

Note to Scrutiny Committee on Oxfordshire Affordable Housing Programme (OAHP)

At its last meeting Scrutiny asked for some detailed performance figures on the OAHP, these are contained in the tables in this note.

Scrutiny's request is timely since as we approach the end of the OAHP it's appropriate for us to reflect upon any lessons that can be learned from the performance over the life of the programme.

Overall, all councils will be aware that the OAHP has struggled to meet the expectations we had at the outset of the programme and the emerging final picture demonstrates that. Clearly the pandemic has had a major impact on the OAHP and whilst an extension was granted this did not offset the delays the pandemic caused. For this reason, we have asked Government for permission to continue to attribute schemes to the OAHP that will be largely worked up by the end date but have yet to finally cross the line to be a contractual arrangement required. This permission should enable us to largely achieve our targets.

As one would expect with any programme, officers intend a detailed lessons-learned review, and this would probably best be conducted at an individual district level. However, there are some emerging general lessons that we offer at this stage.

Establishing a firm programme offer at the outset

The original OAHP was a response to an offer from government to provide funds for additional affordable housing. In responding to the offer in the short timescale offered, Oxfordshire developed an indicative programme for the OAHP that was designed primarily to demonstrate the capacity to deliver new affordable homes at the required scale rather than be a firm programme with annual or district targets. Over time this has led to some confusion with Government's delivery agent Homes England (HE) as to what our offer in the OAHP was. The key lesson from this experience is that time is allowed at the outset to develop a well-developed programme. One that partners collectively commit to and recognise is both realistic, and ambitious.

Allowing a period of mobilisation for the programme

The programme lacked a mobilisation period which meant that at its launch in March 2018 many of the processes required were not in place across the councils and there had been limited opportunity to socialise the OAHP with partners. This is evidenced by the fact that the OAHP was not in a place where it could be publicly launched until September 2018 - 6 months after it had commenced.

The OAHP should complement Homes England's AHP

The single biggest issue for the current OAHP is that it is in competition with Homes England's (HE) Affordable Housing Programme (AHP) for affordable housing units. This unequal competition, with many local registered providers (RPs) locked into Strategic partnerships with HE that they were not willing to deviate from has led to an uneven commitment from RPs to the OAHP across Oxfordshire. This in part explains the differences in delivery between districts, both the overall numbers secured through the OAHP and the tenure of the properties secured.

The OAHP needs to be an attractive offer to the affordable housing market

The fact that the OAHP was in direct competition with Homes England's National Affordable Housing Programme was a heightened issue for our programme because the terms of the OAHP did not prove to be favourable enough to attract RPs to consider changing funding routes. Although some terms of the OAHP were more advantageous than those offered by Homes England and we did manage to negotiate flexibilities that HE were not able to offer, the main barrier was that the OAHP had grant rates that were not competitive, compared to those offered by HE. When we did manage to negotiate some parity with the national programme this situation improved -assisted by top up contributions from councils- but this did not happen until the OAHP was nearly two years old.

The OAHP needs to be appropriately resourced

The experience of the current OAHP has demonstrated that partners did not fully appreciate the level of resources that servicing the programme required. Whilst capacity funding was secured to allow the recruitment of dedicated officers at the centre, experience has shown that the resources also required by the partners in their host councils to deliver the OAHP had not been fully appreciated. This manifested itself as both capacity and capability. For example, many of the skills required in legal and finance to oversee a housing programme were not part of the establishment skills set and have had to be learnt or on occasions bought in with consequent delay or additional expense. This has also had a consequent and understandable effect of minimising the risk appetite of some partners to engage with the OAHP.

Delivery of Social rented and Shared Ownership units

Scrutiny asked about the challenges of delivering social rented housing and why there was a comparative increase in the number of shared ownership units.

The OAHP has always strived to meet the indicative targets which amongst others aimed to deliver a high proportion of units as social rent. Social rented units, however, require extremely high levels of subsidy and given the grant rates secured at the outset discussed earlier delivering this tenure proved extremely challenging. Nonetheless the OAHP has delivered 207 social rent units in Years 1-3 (with a further 82 anticipated for Year 4). This remains a significant contribution to the number of social rent units across the County.

Shared ownership is a popular choice amongst some of our residents and all councils seek to meet that demand alongside social and affordable rented housing. One of the successes of the OAHP has been the development of an innovative shared ownership model with Heylo Housing, a RP who partner with developers to offer additional shared ownership homes on new dwellings. This scheme has proved successful in WODC and has accordingly expanded to both Vale and Cherwell.

Table 1**Additional affordable housing delivered through the Oxfordshire Housing and Growth Deal by tenure (Contractual start on site)**

	Year 1	Year 2	Year 3	Year 4*	Total
Social rent	22	77	108	53	260
Affordable rent	82	68	38	4	192
Shared Ownership	87	47	134	29	297
Total	191	192	280	86	749

*Delivered to date

Table 2**Additional affordable housing delivered through the Oxfordshire Housing and Growth Deal by tenure and local authority (Contractual start on site)**

		Year 1	Year 2	Year 3	Year 4*	Total
CDC	Social rent	0	0	0	21	21
	Affordable rent	16	2	23	0	41
	Shared Ownership	42	4	17	0	63
	Subtotal	58	6	40	21	125
Oxford City	Social rent	22	46	90	32	190
	Affordable rent	6	6	15	4	31
	Shared Ownership	25	23	74	29	151
	Subtotal	53	75	179	65	372
SODC	Social rent	0	0	0	0	0
	Affordable rent	0	0	0	0	0
	Shared Ownership	0	0	0	0	0
	Subtotal	0	0	0	0	0
Vale	Social rent	0	0	0	0	0
	Affordable rent	0	60	0	0	60
	Shared Ownership	0	20	0	0	20
	Subtotal	0	80	0	0	80
WODC	Social rent	0	31	18	0	49
	Affordable rent	60	0	0	0	60
	Shared Ownership	20	0	43	0	63
	Subtotal	80	31	61	0	172
	Total	191	192	280	86	749

*Delivered to date