

REPORT TO OXFORDSHIRE GROWTH BOARD OXFORDSHIRE HOUSING AND GROWTH DEAL

REPORT PURPOSE

- 1) The purpose of this report is to update the Board on progress with the Oxfordshire Housing and Growth Deal (the Deal), agreed with Government earlier this year.
- 2) The Board will be aware that the Deal provides £215 million of additional government funding for Oxfordshire, to deliver the key infrastructure required to bring forward already proposed housing development, additional funds to increase the supply of affordable housing and funding to secure economic growth in key industry sectors. The Deal also provides a package of planning freedoms and flexibilities for the Oxfordshire Local Planning Authorities that will offer protection from speculative development whilst we complete a countywide Joint Statutory Spatial Plan to 2050.
- 3) The Deal also sets out our commitments as a partnership and established key milestones for delivery. In terms of governance, the Deal places the Growth Board at the heart of the delivery regime and requires regular reports on progress. Accordingly this report updates on progress towards these milestones.

RECOMMENDATIONS

- (i) *That the Growth Board note the progress towards the Housing and Growth Deal Milestones as set out in the Delivery Plan*

BACKGROUND

- 4) The key elements of the Deal, as set out in the Outline Agreement are:
 - Infrastructure Delivery
 - Housing From infrastructure and Affordable Delivery
 - A Joint Statutory Spatial Plan and Planning Flexibilities
 - Productivity
- 5) The early milestones set out in the Delivery Plan have been achieved. These were
 - Agreeing the draft Statement of Common Ground for the JSSP
 - Revising the Terms of Reference of the Growth Board
 - Agreement of a year one Affordable Housing Programme
- 6) Consequently, we have received the first instalment of funding, £15million on 31 May as the first tranche of the infrastructure funding. The initial phases of work have been programmed and officers are developing the work programmes and establishing reporting arrangements with Homes England. Officers will report Quarter 1 progress to the Growth Board at the July meeting.

INFRASTRUCTURE DELIVERY PROGRAMME

- 7) The Growth Deal Programme Board recognises that a step change is required across the partnership in order to raise our rate of infrastructure project delivery to achieve the 5 year Growth Deal milestone targets and that it is imperative that this step change is achieved urgently.
- 8) This step change will be achieved, primarily, through building resource capacity to match this target throughout the first half of this financial year to September 2018. This process is underway.
- 9) The status for the infrastructure programme is as follows:
 - Delivery of year one-project programme milestones for March 2018: Initial delivery confidence assessment indicates that the current project list will not be delivered in full. Consequently, activities to address the variance are progressing in parallel with delivery of the projects.
 - Delivery of years 2-5 infrastructure projects plan by the end of September 2018: The approach and plan to deliver the milestone on time has commenced. Although extremely challenging, our current delivery confidence is for issue of plan by the end of September is probable.
- 10) The reporting requirements for this work stream are also the subject of discussion with Government. Once finalised, they will form the basis of the project reporting to the Infrastructure Sub Group.

HOUSING FROM INFRASTRUCTURE AND AFFORDABLE HOUSING DELIVERY PROGRAMME

- 11) The Deal makes it clear that whilst Government are interested in the timely completion of the identified strategic infrastructure projects, it is also focussed upon the housing delivery outcomes that are facilitated by the infrastructure. The Deal therefore set out an indicative number of properties- already planned for in partners' local plans- that would be accelerated by the completion of the infrastructure projects.
- 12) Previous reports to the Board have highlighted that although the sites identified are those where the lack of funded strategic infrastructure is a brake upon development, there are also a raft of other challenges, often unique to each site that require resolution to bring housing development forward. Work is currently underway with the authorities on identification and plans to resolve these issues.
- 13) Alongside this, the Board will recall that Government are providing £60 million over three years for additional affordable housing, to deliver a range of different affordable housing types and tenures. The Delivery Plan sets out an indicative trajectory for the Affordable Housing Programme and commitment to delivering 1,320 affordable homes to start on site by March 2021. Work is underway on the approved year one programme and progress will be reported to the July Growth Board.

- 14) The relevant next milestones for this programme are the agreement of the trajectories for housing, years 2-5 for Housing from Infrastructure, and years 2-3 for affordable Housing. These are due with Government by 30th September 2018 and will be brought to the September meeting of the Board for endorsement.

