

# Joint Cabinet report



Report of Strategic Director

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Wards affected: All in Science Vale

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## Delivering accelerated housing growth in Science Vale

### Recommendations

That South Cabinet:

- a) recommends to Council the approval of a revenue budget, in 2013/14, of £525,000, funded from a £1.025 million capacity fund grant
- b) recommends to Council the approval of a revenue budget, in 2014/15, of £500,000 funded from the second tranche of capacity fund grant.

Subject to Council approving the budget, that Cabinet:

- (b) approves the project to accelerate housing growth in the Science Vale Growth Area, funded by the DCLG capacity fund.
- (c) authorises the strategic director, in consultation with the head of legal and democratic services, if necessary as an exception to contracts procedure rules, to use the fund to commission and pay for works necessary to deliver the core objectives of the project as set out in the offer letter attached as an appendix to this report.
- (d) approves South Oxfordshire District Council as the accounting body for the administration of the capacity fund and as the accountable body to DCLG for appropriate use of the fund.

## **Recommendations**

That Vale Cabinet:

- a) recommends to Council the approval of a revenue budget, in 2013/14 of £500,000 funded from a £1.025 million capacity fund grant
- b) recommends to Council the approval of a revenue budget, in 2014/15 of £535,000 funded from the second tranche of capacity fund grant.

Subject to Council approving the budget, that Cabinet:

- (b) approves the project to accelerate housing growth in the Science Vale Growth Area, funded by the DCLG capacity fund
- (c) authorises the strategic director, in consultation with the head of legal and democratic services, if necessary as an exception to contracts procedure rules, to use the fund to commission and pay for works necessary to deliver the core objectives of the project as set out in the offer letter attached as an appendix to this report.
- (d) approves South Oxfordshire District Council as the accounting body for the administration of the capacity fund and as the accountable body to DCLG for appropriate use of the fund.

## **Purpose of Report**

1. The report seeks the approval of both cabinets to a project that will accelerate housing growth across the Science Vale area of South and Vale and asks that both Councils establish budgets to allow the project to proceed.

## **Corporate Objectives**

2. Our corporate priorities of building the local economy and meeting housing need are addressed by this housing acceleration programme. We commit in our corporate plan to supporting delivery of jobs, infrastructure and housing, to unblocking sites and to working with developers to overcome barriers to delivery.

## **Background**

3. The councils have been successful in securing a total of £2.06 million in grant funding from the Large Sites Programme Capacity Fund. This is a Government grant obtained by only a few local authorities to assist with accelerating the delivery of strategic housing sites.
4. The requirements of the project are that the councils will deliver a 30 % increase in the rate of housing delivery across the Science Vale area. To achieve this, a range of projects are planned that will remove barriers to delivery and, in particular, will bring forward delivery actions that could otherwise take many months. The programme agreed with DCLG is flexible and includes such activities as;
  - Appointment of consultants to produce a delivery plan that will tackle all the causes of under-delivery and to undertake elements of the work that emerges from the plan

- Appointment of a programme manager to drive delivery plus three staff to bolster planning delivery
  - Specialist advice on section 106 negotiations
  - Specialist assistance to evaluate infrastructure and community needs across science vale to enable the production of an evidence base that supports negotiations on strategic and local infrastructure needs arising from housing development
  - Consultancy support on land and property negotiations
  - Modelling, design and technical appraisals on infrastructure projects
  - Site and area master planning
  - Marketing campaign for the Science Vale area
  - Legal support to expedite section 106 agreements and to advise on the appropriate actions to bring forward difficult sites
5. The grant of £1.025m for 2013/14 has already been received, on the basis set out in the offer letter attached as an appendix to this report. We must, however, demonstrate sufficient progress in accelerating housing delivery to receive the second tranche of £1.035m for 2014/15. Accelerating delivery is a challenge at this time due to sluggish progress on our large strategic sites; however, we expect to be able to show DCLG that many of the actions we are taking will make a significant contribution to accelerated housing growth in 2014. The entire 2013/14 grant must be spent or committed to projects by 31 March 2014.

## **Options**

6. Cabinet could choose to not approve the project and return the funding to the Department of Communities and Local Government.

