

Agenda



Oxfordshire Growth Board Scrutiny Panel

Wednesday 4 March 2020 at 6.30 pm

The Long Room, Oxford Town Hall, St Aldates, Oxford

From 1 July 2018 to 30 June 2020, the Oxfordshire Growth Board meetings are managed by South Oxfordshire District Council.

Contact: Kevin Jacob, Growth Board Democratic Services Officer

E-mail: democratic.services@oxfordshiregrowthboard.org

Telephone: 01235 422191

Website: www.oxfordshiregrowthboard.org

Members:

| | |
|--|--------------------------------------|
| Councillor Andrew Gant (Chair) | Oxford City Council |
| Councillor John Tanner | |
| Councillor Craig Simmons | |
| Councillor Tom Wallis | Cherwell District Council |
| Councillor Lucinda Wing | |
| Councillor Sean Woodcock, (Vice-Chair) | |
| Councillor Nick Carter | Oxfordshire County Council |
| Councillor Damian Haywood | |
| Councillor Richard Webber | |
| Councillor Peter Dragonetti | South Oxfordshire District Council |
| Councillor Anne-Marie Simpson | |
| Councillor Sarah Gray | |
| Councillor Andy Cooke | Vale of White Horse District Council |
| Councillor Hayleigh Gascoigne | |
| Councillor Matt Barber | |
| Councillor Derek Cotterill | West Oxfordshire District Council |
| Councillor Ted Fenton | |
| Councillor Julian Cooper | |

The quorum is six members, one from each council. Substitutes are allowed and should be notified to the contact above.

The meeting is open to the press and public.

As a matter of courtesy, if you intend to record the meeting please let the contact officer know in advance of this meeting.

AGENDA

1 Apologies for absence and substitutes; declarations of interest; Chair's announcements

2 Minutes of the previous meeting (Pages 6 - 15)

To approve the minutes of the meeting held on 23 January 2020

3 Public participation

Members of the public may address meetings of the Scrutiny Panel, where notice is given to the secretariat no later than 4.00pm on **Tuesday 3 March 2020**. Notice of the subject of the address or the full question must be sent to democratic.services@oxfordshiregrowthboard.org The Chair will have discretion to manage the public participation as they see appropriate.

4 Update from Councillor Barry Wood, Chair of the Oxford to Cambridge Arc Leaders Group and member of the Oxfordshire Growth Board

Councillor Barry Wood, Chair of the Oxford to Cambridge Arc Leaders Group, member of the Oxfordshire Growth Board and Leader of Cherwell District Council has been invited to attend this meeting to give an update.

5 Oxford to Cambridge Arc Update (Verbal Report)

To note an update to the Growth Board on recent developments in respect of the Oxford to Cambridge Arc.

6 Growth Board response to scrutiny panel recommendations - 23 January 2020 (Pages 16 - 18)

To consider the Growth Board's response to the recommendations to the Board from the Scrutiny Panel meeting on 23 January 2020.

7 **Oxfordshire Growth Board papers 11 March 2020**

To consider reports and matters on the agenda for the Oxfordshire Growth Board meeting on 11 March 2020. Reports are set out under the subheadings below.

a Zero Carbon Housing (Pages 19 - 31)

To review an update to the Growth Board on zero carbon housing technology and wider opportunities for Oxfordshire.

b Quarter 3 Oxfordshire Housing and Growth Deal Progress Report and Financial Summary (Pages 32 - 45)

To review an update to the Growth Board setting out the 2019/2020 Quarter 3 progress report for the Oxfordshire Housing and Growth Deal and asking it to endorse any amendments to programmes of work as necessary. Also, to receive the Quarter 3 financial summary for the Housing and Growth Deal.

c Oxfordshire Plan 2050 sub-group update (To Follow)

To receive an update from the Oxfordshire Plan 2050 sub-group. Summary notes from the meeting held on 13 February 2020 (to follow).

d Feedback from joint Oxfordshire Growth Board/Health and Wellbeing Board workshop (Page 46)

To consider feedback to the Growth from the Growth Board and Health & Wellbeing Board networking event held on 5 February 2020.

8 **Work Programme for the Scrutiny Panel and Action Log - March 2020** (Pages 47 - 53)

To discuss the draft work programme for the Panel as submitted by the Panel's Scrutiny Officer and requests for information/actions from previous meetings.

9 **Dates of meetings**

| Scrutiny Panel | Growth Board |
|--------------------------|-------------------------|
| Thurs 28 May 6.30 pm | Tues 2 June 2 pm |
| Tues 15 Sept 6.30 pm | Tues 22 Sept 2 pm |
| Tues 17 Nov 6.30 pm | Tues 24 Nov 2 pm |
| Tues 19 Jan 2021 6.30 pm | Tues 26 Jan 2021 2 pm |
| Tues 16 Mar 2021 6.30 pm | Tues 23 March 2021 2 pm |
| Tues 1 June 2021 6.30 pm | Tues 8 June 2021 2 pm |

Meetings of the scrutiny panel to be held in Oxford Town Hall unless otherwise stated.

Councillors' duties on declaring interests

General duty

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?

Disclosable pecuniary interests relate to your* employment; sponsorship (ie payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the council's area; licences for land in the council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's register of interests which is publicly available on the council's website.

Declaring an interest

Where any matter disclosed in your register of interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest. If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Member's Code of Conduct and public perception

Even if you do not have a disclosable pecuniary interest in a matter, the Councillors' Code of Conduct says that a member "must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself" and that "you must not place yourself in situations where your honesty and integrity may be questioned". What this means is that the matter of interests must be viewed within the context of the code as a whole and regard should continue to be paid to the perception of the public.

*Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those of the member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

Minutes

OF A MEETING OF THE

OXFORDSHIRE

G R O W T H B O A R D

Oxfordshire Growth Board Scrutiny

Panel

HELD ON THURSDAY 23 JANUARY 2020 AT 6.30 PM

OLD LIBRARY, OXFORD TOWN HALL, ST ALDATES, OXFORD, OX1 1BX

Present:

Councillors Andrew Gant (Chair), Matthew Barber, Andy Cooke, Julian Cooper, Derek Cotterill, Hayleigh Gascoigne, Sarah Gray, Damian Haywood, John Howson, Jo Robb, Anne-Marie Simpson, John Tanner, Dick Wolff and Sean Woodcock

Officers contributing to and supporting the Panel:

| | |
|-----------------|--|
| Amit Alva | Project and Scrutiny Officer – Oxfordshire Growth Board |
| Craig Bower | Digital Infrastructure Programme Director – Oxfordshire County Council |
| Anita Bradley | Monitoring Officer – Oxford City Council |
| John Disley | Infrastructure Strategy and Policy Manager at Oxfordshire County Council |
| Caroline Green | Assistant Chief Executive – Oxford City Council |
| Susan Harbour | Strategic Partnership Manager – South and Vale District Councils |
| Bev Hindle | Growth Board Director – Oxfordshire Growth Board |
| Giles Hughes | Chief Executive – West Oxfordshire District Council |
| Kevin Jacob | Democratic Services Officer – Oxfordshire Growth Board |
| Stefan Robinson | Growth Board Manager – Oxfordshire Growth Board |

Other councillors:

Councillor James Mills, (Leader of West Oxfordshire District Council and member of the Oxfordshire Growth Board).

24 Apologies for absence and substitutes; declarations of interest; Chair's announcements

Apologies for absence were submitted from:

Councillor Nick Carter, Oxfordshire County Council

Councillor Peter Dragonetti, South Oxfordshire District Council, (substitute by Councillor Jo Robb)

Craig Simmons, Oxford City Council, (substituted by Councillor Dick Wolff)

Councillor Ted Fenton, West Oxfordshire District Council

Councillor Richard Webber, Oxfordshire County Council (substituted by Councillor John Howson)
Councillor Lucinda Wing, Cherwell District Council

Declarations of Interest

There were no declarations of interest.

Chair's Announcements

With the Panel's permission, the Chair stated that he intended to change the order of the Agenda to consider item 5 Update from Councillor James Mills, Chair of the Oxfordshire Plan 2050 sub-group and item 6.a Oxfordshire Plan 2050 sub-group update prior to Item 3: Public Participation.

25 Minutes of previous meeting

The minutes of the meeting held on 19 September 2020 were approved as a correct record.

Matters arising from the minutes:

Members commented that although 'Affordable Housing' was a commonly used term each of the Oxfordshire District Councils had their own individual definitions and there was local variation. It was agreed that further information should be circulated to the Panel.

26 Public participation

The Panel heard two questions from members of the public.

1. Sue Haywood on behalf of Need not Greed Oxfordshire had submitted a written question which referred to the notes of the Oxfordshire Plan 2050 Sub-Group held on 14 November 2019 relating to a presentation the Sub-Group had received in respect of influencers on the Oxfordshire Plan 2050. The notes acknowledged the influence of several regional and national strategies on the spatial scenarios and scale of growth within which the Oxfordshire Plan 2050 would subsequently have to work within. Two observations were highlighted.

Firstly, concern how, and with what specification, the brief for testing different spatial and scale of growth scenarios was being developed as it was probable some 'influencers' could predetermine and constrain the options available. The Scrutiny Panel had previously requested greater information and transparency and was now urged to ask the Growth Board for the opportunity to comment on the brief for testing given the long-term significance on Oxfordshire's councils of the outcomes.

Secondly, she said that given the overwhelming vote by the Panel in favour an earlier recommendation that Highways England attend the November 2019 Growth Board the Panel was asked to revisit the recommendation again and press for a plan of how and when the Growth Board might have a collective position on the issue of the Expressway.

In discussion, members of the Panel commented that it was in everyone's interest for HM Government to clarify the future of the Expressway as soon as possible and that the Growth Board should continue to seek the attendance of Highways England at a Growth Board meeting. The concerns expressed within the question regarding transparency of

growth scenario briefings for the Oxfordshire Plan 2050 and risk of those influencers impacting on the preparation of the Plan was also acknowledged by the Panel.

The Chair commented that he would communicate these comments to the Growth Board as part of his report to them.

2. Peter Collins on behalf of the Campaign for Protection of Rural England, (CPRE) Oxfordshire had submitted a written question which referred to the review of the Growth Board and in general supported the direction of travel, particularly as set out in the new Common Purpose. CPRE agreed that at least some of the problems of the Growth Board, in their view, were connected to issues around communication and that improvements would be welcomed and drew attention to the publication of the review report 24 hours before the deadline to register questions for the Scrutiny Panel. CPRE disagreed that ‘almost all criticisms that were received of the Growth Board could be traced back to a cause of ineffective communications’ and felt that this had been an insult those who had been trying to engage with, influence and challenge the Growth Board’s activities and lets Growth Board members off the hook in terms of any thorough assessment of its strengths and weaknesses.

Mr Collins expressed the view that the Growth Board had been instrumental in allocating the quantities of unmet need between the local authorities and choosing sites to build it on (although leaving the formal decision to the individual councils). In addition, he said the recent interference by the Secretary of State in the South Oxfordshire Local Plan process had raised significant questions about the claimed sovereignty of local authorities.

