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OXFORDSHIRE GROWTH BOARD 26 September 2017

SUBMISSION OF EXPRESSION OF INTEREST TO THE HOUSING INFRASTRUCTURE FUND

Report Purpose

1. The Department for Communities and Local Government announced a national Housing Infrastructure Fund (HIF) during July 2017, with full details on the application process published in August.
2. County Council officers, in close partnership with colleagues at the City and District Councils and officers from Oxfordshire's Local Enterprise Partnership, have reviewed the requirements of the fund and developed candidate schemes for assessment and submission.
3. In order to access the programme, the County Council is required to submit Expressions of Interest for candidate schemes by 28 September.
4. This report notes the recent report to the County Council's cabinet, updates the growth board on officer assessments of viability and prioritisation and seeks the Growth Board's endorsement for the Expressions of Interest to be submitted.

Recommendations

5. That the Growth Board:
 - I. Endorses the HIF bids that the County Council propose to submit, pending final assessment and approval;
 - II. Asks the chair of the Growth Board to write to government in support of these bids, on behalf the board.

Background to the Housing Infrastructure Fund

6. The £2.3bn Housing Infrastructure Fund is split into two elements:
 - The Marginal Viability programme for bids up to £10m, to unlock housing sites which are being held back because of the costs of installing basic infrastructure. This funding is available to the City and District Councils
 - The Forward Funding programme for bids up to £250m, with the intention of pump-priming major development schemes by bringing forward infrastructure investment to generate market confidence. This funding is available only to the County Council.
7. This report deals only with the Forward Funding programme.

8. The bid process for the Forward Funding programme is competitive and applications will be assessed by government on how well they meet the following criteria:
 - That the proposal takes a strategic approach, with strong local leadership and joint working to achieve higher levels of housing growth in the local area, in line with price signals, and supported by clear evidence;
 - That the proposal is value for money, on the basis of an economic appraisal ;
 - That the proposal can be delivered. This is about both delivering the infrastructure and how the infrastructure will then lead to the delivery of new homes.
9. As the programme name suggests, the funding is to be used to forward-fund infrastructure schemes and, in some cases, is expected to represent a significant proportion of the upfront development costs. The intention is to create confidence at an early stage in housing schemes that will attract other private and public sector money, and bring new land forward for development. The guidance encourages funding to act as the initial investment capital for a “revolving fund” whereby it is used to forward fund infrastructure, the cost of which is recovered from future development, to create a funding pot for future infrastructure investment beyond that covered by the initial bid.
10. The application process is in two stages:
 - i. Firstly, eligible local authorities must submit expressions of interest by 28 September 2017;
 - ii. Secondly, expressions of interest will be assessed, and the highest ranking schemes will go through to a second stage. In the second stage, local authorities will develop business cases for submission in spring 2018. Business cases will be assessed with funding awards announced from summer 2018.
11. The imminent completion of a comprehensive infrastructure strategy for Oxfordshire puts local authorities in a strong position as a partnership to submit a cohesive set of bids aligned to agreed priorities. These priorities in themselves are linked to economic objectives, Local Plans and the Local Transport Plan, and allow the County Council on behalf of Growth Board partners to confidently promote the case for large scale strategic infrastructure investment in Oxfordshire to unlock and manage growth.