JOINT STATUTORY SPATIAL PLAN AND PLANNING FLEXIBILITIES

- 15) The Board will be aware of the key commitment in the Deal to develop an Oxfordshire Joint Statutory Spatial Plan (JSSP). Building on the existing Plans, the JSSP will set the strategic direction for planning to 2050. The Deal provides up to £2.5 million capacity funding to Oxfordshire Partners to support the development of the JSSP.
- 16) The first milestone, the development of a draft Oxfordshire-wide Statement of Common Ground (SoCG) was completed by the deadline of 31 March 2018. The second key milestone is the establishment of a Joint JSSP Project Board. This is due to be completed by the end of July 2018, subject to confirmation of the planning Freedoms and Flexibilities (F&F) to be provided by Government under the Deal (see below). The Growth Board will note progress on these below and by the endorsement of the member appointments for this Board- elsewhere on today's agenda.
- 17) The development of the JSSP is being led by a newly appointed Programme Lead and is the subject of a detailed report to the Board at this meeting.
- 18) The Board will also recall that the Deal recognise the challenges Oxfordshire faces from unplanned development during the period of preparation and years following adoption of the JSSP, and has agreed to grant planning flexibilities on a time limited basis to provide some protection from the risk of unplanned development.
- 19) The proposed Freedoms and Flexibilities (F&F) have two aspects:
- First, an agreed amendment to the Housing Land Supply Test during the plan process, recognising that whilst the new JSSP takes shape the standard regime leaves partners vulnerable to speculative development.
 - Secondly, upon completion of the JSSP, a revision to the proposed Housing Delivery Test.
- 20) Both F&F are subject to negotiation with Government and the first of these, regarding the Three Year Land Supply proposal is currently the subject of consultation on the Growth Board website. <https://www.oxfordshiregrowthboard.org/> The published consultation paper was finalised following detailed comments from the Ministry for Housing, Communities & Local Government. The consultation runs until 12th July 2018.
- 21) The outcomes of that consultation and confirmation of the details of the proposed Housing Delivery Test flexibility will be reported to the July meeting of the Growth Board.

PRODUCTIVITY

- 22) The Board will recall that the Deal commits partners, led by OxLEP to the development of a Local Industrial Strategy (LIS), the Deal also encompasses proposals to explore early land remediation at Harwell to bring forward critical employment land supply in Science Vale. There are also commitments to work with business through emerging sector deals, the development of a dedicated investor programme for trade and investment, an enhanced Growth Hub, and developing a more responsive skills system. As part of the engagement process a “Placemat” document has been prepared setting out what the LIS is and how it will be developed, is attached as an annex to this report.
- 23) A stakeholder partnership steering group has been developing the LIS and OxLEP will be presenting a full report and presentation on progress to the Growth Board at its 31st July meeting.
- 24) In terms of the key milestones and negotiations with Government, these are subject to extensive and ongoing negotiation and will result in targets being agreed for year one and subsequent years. These will be reported to the LEP Board and Growth Board once completed and cover the following areas:
- A strategic vision for the Ox-Cam corridor
 - Development of Oxfordshire’s Growth Hub to support local businesses
 - A programme to boost Oxfordshire’s international profile
 - Support for Oxfordshire’s skills needs.
 - To Review Enterprise Zone investment strategy as part of the development of Oxfordshire’s local industrial strategy
 - Harwell decommissioning programme.
 - Support for emerging sector deals to be coordinated with local plans and future investment via UK Shared Prosperity Fund

DEAL GOVERNANCE AND FINANCE

- 25) Progress on reorienting the governance and structures of the Board to reflect its new responsibilities are ongoing. The Board agreed, subject to final revisions, revised Terms of Reference at the last meeting and the partners have appointed member representatives to the Advisory Sub Groups and Scrutiny Panel for endorsement by the Board elsewhere on today’s agenda.
- 26) The next steps are the establishment of these Advisory Sub Groups, finalising their individual Terms of Reference and bringing them up to speed with the process of detailed oversight of progress with the Deal.

- 27) Underneath this, we have established an officer structure to deliver the Deal, commencing with the appointment of lead officers for each of the programme strands together with programme management capacity. The officer structure will drive the delivery of the Deal and report on progress to the Sub Groups and Growth Board.
- 28) The finance the above, the Board will also recall that as part of the Deal, Oxfordshire received £5 million of capacity funding to assist us with the delivery of the Deal. The allocation of the fund is £2.5 million to prepare the Oxfordshire JSSP, £1.5 million of capacity funding to progress the Deal and £1 million to support scheme feasibility to ensure that the step change in housing delivery that the Deal requires is properly resourced.
- 29) Officers have undertaken financial modelling of options for the capacity fund to ensure it is deployed in the most effective manner to support the delivery of the Deal commitments. Detailed reporting on spend against the budget will be provided to the Sub Groups and future meetings of the Board.

CONCLUSION

- 30) Reflecting the Growth Board's role as the body charged with oversight of the delivery of the Deal this report is the second progress report outlining progress, issues and achievements to date.
- 31) It is still early days for the Deal and many challenges lay ahead across all aspects of the programmes. Not least of these being the need, because of the pace of the Deal's agreement and immediate start, for us to establish the structures and governance necessary for the Deal at the same time as being asked to deliver outcomes and building the capacity across the partnership to uplift the scale and pace of delivery.
- 32) The Board is asked to note this progress with the Deal.

This page is intentionally left blank