth Deal programme up to 31 March 2023 of £66m compared to the capital funding allocation of £143m (this includes the last funding instalment of £30m).
- 3.1.6 On the basis of the current programme, forecast spend is £22.1m in 2023/24 with the remaining £53.4m expected to be spent in 2024/25 including £1.5m retained for safety audits after 31 March 2025. These forecasts are based on the grant allocations and project delivery timeframes as reported in the capital programme to Council in February 2023 and have been updated for the 2022/23 year end position.

## **3.2 Growth Deal Capacity Fund**

- 3.2.1 The Growth Deal Capacity Fund totals £5.0m. The first instalment of £0.5m was received in 2017/18, followed by £2.5m in 2018/19 and £2.0m in 2019/20.
- 3.2.2 The funding was expected to be used over the life of the programme which was originally planned to run from 2017/18 to 2022/23. 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 At each year end, funding that has not been spent has been carried forward through the County Council's earmarked reserves.
- 3.2.4 Actual spend for 2022/23 was £0.535m. As shown in Annex 2 £1.274m remained available as at 31 March 2023.
- 3.2.5 Approximately half of the remaining balance is currently committed towards Oxfordshire Infrastructure Strategy (OXIS), Staffing and Net Zero Route Map & Action Plan. Plans for the remaining balance will be determined later in the year.

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<sup>1</sup> See Item 6 of the agenda for the Future Oxfordshire Partnership on 20 March 2023.

## **4.0 Financial Implications**

- 4.1 The report sets out the financial update at the end of Quarter 4 of 2022/23 for the remaining two strands of the Oxfordshire Housing and Growth Deal.
- 4.2 On the basis that all existing and recycled funds need to be fully utilised before any further grant funding can be claimed, annex 1 sets out the forecasted spend position with the expectation that the remaining grant allocation of £30m will be required in 2024/25.
- 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 Revised Terms of Reference and the Memorandum of Understanding were endorsed by the Future Oxfordshire Partnership on 13 June 2023. These will take effect following approval by each local authority Cabinet.
- 5.3 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 have increased risks around the deliverability and cost of capital schemes. With a significant number of the Housing from Infrastructure schemes 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 Land is required for a number of schemes and the current assumption is it will be acquired through negotiation with landowners. Land specialists are continuing to negotiate on the council's behalf, options to deliver schemes with reduced land-take are being investigated and further changes to manage the overall programme will be considered as necessary.
- 6.3 Discussions with Homes England around securing additional funding for the A34 Lodge Hill scheme are ongoing.
- 6.4 The cost of the North Oxford Corridor (Loop Farm to Cassington Road) scheme has increased during construction. Work is underway to confirm the revised cost and assess options but it is likely that additional Growth Deal funding will need to be allocated to the scheme to ensure that it fully delivers all of its benefits including key active travel improvements as intended.

6.5 Adjustments to ensure a balanced programme will be discussed with the relevant district or the city council and shared with the Future Oxfordshire Partnership for endorsement in September 2023.

## **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 4 2022/23 and housing delivery.

7.2 The Future Oxfordshire Partnership is asked to note the updates set out in the report.

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