Proposed Bids

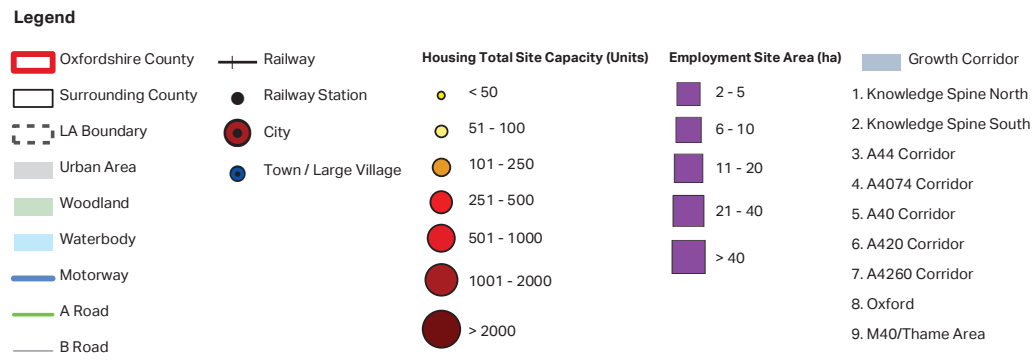
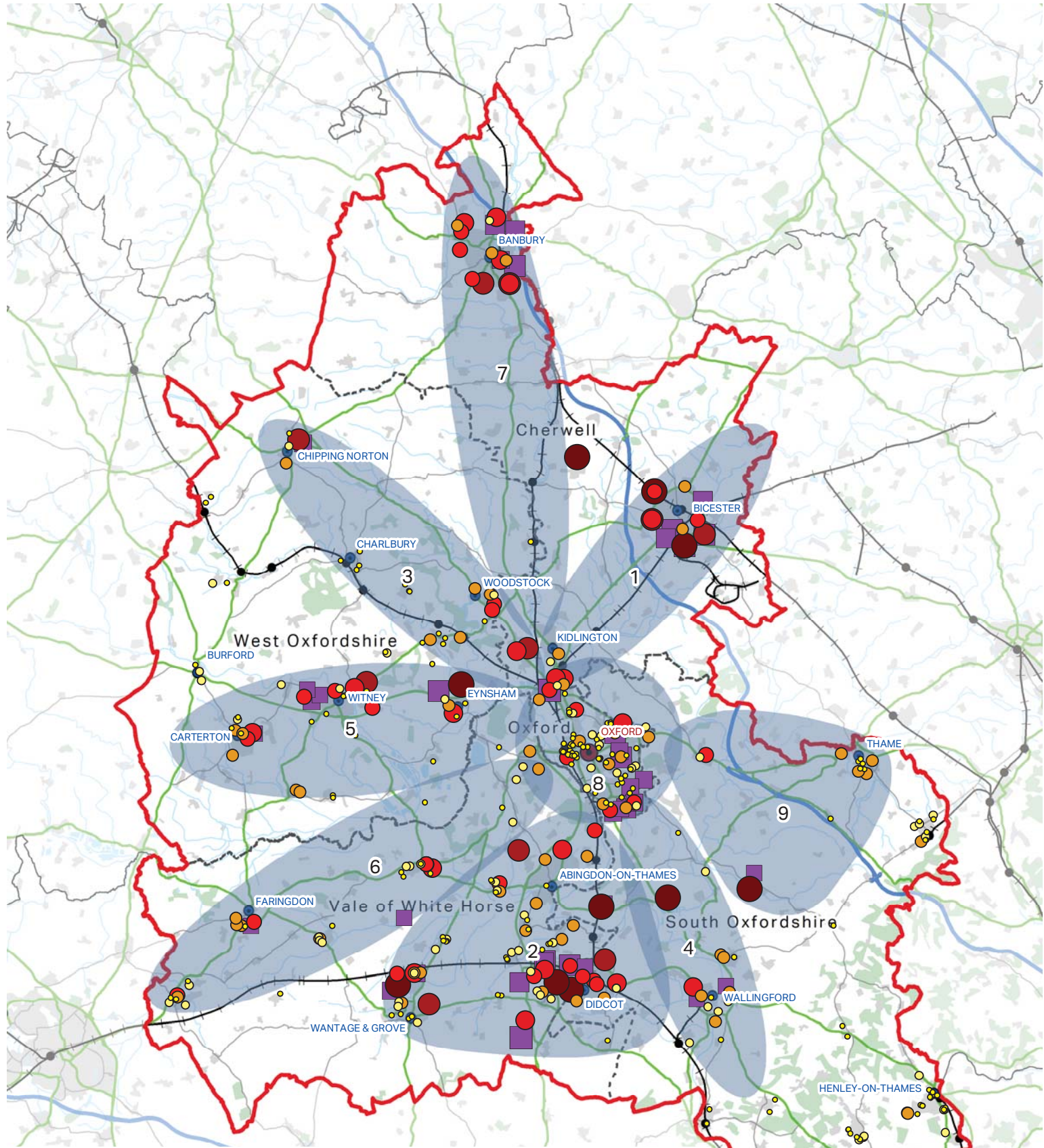
12. In developing candidate schemes, officers considered infrastructure priorities identified the emerging Oxfordshire Infrastructure Strategy, that sat together as strategically linked initiatives that offered the prospect, as required through HIF, of a ‘step-change’ in housing provision in a defined area. Candidate schemes clearly also needed to be likely to meet HIF criteria and be within the funding limit. (For example, some potential packages of schemes require infrastructure investment significantly beyond that which HIF investment would release.) The OxIS model of showing spatial, economic and infrastructure connectivity along strategic growth corridors is best illustrated by the plans developed to support the OxIS work, in particular the countywide plan which illustrates the main growth corridors in the County, which is shown in Annex A.