The Panel was asked a) whether it supported the intervention of the Secretary of State in the South Oxfordshire Local Plan and, if not, how it felt the Growth Board should respond and b); if it agreed that CPRE, considered in an earlier Scrutiny meeting as a key non-statutory consultee, should be involved far earlier in Growth Board discussions, such as how the Board should deal with the matter of strategic growth and unmet need across the County.

In response, the Chair commented that his understanding was that the Panel continued to support the involvement of CPRE in Growth Board discussions around matters of strategic growth and unmet need across the county as much as possible. This was supported by the Panel.

The meeting was advised that it was not within the role or remit of the Scrutiny Panel to take a collective view on matters related to an individual local planning authority’s Local Plan.

A discussion took place, with a range of views expressed on whether the Panel should take a view on the issue. Concern was expressed during the discussion that the Panel was entitled to give a view unless explicitly prohibited by specific legislation or case law whereas the view was also expressed that whilst nothing constrained the ability of individual Councillors to comment, expressing a collective view as Panel would not be helpful. It was agreed that a copy of the officer advice should be circulated to the Panel.

27 Growth Board response to Scrutiny Panel Recommendations 19 September 2019

The Panel noted the Growth Board's response to recommendations from the meeting on 19 September 2019 as set out in the Agenda. In presenting the report the Chair highlighted several of the Growth Board's responses and invited comment:

- Second paragraph of the response relating to Recommendation 1. The Chair queried whether the Panel agreed with the response that the raising of green construction standards was limited by national building and industry constraints.
- Response to Recommendation 2. The Chair referred to part of the Growth Board's response that members of the Growth Board expressed their preference for the progression of rail, cycle, pedestrian and public transport options over car journeys. He suggested that a timetable was required to demonstrate the direction of travel from car journeys.
- Response to Recommendation 3, third paragraph, the need for clarity on the route of the Oxfordshire to Cambridge Expressway.
- Response to Recommendation 6. The Chair commented that whilst the Panel had expressed the firm view that the Oxfordshire to Cambridge Expressway would be in contradiction to the environmental ambitions of local authorities and that this should be communicated to the media, the Growth Board had declined and instead recognised that the Government's plans for an expressway were *'likely to present challenges for meeting local environmental ambitions'*. The Chair stated that this was a dilution of the Panel's recommendation and it was agreed that that he should highlight this in his report to the Growth Board.

In further discussion, members referred to local examples of 'climate positive' housing developments within the Vale of Whitehorse District Council area which had the potential to sequester carbon. It was also felt that HM Government should be encouraged to apply high environmental standards to all publicly funded buildings, not only housing, if its climate ambitions were to be realised.

A general point was also made that it was felt that several responses to the Panel's recommendations had included an unnecessary level of detail and that this should be relayed to the Board.

28 Update from Councillor James Mills, Chair of the Oxfordshire Plan 2050 Advisory Sub-Group

The Chair welcomed Councillor James Mills, Chair of the Oxfordshire Plan 2050 Advisory Sub-Group and member of the Oxfordshire Growth Board, to the meeting. Councillor Mills highlighted several points to the Panel by way of introduction as follows:

- There had been continued focus by the Oxfordshire Plan Team on engagement with stakeholders and organisations covered by the statutory duty to cooperate. This had included informal workshops which had taken place or were planned with:
 - Voice of Oxfordshire Youth, (VOXY)
 - Residents panels, (including gathering views of the public's views and aspirations for the future).
 - Professional networking groups representing ethnic minorities.

- Further engagement was planned in respect of the next formal stage of consultation including the development briefs designed to be think pieces and thought provoking around the options available. The themes covered would include how the residents of the county might live and work in the future and critique was invited.
- Meetings with duty to cooperate bodies were being scheduled including neighbouring local authorities to address and consider strategic and cross boundary issues.
- Commission and testing of technical pieces of work connected to the Oxfordshire Plan 2050 evidence base. This included establishment of cross authority and stakeholder steering groups and the drawing together of gathered evidence including consultation responses to identify and test Plan options and policies. Issues around health and natural capital would be included.
- The Oxfordshire Plan 2050 team remained mindful of the opportunity to learn lessons from other joint spatial plans.
- Production of the Oxfordshire Plan would require a significant level of technical work to inform the evidence base which in turn would start to influence and shape the policy options of the Plan and be used to test the various options. This would add to the evidence already available through the existing district council local plans although in many cases this would need to be supplemented by additional work across the county to ensure the period up to 2050 was covered.
- Work to develop various appraisals including transport was out to tender.
- Next steps included the launch of the formal Regulation 18 Part 2 consultation in the summer of 2020. This required the consideration and agreement of a consultation document by each constituent council.

In discussion, the Panel explored how the revised timetable to produce the Oxfordshire Plan 2050 related to the timetable for the proposed Oxfordshire to Cambridge Expressway as this would have a material impact on choices for the locations of growth within the Oxfordshire Plan 2050, and decision around how that growth could be supported by infrastructure. Councillor Mills indicated that the revised timetable had been informed by the issue of the future of the Expressway. It had been expected initially that a report on the technical route was to be published by Highways England at the end of last year, but this had been delayed by the General Election. No further updates had been provided, but the point would continue to be stressed to HM Government that this information was essential.

With reference to the engagement of young people in the Oxfordshire Plan 2050, the Panel queried what types of questions would have been put to the young people. Councillors Mills responded that he was not able to give the detail, but that the questions would have been appropriate and tailored to the age of the young people concerned, ranging from primary school to university ages. A report from VOXY had been commissioned, but the output had yet to be considered by the Oxfordshire Plan 2050 Sub-Group. Councillor Mills indicated that when the output had been considered by the Sub-Group the Panel could also be circulated a copy for information.

Reference was made to the notes of the Oxfordshire Plan 2050 held on 14 November 2019 and that there could be opportunities in the future to align the time period of the district council Local Plans. Councillor Mills indicated that the possibility of future local plan alignment was being explored and discussed, but it had not been agreed. There could be a range of opportunities arising from alignment including the strengthening of the evidence base. After further discussion, the Panel supported making a recommendation to the Growth Board supportive of local plan alignment.

In response to a question, Councillor Mills indicated that ideas and concepts around natural capital were being looked at in terms of how these might influence and be incorporated into the Oxfordshire Plan 2050, considering adoption of Climate Change Emergency motions by authorities in Oxfordshire. The sub-group had received a presentation from Professor Alison Smith of Oxford University on the issue.

Reference was made to the listing in the sub-group's note of 14 November 2019 to 'good economic growth' as being one of the guiding principles of the Oxfordshire Plan 2050 and the Panel queried whether growth in the future differed from growth that had taken place previously. Councillor Mills indicated he accepted that there were many different interpretations around the term 'good economic growth', but that in his view the term included concepts of growth that would be inclusive of local communities and which reflected environmental considerations.

Giles Hughes, Chief Executive of West Oxfordshire District Council, informed the Panel that it was important to note that work around growth scenarios as part of the Oxfordshire Plan 2050 would use a different approach from the previous Strategic Housing Market Assessment (SHMA). A single growth scenario had been developed under the SHMA, whereas a range of different growth scenarios would be developed as part of the Oxfordshire Plan 2050.

RESOLVED:

1. That the Scrutiny Panel supports the principle of aligning the Local Plans timelines after the current round, i.e. from the mid-2030s with the revised Oxon plan 2050 timelines and recommends that the Growth Board take steps to ensure this dialogue is instigated with the local planning authorities.
2. The Scrutiny Panel recommends that the Growth Board urgently seeks clarity on the Government's plan on the Ox-Cam expressway by inviting Highways England for an update at the Growth Board meeting on 11th March 2020.

29 Oxfordshire Growth Board papers 28 January 2020

a Oxfordshire Plan 2050 Sub-Group update

The Panel acknowledged the notes of the meetings of the Oxfordshire Plan 2050 Advisory Sub-Group held on 17 October 2019 and 14 November 2019 but did not discuss them further as they had been referred to as part of the earlier update from Councillor Mills.

b Oxfordshire Local Plans Update

The Panel noted a report to the Growth Board which set out current progress towards Local Plans adoption across the county.

c Growth Board Review

The Panel considered a report to the Growth Board presented by Bev Hindle, Growth Board Director and Stefan Robinson, Growth Board Manager which set out the results of the review undertaken as part of the Growth Board's role and functions, together with initial findings and recommendations for the Board's consideration.

The following points were highlighted to the Panel:

- There had been around 250 responses to the public consultation – in addition to engagement workshops with the public and councillors. The appendix to the report provided a flavour of the responses received (these had been linked back to the report and its proposals).
- The review had related to the Growth Board, not the Oxfordshire Housing and Growth Deal.
- As part of the review, detailed and in-depth discussions had taken place which indicated that whilst there were concerns around areas that the Growth Board could change or things it could do better, a clear output was that it was important not to lose sight of the opportunities for Oxfordshire's councils and their partners working together collaboratively.
- A two-phased approach was recommended, with the initial changes (including revised Terms of Reference for the Board) being brought back to the Growth Board by June 2020. Longer-term changes relating to wider engagement would be reported back to the Growth Board in the Autumn.

The Chair thanked Bev Hindle and Stefan Robinson for a carefully considered and well written report. In its discussion about the issues raised the Panel commented:

- That the Scrutiny Panel has been established for a relatively short period of time and was generally felt to be working well.
- A range of views were expressed, but on balance it was felt that the current membership of three members per authority was appropriate given lower attendance levels and the importance of maintaining broad geographical and politically balanced representation across the county.
- It should not be mandatory that a council's nominated members include a Chair of one their Overview and Scrutiny committees. The Panel was not averse to council's making their own decision to appoint their respective Scrutiny Chairs to the panel and acknowledged the benefits this could bring in terms of connectivity between the Growth Board Scrutiny Panel and individual council scrutiny committees.
- A renewed focus of scrutiny of the Oxfordshire Housing and Growth Deal as well as the opportunity to undertake more in-depth overview and scrutiny reviews was welcomed.
- Several members of the Panel commented that the report should go further with regards to zero carbon development. The Panel welcomed the restatement of the Growth Board purpose set out in paragraph 28 of the report.
- The Panel welcomed the areas for further development set out from paragraph 42 of the report onwards, particularly ideas aimed at greater involvement by partners and the public in joint planning for Oxfordshire and the idea of a public Oxfordshire-wide forum. However, it was important for any proposals or recommendations arising from joint planning events to be clear and transparent to the public.
- That consideration should be given to holding meetings outside of Oxford and across the county where possible.

After further discussion it was:

RESOLVED:

1. That the Scrutiny Panel supports the Growth Board Review's statement of common purpose (pg. 140 para 28 of Growth Board papers Supplementary Agenda). However, the Panel asks that the Growth Board revise part b of para 28 to read the following:
"Support the development of local planning policy that meets the UK Government's

stated aim of net zero carbon by 2050, and contributes towards biodiversity gain whilst embracing the changes needed for a low carbon world.” The Panel also ask that the Greencore Site Developments at Springfield Meadows - Southmoor and The Acre - Cumnor Hill are used as case studies to progress this ambition.