## **Financial Implications**

7. The expenditure of the grant requires both councils to establish budgets funded by the grant.
8. Officers recommend that the budgets established in 2013/14 are;
- Vale £500,000
  - South Oxfordshire District Council £525,000
9. Officers believe that this should reasonably align with proposed spend in each district but that recharges will be calculated at year-end to reflect actual spend.
10. Officers also recommend that for ease of accounting that one council, South, be the accounting body for the grant and that South be the accountable body, reporting to DCLG as required on the appropriate use of the grant.

11. Because the grant is paid as part of the un-ring fenced grant it will also be necessary to establish budgets at both councils in 2014/15 for the projects. This report recommends that a 2014/15 revenue budget of £500,000 and £535,000 is approved for South and Vale respectively.

## **Legal Implications**

12. It is a requirement of the grant that the councils use the Homes and Communities Agency (HCA) Procurement Panel (or that costs are cross-referenced against those of the panel consultants) when contracting out specific specialist or technical advice. In view of the limited time available to commit the money before the end of this financial year, I recommend that the Cabinets agree that, if necessary, the strategic director may commission and pay for work as an exception to the contracts procedure rules provided that the grant and EU requirements are met. This may include entering into agreements with Oxfordshire County Council and commissioning and paying for work through its appointed contractors.

13. There has been no requirement to sign a legal agreement for this grant and no claw back requirements have been applied. The terms of the grant are as set out in the offer letter attached as an appendix to this report.

## **Risks**

14. There is a risk that if sufficient progress isn't made against the project plan and/ or the funding is not fully committed by 31 March 2014, CLG will;

- ask for uncommitted funds to be returned, or,
- decide not to provide the second tranche of the funding, £1.035m, due for the year 2014/15

## **Conclusion**

15. The project is designed to accelerate housing growth and provides the councils with an opportunity to understand the barriers to housing development and put in place the actions required to overcome these that will speed up housing delivery. The DCLG capacity fund provides this opportunity without cost to the councils.

## **Background Papers**

None.

## Appendix one



### Department for Communities and Local Government

Anna Robinson  
Strategic Director  
South Oxfordshire District Council and  
Vale of White Horse District  
Council

12 July 2013

Dear Anna,

#### **Didcot - Confirmation of Capacity Funding.**

I am writing to confirm that following your request for resource funding to assist with the delivery of housing development across the Science Vale, we have made available up to £2,060,000 to South Oxfordshire District Council through the Large Sites Programme Capacity Fund. A breakdown of the funding you have requested and its intended purpose is included at Annex A.

The headline profile of this funding is as follows:

	2013/14	2014/15
Resource	£1,025,000	£1,035,000

Funding will be made available on the basis that it is intended to support the development of housing across the identified sites within the Science Vale. Payment will be provided as an annual section 31 un-ring fenced grant to South Oxfordshire District Council, and a grant determination has been issued to you alongside this letter confirming the relevant payment. The 2013/14 payment for £1,025,000 will be made shortly, with confirmation of the payment date and relevant documentation to be provided under separate cover.

The next payment for £1,035,000 will be made at the beginning of 2014/15, subject to Ministers being content that satisfactory progress has been made with the overall development in the current financial year, and subject to HM Treasury approval

We anticipate that Progress on the scheme will be measured against the core objectives set out in your capacity funding bid (key objectives set out below) and will be reviewed and confirmed by the Homes and Communities Agency:

Department for Communities and Local Government  
Zone B6  
Eland House  
Bressenden Place  
London  
SW1E 5DU

Tel 0303 444 3111

- To recruit / appoint staff including: Programme Manager, Strategic Planning and Delivery Managers x 2 and a Community Development worker to manage the project, produce supplementary planning documents, master plan major projects and carry out successful negotiations and broker agreements between communities and developers.
- Procure delivery of transport design and planning, technical studies, financial appraisals and where necessary legal advice to secure CPOs.
- Carry out marketing and research to optimise the right development.

In order to ensure value for money, we expect you to use the HCA procurement panel or to benchmark your costs against this panel, when contracting out specific specialist or technical advice.

Finally, because no further funds are available after 2014/15, we would like to see transition plans outlining how work on the scheme will continue, ensuring momentum is not adversely impacted when DCLG funding ends.

Yours Sincerely,

Jane Sweeney