13. In this way, the following schemes were identified as candidates for assessment:
14. **Didcot Garden Town** – The bid would support the delivery of over 22,000 homes in Didcot, Culham, Harwell and Berinsfield. The bid would be for £171m for transport improvements including Didcot Science Bridge and A4130 Dualling, a new River Crossing at Culham and Clifton Hampden Bypass. Additionally up to £70m of cycle and other sustainable transport improvements from the Garden Town Masterplan could be considered for inclusion in the bid plan.
15. **West Oxfordshire** – This bid would support the delivery of over 10,000 homes in Witney & Carterton, and around Eynsham. The bid would be for £135.4m for further upgrades to the strategic A40 transport corridor, building on existing schemes and based on the approved A40 Long Term Strategy including development of the Rapid Transit network and additional highway capacity on the corridor.
16. **North of Oxford** – This bid would support the delivery of 5,570 homes in Woodstock, Begbroke/Yarnton and Northern Gateway. The bid would be for £152m for transport infrastructure plus education requirements (as yet un-costed). The transport infrastructure includes development of Rapid Transit lines on upgraded A44 and A4260 corridors, new Park & Ride, , and strategic cycle infrastructure.
17. At its meeting of 19 September 2017, the County Council's cabinet agreed that officers should submit these bids, subject to completing an evaluation of the robustness of governance arrangements and levels of assurance on deliverability.
18. Where more than one bid is submitted, government requires that the bids are prioritised. Cabinet approved a prioritisation process based upon the assessment criteria published in the DCLG guidance with higher weightings given to value for money and the number of homes delivered. According to this prioritisation, if all bids are submitted they will be prioritised in the following order:

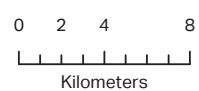
First priority:	Didcot Garden Town
Second priority:	West Oxfordshire
Third priority:	North of Oxford
19. Maps showing the extent of each bid package are attached as Annex B. Summary details of each bid and a description of the prioritisation process undertaken were published within the relevant Cabinet report.