2. That the Scrutiny Panel recommends that the Growth Board:

- a. does not reduce the overall membership of the Scrutiny Panel
- b. does not make provision for a mandatory seat for Local Scrutiny Chairs on the Scrutiny Panel. The Panel is not averse to the idea, but this decision should lie with local authorities to decide their representation.
- c. make the provision for the Scrutiny Panel to focus in greater detail on the Housing and Growth Deal.
- d. support as a longer-term development opportunity the establishment of Scrutiny Panel Task & finish groups to undertake more detailed review of specific issues by communicating this to the Growth Deal teams for producing key reports.

d Digital Infrastructure Strategy

The Scrutiny Panel considered a report to the Growth Board on the Oxfordshire Digital Infrastructure Strategy. Craig Bower, Digital Infrastructure Programme Director, presented the report. The following points were highlighted:

- The Digital Infrastructure Strategy supported the wider objective of balancing growth and the environment by improving digital infrastructure, for example facilitating work from home reducing work related journeys etc.
- As a result of the public funds invested through the Better Broadband Programme, levels of broadband coverage in the county had increased to around 97% - around 70% of households are connected.
- The next step was to facilitate the provision of improved digital infrastructure – including both full fibre and 5G connectivity. This would help meet future demand and ensure that the network was not overwhelmed.
- In discussions and negotiations with partners, such as HM Government and digital infrastructure providers, it was important for local councils to show alignment of approach, including on planning matters whilst preserving local decision making.
- The challenge of increasing digital connectivity was not restricted to rural areas. The City of Oxford, for instance, had less than 1% full fibre connectivity and to improve upon this would have its challenges e.g. unavoidable disruption.
- Improved digital connectivity was a broad ambition across the Oxfordshire to Cambridgeshire Arc.

The Panel welcomed and acknowledged the potential of greater digital connectivity in reducing work related journeys, although the potential implications on electricity demand was also noted.

The Panel noted that some public concern existed in respect of the impact on health from the roll out of 5G connectivity and that whilst noting officers advice that there was no officially recognised evidence to suggest any ill effects it was important that the public was engaged with and any concerns recognised and responded to.

The potential referenced in the strategy for improved digital connectivity to led to significant opportunities through the 'internet of things', particularly in respect of the health sector was welcomed. However, it was felt that more focus should also be given in the future to the educational opportunities arising from greater digital connectivity.

Finally, it was felt that the Growth Board should consider formulating a strategic plan to progress the Digital Infrastructure Strategy.

RESOLVED: That the Growth Board consider formulating a strategic plan on how to progress the Digital Infrastructure Strategy.

e Oxfordshire Rail Corridor Study

The Panel considered a report to the Growth Board setting out the findings of the first stage of the Oxfordshire Rail Corridor Study and laying out the proposed approach for the next stage of the work programme. In addition, it also provided a summary of the outcomes of a specific examination of the potential to reopen the Cowley branch line for passenger services. John Disley, Infrastructure Strategy and Policy Manager at Oxfordshire County Council presented the report.

The Panel discussed and asked questions on the report, and noted points and raised matters summarised below:

- The Panel's attention was drawn to some minor typographic errors in the study's Executive Summary and Annex 3. They were informed that these would be brought to the Growth Board's attention and would be corrected in the online papers after the Growth Board meeting.
- The main findings of the Study were that a significant uplift in rail capacity and connectivity in Oxfordshire was required along with a new Train Service Specification.
- Taking account of the specific schemes and significant investment required, rail could have a critical role in supporting planned growth and employment opportunities across Oxfordshire.
- The report was welcomed by the Panel. However, concern was expressed by a number of members who felt that the study did not adequately address issues around the impact of Network Rail's priorities and interests, that the study did not appear to take account of Hadden and Thame station, the North Cotswold line or the London to Marylebone line or the impact of electrification.
- It was acknowledged that no decision had been taken by HM Government in respect of electrification, but if the situation was to change this would affect the dynamics of the next stage.

The Panel **noted** the report.

At 21:05 it was noted that the meeting had become inquorate. No formal resolutions were made by the Panel after this time.

f Oxfordshire Housing and Growth Deal Progress Report Q2

Members present noted but did not discuss a report to the Growth Board which set out an update on progress at Quarter 2 (2019/2020) with the Oxfordshire Housing and Growth Deal. The report reflected the position as of 31 September 2019 and Quarter 3 data would be presented in March 2020.

The Chair commented that the report indicated that rate of spend relating to the deal was outside of estimates and suggested that this an issue that should be revisited by the Panel in the future.

g Oxfordshire Housing and Growth Deal Grant Funding Streams Interim Financial Summary Report - Period Q2 2019/20

Members present noted but did not discuss a report to the Growth Board which set out an update on the interim financial position of the Oxfordshire Housing and Growth Deal Grant Funding Streams the Infrastructure Programme, Affordable Housing Programme and Growth Deal Capacity Fund for the period 2017/2018 to Quarter 2 2019/2020.

h Infrastructure Sub-Group update

This item was not discussed.

i Housing Advisory Sub-Group update

This item was not discussed.

30 Work Programme for the Scrutiny Panel and Action Log - January 2020

The work programme of the Panel was considered as set out in the Agenda. Amit Alva, Growth Board Scrutiny Officer gave an update on previous requests for information made by the Panel, commenting that one remained outstanding.

Members were encouraged to make suggestions as to the future Panel agenda items.

31 Dates of meetings

The Panel noted the dates of meeting as follows:

4 March 2020 (*rescheduled*)
28 May 2020
15 September 2020
19 January 2021
16 March 2021
1 June 2021

All meetings at 18:30 to be held at Oxford Town Hall.

The meeting closed at 9.12 pm

Growth Board response to recommendations of the Growth Board Scrutiny Panel made on 23 January 2020

The Growth Board is requested to provide a draft response to the recommendations of the Scrutiny Panel for decision at its meeting on 28 January 2020.

| Recommendation | Agree? | Comment |
|--|---------------|--|
| Recommendation 1: The Scrutiny Panel supports the principle of aligning the Local Plans timelines after the current round, i.e. from the mid-2030s with the revised Oxon plan 2050 timelines and recommends that the Growth Board take steps to ensure this dialogue is instigated with the local planning authorities. | Yes | The Oxfordshire Plan 2050 will build on the foundations set by the current and emerging local plans which will cover the period to 2031, 2034 or 2036. As recommended by the Scrutiny Panel, and by the Advisory Sub-group, there could be opportunities in aligning the time period of the district local plans, though this would be a decision for each local authority to make. The Growth Board will ask its Executive Officer Group to discuss this at its next meeting and report back. |
| Recommendation 2: That the Growth Board urgently seek clarity on the Government's plan on the Ox-Cam expressway by inviting Highways England for an update at the Growth Board meeting on 11 th March 2020. | Yes | The Growth Board resolved at its meeting on 28 January to write to the Secretary of State for Transport to request an update on the Government's proposals for the Expressway. Highways England has given as much information as they can at this stage, operating under the direction of the Secretary of State. |
| Recommendation 3: The Scrutiny Panel supports the Growth Board Review's statement of common purpose (pg. 140 para 28 of Growth Board papers Supplementary Agenda). However, the Panel asks that the Growth Board revise part b of para 28 to read the following: " <i>Support the development of local planning policy that meets the UK Government's stated aim of net zero carbon by</i> | Noted | The Growth Board notes the Scrutiny Panel's support for the draft common purpose provided by officers in their report. The Board will ask officers to factor this into any revised draft Terms of Reference that are developed as a result of the review. A decision on this issue would be best considered when the draft Terms of Reference come to the Board for endorsement in June 2020. |

| | | |
|--|---|---|
| <p>2050, and contributes towards biodiversity gain whilst embracing the changes needed for a low carbon world.” The Panel also ask that the Greencore Site Developments at Springfield Meadows - Southmoor and The Acre - Cumnor Hill are used as case studies to progress this ambition.</p> | | |
| <p>Recommendation 4: Growth Board Review:</p> <ul style="list-style-type: none"> i) That the Growth Board does not reduce the overall membership of the Scrutiny Panel. ii) That the Growth Board does not make provision for a mandatory seat for Local Scrutiny Chairs on the Scrutiny Panel. The Panel is not averse to the idea, but this decision should lie with local authorities to decide their representation. iii) That the Growth Board make the provision for the Scrutiny Panel to focus in greater detail to scrutinise the Housing and Growth Deal. iv) That the Growth Board support as a longer-term development opportunity the establishment of Scrutiny Panel Task & finish groups to undertake more detailed review of specific issues by communicating this to the Growth Deal teams for producing key reports. | <p>Noted</p> <p>Noted</p> <p>Yes</p> <p>Yes</p> | <ul style="list-style-type: none"> i) ii) The Growth Board notes the Scrutiny Panel’s recommendations to maintain the current scrutiny arrangement and membership. These recommendations will be the subject of further discussion, with a decision to be taken when the Board endorses a new set of Terms of Reference. iii) The Scrutiny Panel has an existing remit to check and challenge the Housing and Growth Deal, and the Panel will continue to be supported by the Board in carrying out this important work. iv) The Board welcomes the suggestion of the Panel undertaking specific Task and Finish style reviews but asks that each topic is considered on a case by case basis, taking account of officer advice in the selection of topics and the time and resource capacity of officers. |

| | | |
|--|----------------|--|
| <p>Recommendation 5: That the Growth Board consider formulating a strategic plan on how to progress the Digital Infrastructure Strategy.</p> | <p>In Part</p> | <p>The Growth Board welcomes this report and the Scrutiny Panel's recommendation and recognises the importance of advancing Oxfordshire's digital connectivity. The decision to adopt this and enter the memorandum of understanding will come from individual councils, but the Growth Board supports the direction of travel presented in the report and the need for further strategic planning to take place in this area.</p> <p>Where the Project Director or constituent councils wish to make use of the Growth Board as a strategic coordination function to support strategic planning concerning digital infrastructure, this would be welcome. The Board will also use its communication channels to draw attention to this important work among local district councils and Central Government.</p> |
|--|----------------|--|

To: Oxfordshire Growth Board

Title of Report: Zero Carbon Housing

Date: 11 March 2020

Report of: Growth Board Executive Officer Group

Status: Public

Executive Summary and Purpose:

Decarbonisation of housing will be essential to achieving the UK's target of net zero carbon emissions by 2050. Whilst the Oxfordshire Energy Strategy, endorsed by the Growth Board, acknowledges the wider challenge of retrofitting existing homes, ensuring that new homes are built to zero carbon as quickly as possible will assist in achieving this goal and avoiding costs and disruption of retrofitting homes in future. The Growth Board's Housing Advisory Sub Group has considered emerging best practice and the challenges local authorities face in promoting and encouraging net-zero carbon development.

This paper provides a summary of those areas of consideration and proposes draft recommendations as to how the Growth Board could support this agenda. It is intended that the recommendations emerging from this report should be refined with input from the Growth Board Scrutiny Panel and following discussion at the Growth Board.

Recommendations:

That the Growth Board consider the report and the draft recommendations set out in section 5 of this report, summarised below:

That Growth Board partners:

- a) Make the case to Government for clear and ambitious national standards that set a long term trajectory for minimum standards to 2050 accompanied by investment and incentives for local authorities and developers to move more quickly to higher standards.
- b) Champion the exchange of good practice and guidance on sustainable and zero-carbon construction, to promote uptake and set local expectations
- c) Explore opportunities to scale up low carbon technologies through Modern Methods of Construction (MMC) and work with Homes England and developers to develop a pipeline of sites for MMC.
- d) Include higher design standards as an objective of the Oxfordshire Plan 2050 as the earliest opportunity to achieve weight in the planning system and consider what can be done in advance of the Plan to set higher expectations of standards (for example through shared evidence base for local plans and guidance).
- e) Make the case to Government for sustained incentives, investment guidance and support for local retrofit programmes for existing homes

- f) Support public facing campaigns that raise awareness of what households can do to reduce energy consumption in their own homes, the benefits of energy efficient homes and lifestyle adaptations to make them most effective.

Introduction

1. In June 2019, the UK government committed to a target of achieving net zero carbon emissions across all sectors of the economy by 2050. This is a significant increase on the previous commitment of 80% reduction in carbon emissions and given that the Committee on Climate Change (CCC) currently predicts that the UK will not achieve current carbon reduction targets, will require significant national policy intervention. The CCC identified that the legally binding commitments will not be achieved without the near-complete elimination of greenhouse gas emissions from UK buildings. The CCC identified that progress made on buildings remains insufficient even to meet the previous target for an 80% reduction in emissions relative to 1990 levels and concluded that meeting the net-zero ambitions, will require bold and decisive action and clear leadership from government.
2. Oxfordshire authorities have all declared a Climate Emergency and in response are developing plans for how they will achieve a target of net-zero carbon. This sits alongside the Oxfordshire Energy Strategy, endorsed by the Growth Board, which sets an ambition to achieve net zero by 2050 or sooner. Given that domestic emissions accounts for 24% of carbon emissions in Oxfordshire, improving energy efficiency and de-carbonising homes – both new and existing - is critical in meeting this challenge.
3. Approximately 80% of the housing that will exist in Oxfordshire in 2031 (according to Local Plans) has already been built, so addressing carbon emissions from existing stock is arguably the bigger challenge. The Oxfordshire Energy Strategy identifies that about 4,000 current homes per annum would need to be retrofitted to help us meet our 2050 ambitions and the need to build a clear routemap to achieve this. This will require significant intervention and investment from government to enable large scale local retrofit programmes. But there are also plans for significant housing development across Oxfordshire and a strong case for ensuring that this housing is built to high energy efficiency standards and achieves net-zero carbon as quickly as possible.
4. The definition of a net-zero carbon home generally refers to the construction and the ongoing running and maintenance of the home. But it is not just a matter of the carbon performance of the homes themselves. To be genuinely net-zero carbon, new developments need to be supported by transport and green infrastructure that facilitates a reduction in carbon emissions and carbon offset measures. These are important issues that need to be addressed through local plan policies and transport and infrastructure plans and energy strategies. This paper recognises that wider context but does not seek to cover the range of extensive work being undertaken by Oxfordshire authorities and partners in working towards zero-carbon. Rather it is focused

on challenges and opportunities for scaling up development of net-zero carbon homes.

Benefits of Net-Zero Carbon Homes

5. Housing constructed today will still be in use by 2050 and therefore will need to achieve standards to reflect the net-zero carbon ambition either now or through transitional plans. There is currently an additional cost to building homes to net-zero carbon standards, but in the long term, these are offset by lower running costs of energy efficient homes and are considerably lower than the costs of retrofitting properties at a later stage. Costs of retrofit vary considerably depending on condition and type of housing. The CCC report UK Housing Fit for the Future suggests average retrofit costs of about £40,000 per house but a retrofit pilot for Nottingham City Homes reported costs of £80,000 per home.
6. Energy efficient homes also deliver health and quality of life benefits to residents in terms of lower energy bills which can help tackle fuel poverty and lead to reduction in rent arrears and voids. If designed as part of sustainable developments that promote active travel and greenspace they also deliver health benefits to residents.

Challenges to Delivery of Net-Zero Carbon Homes

Policy and Regulation

7. Energy and carbon efficiency requirements are set out in Building Regulations with current standards and last updated in 2013. In 2008 government passed legislation that would have required all new homes to be zero carbon by 2016. However this was dropped in 2015 as a result of concerns about the impact on housing delivery. In general therefore, the housebuilding industry has not yet been required to gear up to deliver to zero carbon standards.
8. There has been a lack of clarity about Local Authorities flexibility to set standards at a higher level than Building Regulations. The Planning and Energy Act 2008 does allow local planning authorities to set and apply policies for higher standards in their local plans. However, in 2015, the then government set out in a Written Ministerial Statement its expectation that local planning authorities should not set energy efficiency standards for new homes higher than the energy requirements of Level 4 of the Code for Sustainable Homes (equivalent to a 19% improvement on the Part L 2013 standard). Section 43 of the Deregulation Act 2015 introduces an amendment to the Planning and Energy Act that restricts local authorities setting energy standards above Building Regulations for new homes, but this amendment has not come into effect.
9. Government confirmed alongside the revised NPPF in 2018 that the flexibility for local authorities to set higher standards exists, however this is subject to testing against deliverability, affordability and viability of the plan as whole. Under the NPPF, local authorities are also required to meet the housing delivery test and given that the industry is not currently geared up to deliver

net-zero carbon at scale, this effectively constrains councils' ability to require net-zero carbon.

10. In response to the recommendations of the CCC, government has recently consulted on the Future Homes Standard. This is the first stage of a two-part consultation proposing revised energy efficiency standards for future homes through changes to the Building Regulations. The first stage of the consultation specifically concerns the interim measures to be applied to new homes between 2020 – 2025; future consultations will consider the requirements of the standard from 2025 both for homes and commercial buildings. Whilst the consultation proposes higher energy efficiency standards for new homes, it does not go as far as requiring zero carbon. In order to prevent the need for future retrofit, the focus of revised standards should be on fabric efficiency (i.e. triple glazing and minimal heat loss from walls, ceilings and roofs) to minimise the energy requirements of dwellings. Instead the Government's preferred option for the interim phase focusses on the use of 'carbon-saving technology' such as photovoltaic (solar) panels.
11. The consultation document also proposes removing councils' ability to set higher standards locally. Whilst there are strong arguments for high national standards which ensure consistency and certainty for the industry and avoid protracted negotiations through the planning process to determine whether locally set standards are viable for individual developments, many authorities are concerned that if national standards are not ambitious enough, the removal of the ability to set local standards will block councils' ability to achieve local carbon reduction commitments.

Industry capacity, skills and expertise

12. In general, the housebuilding industry works to the required minimum standards. As a result most housebuilders are not geared up to build to higher fabric specifications and there are insufficient supply chains, trained installers and product availability to allow them to do so. This is recognised by the CCC, for example in the case of heat pumps: *"it is not feasible to ramp up installation rates of heat pumps straight away to the current level of gas boiler sales (over a million per year) from the current level of 20,000 per year, not only due to the lack of market development but also because there are not enough qualified heat pump installers".¹*
13. The Future Homes Standard consultation paper recognises that there is a need to address these gaps in design and construction skills, supply and installation of new technologies. The document also states that Government is working with industry and suppliers to ensure that they are able to respond to the emerging skills needs of the construction sector, including skills for sustainable construction and for improving energy efficiency. However, more could be done by government; setting out a clear, defined, long term trajectory showing increased minimum standards to 2050 would help to provide market stability by enabling long term investment choices and decisions to be made.

¹ Net Zero – The UK's contribution to stopping global warming, CCC (2019)
<https://www.theccc.org.uk/publication/net-zero-the-uks-contribution-to-stopping-global-warming/>

14. Government support and funding for local initiatives to address supply chain constraints is also needed. A relevant government-funded project which is beginning to address the skills and industry capacity challenge in relation to retrofit is currently underway in Oxfordshire. Led by the Low Carbon Hub, an award-winning Oxford-based social enterprise and Community Interest Company. *Cosy Homes Oxfordshire* is a home retrofit project launched in early 2019 to help make homes across Oxfordshire more energy efficient. Aimed at the 'able to pay' sector, the project is working with low carbon community groups to encourage uptake locally. The project aims to develop a supply chain and 'trusted providers' and is billed as a 'one-stop shop' for home retrofit services and is designed to support the homeowner throughout their project.

Performance and compliance

15. With large development there is frequently a time lag between application for planning or building control and delivery on site. This means that in some cases new homes are built to out of date standards. The Future Homes consultation proposes changes to the transitional arrangements that would result in the latest building standards having a more immediate effect.
16. In addition, the CCC identified that the way new homes are built often falls short of stated design standards. The CCC has identified closing the energy use performance gap as the biggest opportunity to reduce carbon emissions in the short term and estimated that it could save between £70 and £260 in energy per household per year. The Future Homes Standard consultation proposes new technical guidance on build quality and new reporting requirements to address this performance gap.

Finance and funding.

17. The CCC also identified that there are urgent funding gaps which must be addressed. These include securing UK Government funding for low-carbon sources of heating beyond 2021, and better resources for local authorities.

Costs and impact on viability

18. Costs of delivering net zero carbon housing vary across the country depending on the type of site and local construction costs. Initial uplift in costs for developers reduce down as more houses were built and employees upskilled. A Passivhaus Trust report from 2015 suggested that building to Passivhaus standards involved an increase in costs of 15-20% over and above Code for Sustainable Homes 4². A more recent report from Passivhaus Trust in 2019 finds that current best practice is at 9% additional cost³. A recent study commissioned by the County Council to inform the Oxfordshire Cotswold Garden Village evidence base indicates that costs of meeting a true net-zero carbon development are in the range of 7 to 11%. The increase in

² [Passivhaus Capital Cost Research Project](http://www.passivhaustrust.org.uk/UserFiles/File/Technical%20Papers/150128%20PH%20Capital%20Costs.pdf)

<http://www.passivhaustrust.org.uk/UserFiles/File/Technical%20Papers/150128%20PH%20Capital%20Costs.pdf>

³ [Passivhaus Construction Costs](http://passivhaustrust.org.uk/UserFiles/File/research%20papers/Costs/2019.10_Passivhaus%20Costs(1).pdf) (2019)

[http://passivhaustrust.org.uk/UserFiles/File/research%20papers/Costs/2019.10_Passivhaus%20Costs\(1\).pdf](http://passivhaustrust.org.uk/UserFiles/File/research%20papers/Costs/2019.10_Passivhaus%20Costs(1).pdf)

costs to provide enhanced fabric efficiency are relatively low at around 2% above a current standard built home. Use of heat pumps and mechanical ventilation and heat recovery systems add 4% to baseline costs, whilst the addition of solar PV adds up to 5%. It is expected that these costs to come down over time as the market develops and technology matures.