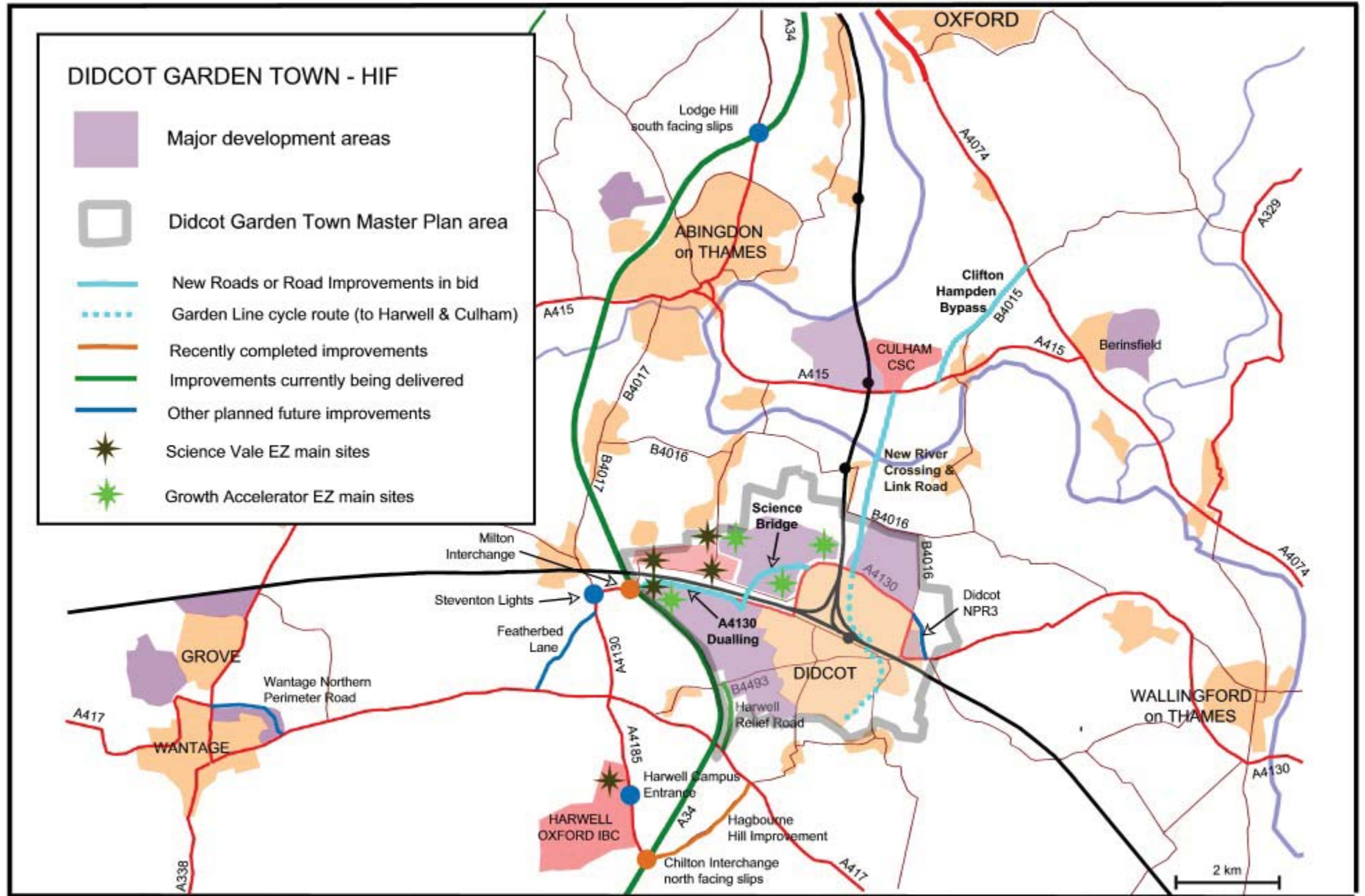
Conclusions

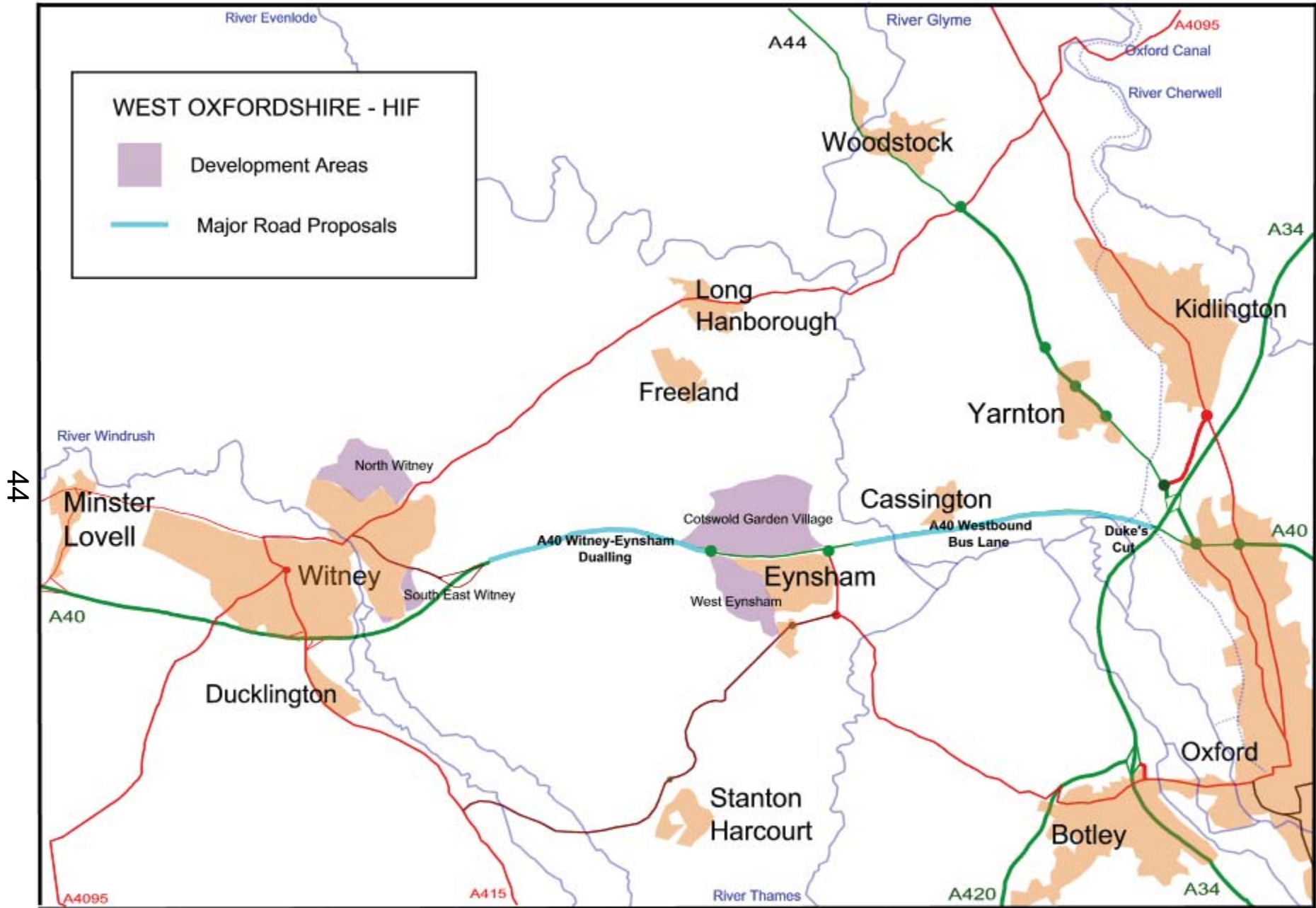
20. Subsequent to the County Council's cabinet meeting, further discussions have been held with the City and District Councils to complete the evaluation of governance and deliverability risk of the three proposed bids. Subject to final analysis, the County Council expects to submit all three bids in the priority order set out above.
21. Individual councils have been asked to express their support for the HIF bids as required through the bidding process. The Growth Board is now also asked to support the bids as being in the interests of Oxfordshire as a whole.