19. Developing to highly energy efficient standards has lower life time costs as additional costs will be offset in the longer term by avoiding the need to retrofit and lower energy bills. However, to date low/zero carbon homes have not been perceived as a customer benefit so have not commanded a premium in the market. Additional construction costs borne by the developer are not recouped through sales and have therefore not provided an incentive to developers to implement higher standards. Similarly for landlords, both private and social, the additional costs are borne by the landlord whilst benefits of lower running costs accrue to the tenants.
20. Additional costs of building to net-zero carbon standards therefore present challenges to local authorities in terms of trade-offs for supply and affordability. This is particularly the case in areas of high housing demand and affordability challenges like Oxfordshire. This tension was recognised by Oxford's Citizens Assembly which fully supported building new homes to zero carbon standards but expressed concern that this should not come at the expense of delivering more affordable homes to meet housing needs.
21. In the longer term, as consumer demand and regulation lead to an increase in the scale of net-zero carbon developments and the industry develops the skills and capacity, costs should reduce over time which should help address these tensions; however it does present a barrier to early adopters.
22. The 'allowable solutions' / 'offset' model that underpins the delivery of net-zero carbon developments attempts to moderate and give certainty to the additional costs of reaching zero. This model allows developers to offset carbon emissions which cannot be cost-effectively dealt with onsite through contribution to a local authority fund to deliver carbon reduction offsite. The challenge for local planning policies is how to allow for this type of approach whilst ensuring that developers are incentivised to prioritise and develop capability for on-site carbon reduction. The Oxfordshire Plan 2050 provides an opportunity to explore a strategic Oxfordshire approach to policies that balance provisions for offset with scaling up onsite carbon reduction.

Liveability

23. Living in Passivhaus or zero carbon homes also requires residents to adapt to a different way of living. They rely on a high degree of air tightness and heat pumps which some residents have found difficult to get used to. Evidence from demonstrator projects have highlighted the importance of education and advice to residents on how to use their new homes in achieving zero carbon performance.

Opportunities and progress

24. Despite these challenges, all of the Oxfordshire authorities are exploring ways and levers available to them to promote and support improved carbon efficiency of new homes, learning from experience to date and opportunities provided by planned housing development to scale up delivery of net-zero carbon homes.

Planning

- Oxford City Council's Draft Local Plan sets a trajectory for requiring all new build housing to be net-zero carbon by 2030, with an immediate requirement for 40% reduction in carbon emissions over and above current building regulation requirements, rising to 50% in 2026. This was tested as part of the Local Plan process to be viable alongside a 50% affordable housing requirement. The Draft Local Plan includes a range of other policies to support the City Council's journey to zero carbon, for example policies to reduce the use of private cars in new developments within reasonable distance of amenities and public transport.
- Cherwell District Council's Adopted Local Plan contains policies for ensuring sustainable development including for climate change adaptation and mitigation, energy hierarchy and allowable solutions, sustainable construction, decentralised and renewable energy.
- The Ecotown policy at NW Bicester, supported by the Supplementary Planning Document encourages all development to incorporate sustainable design and construction technology to achieve zero carbon development (subject to viability). Additionally, a net increase in biodiversity is required across the site.
- Cherwell District Council have also provided the opportunity in its planning policy for testing a plethora of construction techniques, materials and approaches to sustainable living at the Gravel Hill self-build site, just south of Bicester, with ten pioneers featured across *Grand Designs 'The Street'*.
- Vale of White Horse District Council's adopted Local Plan encourages developers to incorporate climate change adaptation and design measures to combat the effect of changing weather patterns in all new development. It includes criteria such as design to reduce solar heat gain, using materials to prevent penetration of heat, such as green roofs, increasing natural ventilation etc. It has a policy on water consumption which is above standard building regulations. The plan also encourages schemes for renewable and low carbon energy generation.
- The Draft South Oxfordshire Local Plan contains policies requiring new development to seek to minimise carbon and energy impacts. The Plan also encourages schemes for renewable and low carbon energy generation.

Working with developers and industry

25. Oxfordshire local authorities are also engaging with developers and working on policies and guidance to encourage private developers, landowners and investors to invest in low and zero carbon homes. For example:
- Building on their experience of Passivhaus development, Cherwell District Council are working on a policy to encourage private developers to follow suit. Cherwell District Council have been the lead delivery partner in the creation of

a countywide member-based business network, Oxfordshire Greentech, to bring collaboration, knowledge transfer and innovation to a range of 'special interest groups', including the built environment, to ensure the Oxfordshire's economy continues to grow, but in a sustainable way. Having launched in February 2019, Oxfordshire Greentech now has 100 members and growing, and provides a key link with industry and local authorities (as well as working closely with OxLEP and the Low Carbon Hub). Its annual conference "Powering the Clean Growth Era" will be held at the Said Business School in Oxford on 18th March 2020.

- West Oxfordshire are working within the Publica partnership (WODC, Cotswold, Forest of Dean) to develop guidance for developers of new homes and refurbishment of existing stock.
- South Oxfordshire and the Vale of White Horse are undertaking a joint design guide for developers which will include encouragement of sustainable construction.
- Oxford City Council is working with developers and the University to work towards higher standards. The University has had their first Passivhaus accredited building at Kellogg College and combined heat and power at Summertown House. The City Council is working with them to embed carbon reduction in their future projects.

26. Oxfordshire partners are exploring opportunities to scale up low carbon technologies through Modern Methods of Construction (MMC) which have the potential to bring down the costs and scale up delivery of highly energy efficient homes. The Oxfordshire Housing and Growth Deal included a specific ambition to promote modular build housing in Oxfordshire. Initial discussions and a field visit has been held with Building Research Establishment (BRE), the national centre of excellence for R&D and knowledge exchange in the built environment to understand what innovation in modular development is being introduced into the market and how it may be applied in Oxfordshire.

27. Homes England has a specific remit to boost modular development, along with other modern methods of construction, in the UK and is investing in partnerships with manufacturers of modular homes such as the £30 million investment they have made to help bring Sekisui House into the UK housing market, in partnership with Urban Splash. Homes England have also been running the Local Authority Accelerated Construction program providing support for Local Authorities to develop using MMC on their land. One of the critical restrictions on developing Modular and other MMC projects is developing a pipeline of opportunities of sufficient scale to justify firms' investment in this technology. Discussions with BRE and Homes England have suggested that initially a pipeline of at least 200 units per year in Oxfordshire would help support the development and expansion of MMC production facilities.

28. OXLEP are also supporting engagement with industry partners and its Clean Growth Sub-Group are planning a series of events in 2020 with Constructing Excellence Oxford and Oxford Brookes University designed to identify and share best practice in innovation in sustainable construction. This is in

addition to a number of construction industry events which have already been hosted in Oxfordshire.

Case studies and demonstrator projects

29. There are examples of Zero Carbon developments in Oxfordshire. Elmsbrook in Bicester will see the development of 360 homes in a net-zero carbon development and has also delivered the Eco Business Centre, built to Passivhaus Plus standard, which is currently Oxfordshire's most sustainable non-domestic building. Graven Hill, just south of Bicester already has several zero carbon properties, across a range of building designs, techniques and materials. Hope Close, Banbury, is a development of 11 certified passive houses commissioned and developed by Cherwell DC for sale as Shared Ownership properties. Oxford City Council's housing company is building 43 affordable homes at Rose Hill incorporating enhanced insulation standards along with a high level of PV and working with the Low Carbon Hub with the aim of developing a virtual local electricity grid for residents using the generated electricity. Sassy Property and GreenCore are building 25 net-zero carbon homes at Springfield meadows, in Southmoor near Abingdon in the Vale of White Horse. Nine of these units will be for affordable rent. GreenCore are interested in other development opportunities in Oxfordshire as are other small developers. Oxfordshire partners have also been engaging with projects elsewhere in the country, including the Gold Smith Street development in Norwich which was awarded the Stirling Prize in 2019 and the Agar Grove development which is part of Camden Council's Community Investment Programme of £1 billion over 15 years.
30. Common lessons from these early adopter projects have highlighted this there are system-wide issues which will need to be addressed in an integrated manner in order to maximise the opportunities to deliver zero carbon solutions. These include:
 - They require **commitment** to net-zero carbon / Passivhaus, recognising additional costs associated with being early adopters. Those authorities who have supported net-zero or near-zero carbon recognise that it not currently possible to replicate at scale given the costs, however more demonstrator projects are needed to demonstrate the benefits and achieve economies of scale.
 - **Subsidy:** The majority of case studies are either directly or indirectly commissioned by local authorities with access to subsidised/council-owned land and supported with significant public subsidy and/or cross subsidy through private sales.
 - **Environmental/Social investment:** For those authorities investing in net-zero carbon development, financial investment is not the only consideration. Other goals include the creation of sustainable communities, tackling fuel poverty, reducing carbon emissions and meeting climate emergency commitments.
 - **Infrastructure investment:** To be genuinely net-zero carbon, new housing developments need to be accompanied by sustainable transport and energy investment. This is particularly a challenge for developments in rural areas which remain largely reliant on private car use.

- **Long-term/whole-life approach:** Developments are considered as long-term investments. Higher spec materials will need replacement less frequently, Goldsmith Street development accentuated external public spaces but designed out internal communal spaces to reduce maintenance costs. Lower tenant turnover/voids are also anticipated.
- **Specialist developers:** Procurement of specialist design consultants, developers and contractors with experience and skills required is challenging, though the number with the appropriate expertise in the market is now increasing.
- **Funding constraints:** Challenges for stock owning local authority developers include continued uncertainty and constraints on funding, such as recent increase in PWLB borrowing rates, restrictions on use of Right to Buy Receipts and competing priorities for investment including upgrading of existing stock and delivering significant numbers of affordable homes to meet housing need.

Direct involvement in Development

31. Oxford City Council's wholly owned housing company, Oxford City Homes Ltd (OCHL) is planning to deliver 2,000 homes over the next ten years with the aim of ensuring high quality new homes in terms of sustainability, thermal and energy efficiency and climate resilience. Whilst embracing the need for all new mixed tenure homes to move towards net-zero carbon as soon as possible, financial viability assessments show a need to balance this with the number of homes built and the level of affordable housing. OCHL is therefore pursuing a fabric first approach for future phases of development (airtightness to walls, roof, floors and windows) to maximise thermal and energy efficiency, limiting energy production requirements within the home, so that PV has maximum effect on reducing overall all electric (no gas) heating bills, and water saving fittings. This approach will aim to maximise carbon reduction before offsetting measures and developments will be future proofed to achieve further carbon reduction as technologies advance. The City Council has committed to bringing forward demonstration net zero or Passivhaus developments through the housing company and will undertake yearly reviews of the Business Plan to advance the approach as quickly as possible.
32. Cherwell's housing company, BUILD! is working to make use of new technology, innovation in construction methods and design to produce low energy homes on all its future developments. The Council's wholly owned company at Graven Hill is a test bed for construction techniques at the largest self-build site in the UK.

Decarbonising energy

33. Given the challenges to delivering all new homes to Passivhaus and zero energy standards and to retrofitting existing stock, decarbonising energy supply will deliver the greatest impact on reducing carbon emissions from buildings, including housing. This is recognised by the CCC who have recommended it as the highest priority for the UK government.
34. There is already a significant amount of activity in Oxford and Oxfordshire in promoting renewable energy. The Oxfordshire Energy Strategy, formally

launched at the Eco Business Centre in Bicester in November 2019, sets a framework to create a decentralised energy system that retains the economic benefits from a low-carbon transition within the county. The strategy includes a focus on supporting clean generation projects across the county, and projects that reduce energy demand and increase energy efficiency for domestic, industrial, commercial buildings and transport.