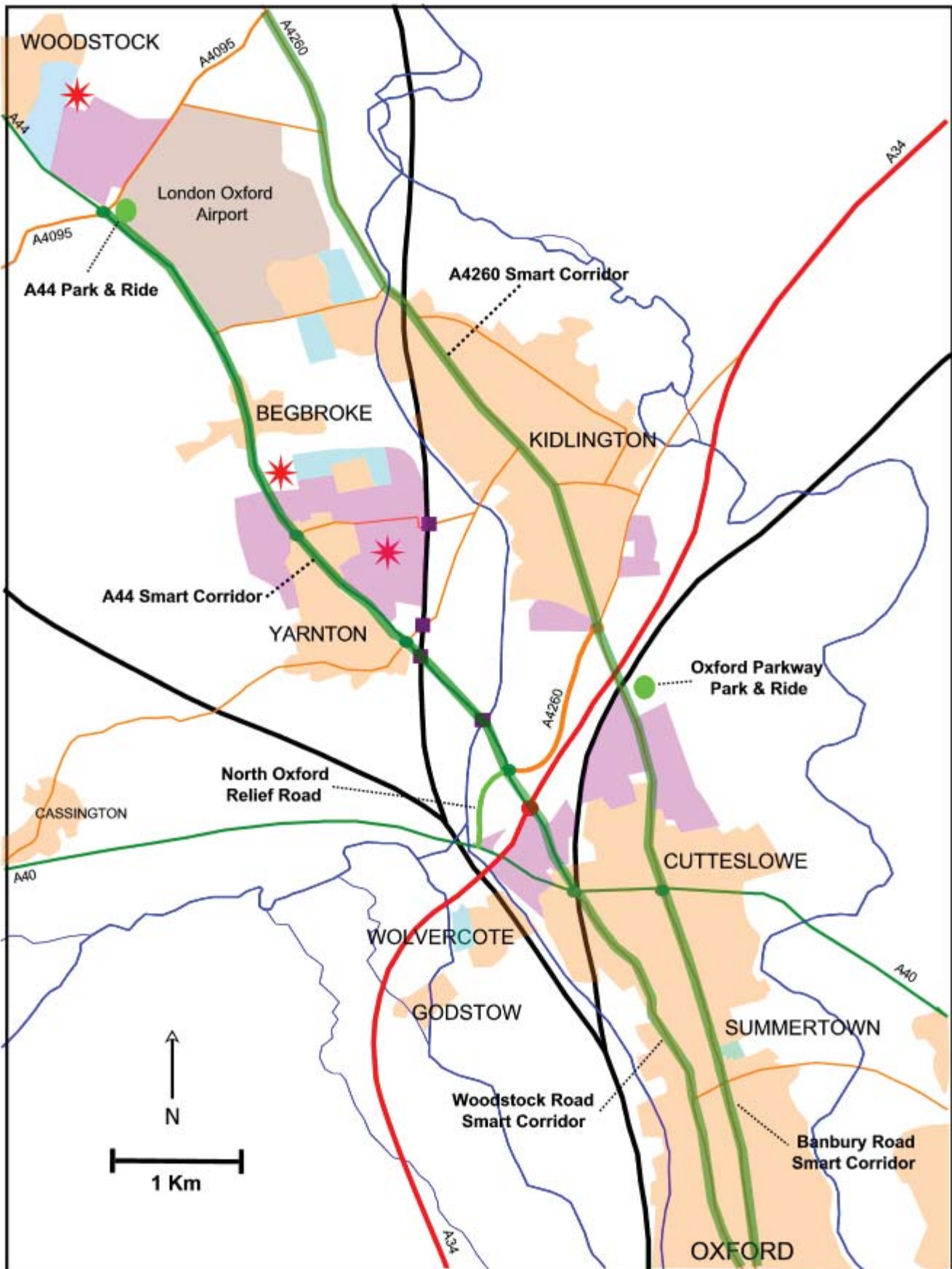


Identified Growth Sites
Oxfordshire Infrastructure Strategy









NORTH OF OXFORD - HIF

- Committed developments
- Developments in bid

- New schools
- Park & Ride

- Cycle Bridge
- New Link Road
- Smart Corridor

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