35. The Energy Strategy Delivery Plan sets out a suite of year one headline projects in promoting renewable energy. It includes two of the four national energy systems demonstrator projects which have secured c£80m of government investment over three years. *Energy Superhub Oxford* (ESO) and *Project LEO* (Local Energy Oxfordshire), will create opportunities for individuals, businesses and local communities to trade the energy they generate, use and store it at a local level. The Oxfordshire authorities are also exploring how to support local additional renewable energy production by Low Carbon Hub by entering a long term purchasing arrangement called a Power Purchase Agreement (PPA).
36. Low Carbon Hub, Cherwell District Council and Oxford City Council are also partners in the OxFutures project, supported by European Regional Development Funds, delivering grants and fully-funded energy efficiency audits for small and medium enterprises (SMEs) in Oxfordshire. The new Energy Services Company (ESCO) will work with local contractors to deliver projects. Finance and insurance backing will make the projects low-risk. The business model, marketing toolkit, financing and insurance backing are provided by EnergyPro, and demonstrate a new '*ESCO-in-a-box*' system that could be used by local delivery partners throughout the country.
37. In addition to these projects within the Energy Strategy, The Low Carbon Hub partnership, itself, has a portfolio of more than 40 energy projects across Oxfordshire including community renewable energy projects in many local schools and businesses as and have helped to leverage £15million investment into local energy projects.

Recommendations

38. Oxfordshire's economic growth and forecast housing delivery with Garden Towns and new settlements at Didcot, Bicester and West Oxfordshire, present an opportunity for Oxfordshire to be a front runner in scaling up delivery of low carbon housing as part of the ambition for sustainable communities. The Local Industrial Strategy (LIS) highlights the opportunity for Oxfordshire as an area of innovation and new technologies to be a pioneer in preparing communities for technological and environmental change and sustainable living under the Living Oxfordshire (living labs) programme of the LIS. The Oxford to Cambridge Arc could offer the potential for Oxfordshire to benefit from investment and policy flexibility and to scale up interventions and new technologies across the wider area.
39. The Growth Board partners can support these opportunities by:
 - a) **Making the case to Government** for clear and ambitious national standards, which set a long term trajectory for minimum standards to 2050 to

provide market stability and enabling long term investment choices and decisions to be made. This should be accompanied by investment and incentives for local authorities and developers to move more quickly to higher standards. The discussions with government on the Oxford to Cambridge Arc could provide an opportunity to pursue this agenda.

- b) **Championing the exchange of good practice and guidance** on sustainable and zero-carbon construction between Oxfordshire authorities and development partners to promote uptake and set local expectations. There are a number of existing forums, for example Construction Excellence delivering learning and promotional events. The Growth Board's Executive Officer Group, working with the LEP's Clean Growth Sub Group to identify and publicise opportunities for showcasing excellence and innovation in sustainable construction.
- c) **Exploring opportunities to scale up low carbon technologies through Modern Methods of Construction (MMC)** which have the potential to bring down the costs and scale up delivery of highly energy efficient homes. This will require a pipeline of projects to create demand for modular build at a scale to deliver cost efficiencies and supply. The Growth Board could propose that Homes England works with local authorities, OxLEP, registered providers and private developers to develop a pipeline of sites for MMC. There is the possibility this could form part of a wider initiative across the whole Arc.
- d) **The Oxfordshire Plan 2050:** Different alternatives for sustainable design and construction of buildings have been tested in the sustainability appraisal for the Oxfordshire Plan 2050. Higher design standards could be an objective of the Oxfordshire Plan 2050 with policies to support the delivery of the energy strategy and reduce carbon emissions. The joint plan is the earliest and therefore fastest opportunity to put new proposals to an inspector and therefore gain maximum weight in the planning system. Consideration could also be given to how higher expectations of standards could be set in advance of the Oxfordshire Plan (for example through using shared evidence base for local plans and guidance).
- e) Making the case to Government for sustained incentives, investment guidance and **support for local retrofit programmes** for existing homes
- f) **Support public facing campaigns** that raise awareness of what individuals can do to reduce energy consumption in their own homes, increasing understanding of the benefits of energy efficient homes and lifestyle adaptations to make them most effective and to increase market demand for higher energy standards.

Financial Implications

- 40. Recommendations will need to be delivered within existing Growth Board or partner resources.

Legal Implications

41. There are no legal implications arising from this report.

| | |
|----------------------|---|
| Report Author: | Caroline Green, Housing Lead, Growth Board Executive Officer Group |
| Contact information: | cgreen@oxford.gov.uk 07483 007 109 |



To: Oxfordshire Growth Board

Title of Report: Quarter 3 Oxfordshire Housing and Growth Deal Progress Report and Financial Summary

Date: 11 March 2020

Report of: Bev Hindle, Growth Board Director

Status: Open

Executive Summary and Purpose:

- I. The purpose of this report is to update the Growth Board on progress at Quarter 3, Year 2 (2019/20) with the Oxfordshire Housing and Growth Deal (the Deal).
- II. The report provides a summary of the following strands of the Deal.
 - Infrastructure programme
 - Affordable Housing programme
 - Oxfordshire Plan 2050.
- III. The fourth strand of the Deal, Productivity is reported through the OXLEP Board under separate arrangements.
- IV. A separate annex detailing the financial position of the Growth Deal as at 31/12/19 is appended to this report.

Recommendation:

That the Growth Board notes the progress at Quarter 3, 2019/20 towards the Housing and Growth Deal and notes the interim financial report at Annex 1.

Appendices:

Annex 1: Oxfordshire Housing and Growth Deal Grant Funding Streams Interim Financial Summary Report: Year 2 Period Q1 - Q3 2019/20

CONTEXT

1. The Oxfordshire Housing and Growth Deal is one of a kind with no direct comparator in the country (either before or since it was agreed) – a short term growth deal pilot. In Year 1 we met all targets set despite needing time to effectively mobilise from day 1.
2. Year 2 was always going to be the most difficult as we would not have the benefit of any existing infrastructure or housing schemes to call on and with the nature of scheme development needing significant time from concept to design to delivery, meeting a flat target of spend and delivery has been a

challenge. Delivery of such programmes is never a straight line and inevitably projects and programmes will slip.

3. We have made substantial improvements to our own governance and approval processes and have worked with delivery partners and stakeholders to ensure we are committing wherever we can to delivery – this is despite very challenging circumstances with the market slowing down and with the competition we face in delivery of affordable housing for example.
4. We have also agreed a varied timeline for delivery of the Oxfordshire Plan 2050. The target was always ambitious, but with the emerging climate change agenda, inclusive growth and the regional picture taking shape in the Oxford to Cambridge Arc (including great uncertainty and potential change of commitment around the expressway), it makes statutory plan-making very difficult – particularly when that plan has a 30-year time horizon. However, this is such an important guide for future delivery, and it needs to be done properly, taking the time needed to ensure it is sound and robust.
5. The following Q3 report identifies some areas where we are not delivering to target. Despite market slow-down, overall housing delivery against target is still strong over time and we have made substantial efforts, such as pooling local Section 106 funding to act as a “Top-Up Fund”, to help deliver more affordable housing units. We are also working to improve our capital spend profile and the Oxfordshire Plan 2050 is running in line with the revised target timetable.

HOMES FROM INFRASTRUCTURE PROGRAMME

6. The Growth Board will recall that the Homes from Infrastructure Programme (Hfi) is a £150m investment in infrastructure to support the acceleration of already planned housing in Oxfordshire over a five-year period from 2018/19 to 2022/23. The infrastructure projects include road, rail, cycle routes and footpaths, as well as social infrastructure such as schools.
7. The Hfi programme has two aspects.
 - Firstly, the commitment to spend £30 million per annum on named infrastructure projects that have been identified as enablers for planned growth in Oxfordshire.
 - Secondly that this expenditure will unlock 6,549 planned homes that might not otherwise have come forward at this pace.

Infrastructure

8. Oxfordshire County Council (OCC) are the lead delivery partner for the infrastructure work strand, which is being delivered through OCC's capital projects governance framework and project lifecycle. Monitoring, reporting and control of project and work-stream level performance is reported monthly to the Growth Deal Programme Board.
9. The Growth Board will recall that in the last update officers advised that maturing spend profiles for the planned infrastructure schemes was leading to

the conclusion that the originally negotiated spend profile of £30 million per annum did not reflect the reality of the programme.

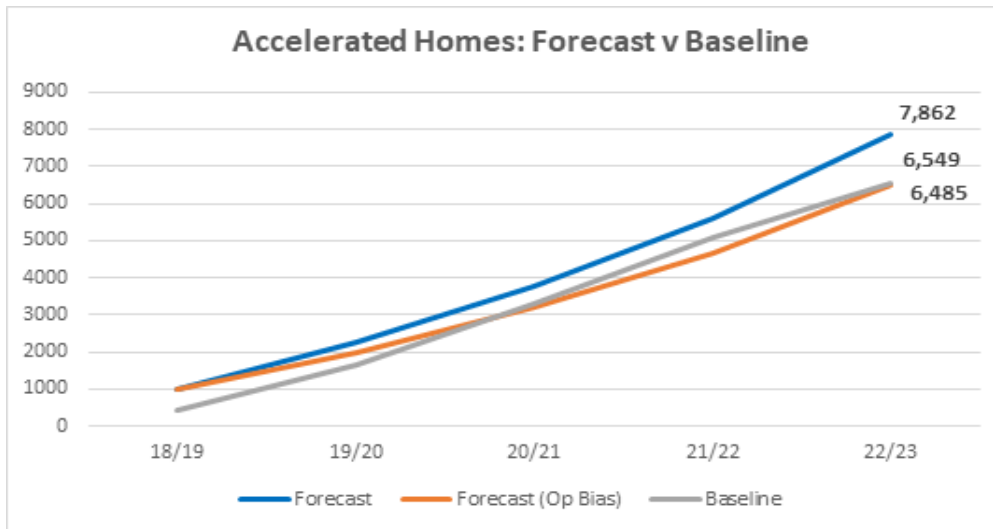
10. Officers reported that they believed that a more realistic profile would see spend much more backloaded, with greater spend at the latter end of the 5-year period when projects reach the construction phases. Years two and three will see the majority of spend associated with planning and design work which is typically only a small percentage of an overall schemes cost.
11. Accordingly, Oxfordshire County Council and the Growth Deal team undertook a comprehensive assurance exercise to review the spend profile of the Infrastructure Programme.
12. A draft proposal has been discussed with Government officers, detailing measures to ensure infrastructure spend commitments are met. Officers will report back on progress once these have been agreed.

Risk Management

13. The following risks have been identified as the key risks to the infrastructure programme:
 - The increased backloading of the infrastructure programme, leading to concerns that some schemes may fall outside of the time-frame of the Deal.
 - Managing the impact of the infrastructure programme upon the Oxfordshire road network.
 - Procurement and market readiness.
 - Potential delays due to the need to acquire land through compulsory purchase.
 - Reliance on third parties (developers / network rail etc) for delivery.
14. Officers have developed risk registers for each infrastructure scheme, including appropriate mitigations that are regularly reported to the Programme Board to ensure that risk is managed.

Delivering Housing from Infrastructure

15. Officers have previously reported that we achieved the year one target of 494 homes, accelerating 978 in that first year.
16. Officers believe that this acceleration was mainly due to the market conditions created by the first stages of the investment in infrastructure, providing developers with confidence in an already buoyant housing market to increase the pace of development.
17. The current predicted trajectory for the full 5 years of the Homes from Infrastructure programme is as follows:



18. The graph shows that, against the trajectory of accelerated homes agreed in the Deal, of 6549 homes, we are predicting to accelerate 7862 homes. Once we factor in the appropriate optimism bias percentage to this expectation, we are expecting to achieve 6485 homes.
19. The Board will note that the trajectory has reduced since we last reported to the Board and is now below the 6549 target, when the full optimism bias is applied
20. The Board will note however that the figure of 6485 is a mid-year estimate of housing completions, subject to the full 20% optimism bias and therefore a cautious estimate of performance. Officers are very confident that when we come to the year end and count actual completions- at which point the optimism bias will not be required- our final year end position will be above target.
21. Notwithstanding the above, the trend of the accelerated trajectory is of a gradual reduction. Initial investigations have identified that this reduction is due to slowing down on several larger strategic sites- in line with an overall slowdown in the housing market -with one large site whose acceleration has not been possible due to delays in the delivery of the necessary infrastructure not now expected to deliver any units in the Deal period.
22. Whilst the delivery of the infrastructure is strongly related to the delivery of the accelerated housing trajectory, it is not the only factor in the delivery of the housing. Each housing site in the Hfl trajectory has individual challenges and dependencies that need to be project managed by the partners, alongside the developers and other stakeholders to ensure that the anticipated delivery trajectory comes to fruition.
23. To secure delivery, officers compile detailed delivery plans for each site that set out the challenges and milestones to delivery that will be required and RAG (Red, Amber, Green) rate the likelihood that the expected trajectory will be achieved. These delivery plans form a database that partners, coordinated by the Growth Deal Team use to performance manage the delivery of housing.

Risk Management

24. The delivery plans contain the following risks, identified as the key to the delivery of homes:

- The pace of infrastructure delivery, particularly that identified as crucial to the acceleration of homes and the consequent impact on the pace of related housing development.
- Reliance on third parties (developers / network rail etc) for delivery of infrastructure.
- The speed of resolution of any planning issues needed to unblock sites.
- Potential impact of external market factors and the health of the economy.
- The stage and pace of development of some of Oxfordshire's Local Plans.

25. Ongoing analysis of the above risks ensure a comprehensive understanding of mitigation activities are planned.

AFFORDABLE HOUSING PROGRAMME (OAHF)

26. The numeric targets for the OAHF agreed in the Housing and Growth Deal, together with the Qtr. 2 and current projected programme is as follows:

| | Year One | Year Two | Year Three | Total |
|--------------------------|----------|----------|------------|-------|
| Agreed targets | 148 | 464 | 710 | 1322 |
| Programme as at 30/6/19 | 191* | 333 | 777 | 1301 |
| Programme as at 31/12/19 | 191* | 192 | 1050 | 1433 |

*achieved

27. The total budget for the Programme agreed in the Housing and Growth Deal is £60million, over three years. The indicative budget drawdown, based upon the current predicted delivery is as follows

| | Year One (£m) | Year Two (£m) | Year Three (£m) | Total (£m) |
|--|---------------|---------------|-----------------|------------|
| Indicative budget (£) | £6.5 | £21.5 | £32 | £60 |
| Current predicted drawdown (£) at 30/9/19 | £6.715* | £13.615 | £32.370 | £52.70 |
| Current predicted drawdown (£) at 31/12/19 | £6.715* | £8.08 | £41.475 | £56.27 |

*achieved

28. The Growth Board will note the changes between Qtr. 2 and Qtr.3 for the OAHP. These changes are a result of a comprehensive audit of the year two programme by each council, at the request of Homes England. This has resulted in the current programme growing to 1433 units, above the target set in the Deal. Consequently, the proposed budget drawdown has also increased to £56.27million against the target allocation of £60million. Partners will now carry out a similar audit for the year three programme for reporting to Homes England at the year end.
29. Within this interim position of an overall improvement to the position of the OAHP, the key issues are;
- The year two programme has reduced materially and now delivers only 41 % of the target set. This is mainly a result of schemes not coming forward at the pace anticipated and being pushed back to year three of the programme.
 - Consequently, the number of units now pushed back to be delivered in year three has increased, meaning that over 70% of the target will be delivered in the final year. This will pose a challenge for officers to bring these schemes to fruition before the OAHP ends on 31/3/21.
30. Officers have previously advised the Growth Board that the largest challenge to the success of the OAHP is the grant rates set for the programme and our contention, based upon market evidence, that the grant rates that Homes England were offering to Registered Providers were significantly higher than those we could offer through the OAHP and consequently we could not compete with.
31. Officers have kept the Growth Board abreast in previous reports of our continuing discussions with Government, with a view to creating a level playing field for the OAHP. To date government has agreed that:
- Partner Registered Providers (RPs) that hold reserves of Recycled Capital Grant Fund (RCGF) can use this alongside OAHP grant.
 - OAHP grant can be used to bring forward schemes comprising leasehold properties, if the lease is of enough length and grant can be reclaimed if it is terminated early.
 - OAHP grant can be used to refurbish redundant care homes and count fully as additional units.
32. These concessions by Government are in large part a response by them to the commitment shown by Oxfordshire councils to the success of the OAHP, witnessed by the establishment in each council of a local Top up Fund to be used as a fund of last resort to augment OAHP Grant and other sources of funding.
33. During the last quarter Oxfordshire partners asked MHCLG to consider the following proposals to assist with the OAHP

- Whether Oxford, as the only stock owning authority in the county, can use its Retained Right to Buy Receipts (RRTB), alongside local top up funds, to deliver affordable housing that we can count towards the OAHF.
 - Whether Oxfordshire, like Homes England will be allowed to count affordable housing units delivered through our planning processes without grant towards the OAHF targets.
 - Whether we will be able to also use these nil grant units in the calculation of our average grant rates, thus reducing the overall average and providing some potential headroom for high grant levels for expensive schemes.
34. MHCLG have recently advised us that unfortunately these flexibilities are not something that they can agree to, offering the following reasons:
- The Government have recently consulted on flexibilities for councils with RRTB receipts and do not wish to prejudge this.
 - MHCLG believe that to allow Oxfordshire to count affordable housing units delivered through the planning process would detract from the central purpose of the OAHF, which is to provide additional affordable housing over and above that secured through planning policy.
35. Officers will continue to engage with Government on innovative ways to maximise the value of the OAHF for Oxfordshire.

Risk Management

36. The key risks to delivery of individual schemes within the OAHF are from delays in planning and tender processes, financial challenges to schemes and funding gaps. These risks are managed at district/city level.
37. In addition to these site-specific risks, there are more general risks identified for the Programme, these are:
- That the OAHF is not currently large enough to withstand the anticipated dropout rate of schemes that typically occurs through the programme, as a result for example of planning delays. Experience to date suggests that up to a third of schemes can be delayed in any one year for a variety of reasons, and the OAHF needs to have the capacity to allow for such drop out and still deliver to target.
 - The risks to the OAHF of a downturn in the economy, slowing housing completion rates and thence the affordable units developed. This risk could however also be an opportunity as it may also provide opportunities to bulk purchase units as affordable housing from developers, keen to offload unsold stock, bolster cash flows and retain tradesman on site.

OXFORDSHIRE PLAN 2050

38. Work in Qtr. 3 has been focussed on several key areas:
- Continuing engagement with stakeholders and in particular Duty to Co-operate bodies-a prescribed list of bodies that there is a statutory duty on the district/city councils to co-operate with in plan making.
 - Broadening the reach of our engagement, targeting those underrepresented in consultation responses to date.
 - Commissioning of technical studies and collation of evidence base.
 - Progressing work with steering and working groups of technical expert officers.
 - Developing spatial scenarios and options for testing.
39. Engagement has continued through Qtr. 3, with additional informal engagement particularly targeted at broadening the reach of the project and range of participants. There have been workshops with young people through Voice of Oxfordshire Youth (VOXY) and with residents' panels. This will continue in the next quarter with plans for a youth competition on 'future thinking', as well as workshops planned with students at both Abingdon and Witney College and City of Oxford College.
40. In addition, there has been a series of meetings with the Duty to Co-operate bodies. Those discussions will continue and develop throughout the project to ensure that any strategic matters and cross boundary issues are identified and addressed through the Plan.
41. The production of the Plan will require a significant level of technical work to form the evidence base. The evidence base will help to shape the policy options for the Plan, be used to test those options, and in due course form the supporting evidence for the consideration of the Plan at examination by an Inspector. Many key evidence studies are already underway with consultants appointed and others are on track to be commissioned in the next quarter.
42. To ensure that the wealth of local knowledge and expertise available within the councils (and partner organisations) is used to its full potential, a series of informal steering groups and working groups have been established to oversee specialist topic workstreams, such as health, transport and natural capital. Each technical commission is being carried out with the involvement of all the authority partners, via one of these steering groups to oversee the commission.
43. Over the next quarter officers will continue refining and then testing a series of spatial options. This will include testing through the Sustainability Appraisal process. A Sustainability Appraisal being a systematic process that must be carried out during the preparation of local plans to promote sustainable development by assessing the extent to which the emerging plan, when judged against reasonable alternatives, will help to achieve relevant environmental, economic and social objectives.
44. This work will build towards the production of the next formal consultation document. The focus of that next consultation document will be the spatial

options for the Plan and the presentation of a tested set of options for public and stakeholder consideration.

Risk Management

45. The following have been identified as the key risks to the production of the Oxfordshire Plan 2050:

- Challenges of being a front-runner, producing a new type of Plan.
- Challenging timeframe for production of the Plan.
- Lack of a clear vision and spatial strategy would impact upon any defence of the Plan and its policies.
- Links with external projects, for example the Expressway.
- Links with and relationship to district Local Plans.

DEAL GOVERNANCE AND FINANCE

46. The focus for programme governance on the Growth Deal programme for the period Q3 2019/20 has been to assess the financial process for the Growth Deal Capacity Fund. This work has identified efficiencies to the reporting of the monthly business intelligence to the Growth Deal Programme Board and the quarterly reporting cycle to the Growth Board. Work to raise the visibility of costs associated with the Growth Deal has also resulted in the reporting of the financial staffing and non-staffing costs of the Growth Board. Costs are now reported monthly within the Growth Deal financial statement.

47. A summary financial report on the Growth Deal funding streams for Year 2, period Q1 – Q3 2019/20 is attached as Annex 1 to this report.

48. A strategic programme risk register is also monitored and controlled. Tactical risks at a programme level are managed by the programme leads.

LEGAL IMPLICATIONS

49. None arising from this report.

OTHER IMPLICATIONS

50. None arising from this report.

CONCLUSION

51. This report outlines progress against the agreed Housing and Growth Deal year two milestones at the end of Q3 2019/20.

52. The focus, both for the core Deal team and for each of the partner authorities in the final quarter of year two needs to be on activity required to complete the delivery of the year two programmes and to develop confidence in the delivery of commitments in future years.

BACKGROUND PAPERS

53. None

| |
|---|
| Report Author: Bev Hindle, Director Oxfordshire Growth Board |
| Contact information: bev.hindle@oxfordshire.gov.uk |

ANNEX 1

Title: Oxfordshire Housing and Growth Deal Grant Funding Streams
Interim Financial Summary Report: Year 2 Period Q1 - Q3 2019/20

Date: 11 March 2020

Executive Summary and Purpose:

The purpose of this report is to update the Growth Board of the interim financial position of the Oxfordshire Housing and Growth Deal grant funding streams for the Infrastructure programme, Affordable Housing programme and the Growth Deal Capacity Fund for the Year 2 period Q1 to Q3 (April - December) 2019/20.

The financial report for the Oxfordshire Housing and Growth Deal grant funding streams, encompassing the period Year 1 – Year 2 (2018/19 - 2019/20), will be presented to the Growth Board in Q1 2020.

It is confirmed that the s151 officer is content that this report is an accurate presentation of spend to end of December for the 2019/20 financial year.

1.0 Introduction

- 1.1 This annex sets out the financial performance of each of the three key financial streams established for the Infrastructure Programme, Affordable Housing Programme and the Growth Deal Capacity Fund for the period Q1 - Q3 2019/20.
- 1.2 The funding for the Oxfordshire Plan programme (JSSP) is an agreed element of the Capacity Fund. A summary of financial performance is detailed in section 3.3 (ref. 3.3.2) Growth Deal Capacity Fund.
- 1.3 It is to be noted that a separate covering report has been submitted to the Growth Board outlining the business performance of the Oxfordshire Housing and Growth Deal programmes.
- 1.4 It is also to be noted that funding for the Productivity Programme is managed by Oxfordshire County Council and the Oxfordshire Local Enterprise Partnership (OxLEP) and financial performance is reported independently to the Growth Board.

2.0 Oxfordshire Housing and Growth Deal Fund Governance

- 2.1 In accordance with the Oxfordshire Housing and Growth Deal Delivery Plan, Oxfordshire County Council is the accountable body for the financial management of

the three key financial streams. Responsibility for the management of each financial stream is held by the programme lead.

- 2.2 A monthly review of financial performance is monitored by the Growth Deal Programme Management Office in collaboration with Oxfordshire County Council's Finance team.
- 2.3 A financial summary statement of the Oxfordshire Housing and Growth Deal funding streams is presented to the Growth Deal Programme Board for review on a monthly basis.
- 2.4 From end Q3 2019/20, the financial summary statement includes the reporting of staffing and administrative non-staffing costs of the Growth Board to ensure visibility of spend.
- 2.5 As set out in the Housing and Growth Deal Delivery document, the Deal Delivery programme will be reviewed every six months. This will be undertaken by representatives from the Growth Deal Programme Board and any recommendations for change will be reported to the Growth Board.

3.0 Financial Summary – for the period Q1 – Q3 (April - December) 2019/20

3.1 Infrastructure Fund

- 3.1.1 The financial performance for Year 2 period Q1 – Q3 2019/20 (April – December 2019), a total spend of £2.243m has been achieved.
- 3.1.2 It is to be noted that the Infrastructure Programme Team are currently reviewing the spend/committed spend position.
- 3.1.3 A separate summary report on the performance of the Infrastructure programme for Q3 2019/20 will be presented to the Growth Board.

3.2 Affordable Housing Fund

- 3.2.1 The Affordable Housing programme is currently forecasting grant to be claimed for Year 2 as £7.580m.
- 3.2.2 The covering report to this annex sets out business performance of the Affordable Housing programme for Q3 2019/20.

3.3 Growth Deal Capacity Fund – for the period Q1 – Q3 (April - December) 2019/20

- 3.3.1 For the period Q1 – Q3 2019 (April – December 2019), a total spend of £0.888m against an original planned spend of £1.812m for 2019/20 is reported.
- 3.3.2 A summary of actual spend to Q3 2019/20 is detailed below:

| | | |
|---------------------------|-------------|---------|
| • Housing Delivery | Total spend | £0.399m |
| • Oxfordshire Plan (JSSP) | Total spend | £0.461m |
| • Feasibility | Total spend | £0.028m |

- 3.3.3 It is to be noted that the spend for Housing Delivery currently includes staffing/non staffing costs for the Oxford to Cambridge Arc programme. An exercise to re-code these costs from the Growth Deal Capacity Fund to a separate cost centre will be undertaken by March 2020.

3.4 Growth Board Costs

- 3.4.1 From December 2019, the Growth Deal financial statement will include the monthly staffing and administrative non-staffing costs related to the Growth Board.
- 3.4.2 For the period Q1 – Q3 2019/20, the actual spend for the Growth Board staffing costs is reported as £0.076m against a forecast spend for 2019/20 of £0.104m. The remaining pot to support administrative non-staffing costs associated with the Board is £0.030m (£30,350). Actual spend for the administrative non-staffing costs for this period is reported as £0.004m.

4.0 Risk Management

- 4.1 The financial performance of the Oxfordshire Housing and Growth Deal Grant funding streams is closely monitored by the Growth Deal Programme Board. This will ensure that forecast spend of the Growth Deal period is accurate, based on the knowledge of the programme plans, and actual spend is reported, based on a monthly review of all transactional activity and balanced to the Oxfordshire County Council financial systems.
- 4.2 Any risk identified to the Oxfordshire Housing and Growth Deal Funding streams will be reported to the Growth Deal Programme Board for review and appropriate mitigation action agreed. Any strategic risk to the overall programme will be reported to the Growth Board.

5.0 Conclusion

- 5.1 This annex outlines progress against the financial performance of the Oxfordshire Housing and Growth Deal funding streams for the period Q1 - Q 3 (April - December) 2019/20.
- 5.2 The covering report asks the Growth Board to note this financial summary of the Oxfordshire Housing and Growth Deal and the achievement against the milestones committed to.

Author: *Tina Hollis, Growth Deal Programme Office Manager
– on behalf of the Growth Deal Programme Board*

Contact information: tina.hollis@oxfordshire.gov.uk



To: Oxfordshire Growth Board

Title of Report: Feedback from the Growth Board and Health & Wellbeing Board Networking Event

Date: 11 March 2020

Report of: Cllr Sue Cooper and Cllr Ian Hudspeth

Status: Open

Summary Briefing

A networking event was held between members of the Growth Board and members of the Health & Wellbeing Board on 5 February 2020. The purpose of this event was to provide an informal opportunity for system leaders to discuss areas of common interest and to consider how they might work together to address such issues.

At the event, partners from across Oxfordshire agreed that significant benefits for local people can be achieved through bringing together planning for housing, infrastructure and the economy with planning for residents' health and wellbeing. Members agreed that they shared the aspiration to create healthy communities and there was considerable discussion as to the factors that enable and act as obstacles to delivering this ambition.

At the close of the event, it was agreed that there was benefit in members of the two Boards continuing to work together and that future discussions should focus on a few key areas where there would be added value from input from this wider set of stakeholders.

Recommendation

It is recommended that:

1. the Growth Board asks officers to consider and propose a few specific priorities that should be the focus of joint working between members of both Boards for agreement at a future meeting of the Growth Board and of the Health & Wellbeing Board
2. A second networking event is held in the autumn of 2020 between members of the Growth Board and members of the Health & Wellbeing Board to progress action in these identified areas.

Growth Board Scrutiny Panel Work Plan

The Growth Board Scrutiny Panel agrees its own Work Plan, which is reviewed at each meeting. The Panel is encouraged to be strict in prioritising key issues for review, in addition to the entirety of the Growth Board's forthcoming agendas, which will feature as a standard item on the Work Plan. The Panel's ongoing review of their work plan should be considered in conjunction with the Growth Board's Forward Plan.

| Meeting date | Item | Description and rationale | Contact |
|----------------------------|--|--|--|
| 4 th March 2020 | Q3 Housing and Growth Deal Progress Report and Financial summary | Panel to consider an update to the Growth Board setting out the 2019/2020 Quarter 3 progress report for the Oxfordshire Housing and Growth Deal Also, to consider the Quarter 3 financial summary for the Housing and Growth Deal. | Bev Hindle, Growth Board Director |
| | Zero Carbon Housing | Panel to consider an update to the Growth Board on zero carbon technology and consider local examples of zero or low carbon development and wider opportunities for Oxfordshire. | Caroline Green, Assistant Chief Executive, Oxford City Council |
| | Oxfordshire to Cambridgeshire Arc Update | To note an update to the Growth Board on recent developments in respect of the Oxfordshire to Cambridgeshire Arc. | Bev Hindle, Growth Board Director |

| Meeting Date | Item | Description and rationale | Contact |
|---------------------------|--|--|---|
| 28 th May 2020 | Growth Board Terms of Reference | Scrutiny Panel to consider revised draft terms of reference for the Growth Board, for subsequent approval by each constituent council. This builds on the work of the Growth Board Review which reported its findings on 28 January 2020. | Bev Hindle, Growth Board Director |
| | Q4 Housing and Growth Deal Progress Report and Financial summary | Panel to consider an update to the Growth Board setting out the 2019/2020 Quarter 4 progress report for the Oxfordshire Housing and Growth Deal and asking it to endorse any amendments to programmes of work as necessary. Also, to consider the Quarter 4 financial summary for the Housing and Growth Deal. | Bev Hindle, Growth Board Director |
| | UK Tourism Sector Deal (provisional) | Panel to consider a paper to the Growth Board, where the board will be invited to note the progress of preliminary work by the Local Enterprise Partnership to establish how the Sector Deal could benefit Oxfordshire and endorse any further proposals which respond to opportunities set out in the Deal. | Ahmed Goga, OxLEP Director of Strategy and Programmes |
| | Oxfordshire Infrastructure Strategy Scope (provisional) | Panel to consider a paper to the Growth Board on the scope, timescale, governance and funding for updating the Oxfordshire Infrastructure Strategy, in support of the Oxfordshire Plan 2050. | John Disley, Oxfordshire County Council Infrastructure Strategy Manager |
| | Oxfordshire Plan 2050 Update | Panel to consider an update the Growth Board on emerging work being carried out to identify the policy options for the Plan. | Bev Hindle, Growth Board Director |

Action Log

This action log sets out requests for information and actions required by the Scrutiny Panel. Any requests for information that do not relate to a specific agenda item will be published on the Growth Board's website alongside the next available Scrutiny Panel Agenda, except where that information requires the disclosure of exempt information, as set out in Part 1 of Schedule 12A of the Local Government Act 1972.

| Date raised by the Panel | Action | Lead Member / Officer | Panel Updated/ Discussed on | Progress Notes |
|---------------------------------------|---|--|-------------------------------------|---|
| 19th September 2019 | <p>Homes from Infrastructure Programme</p> <p>The HFI delivery plans reflect the following risks, which have been identified as key risks to the delivery of homes:</p> <ul style="list-style-type: none"> • Reliance on third parties (developers / network rail etc) for delivery of infrastructure. • Resolution of planning issues needed to unblock sites. • Potential impact of external market factors such as Brexit. • Stage of development of some of Oxfordshire's Local Plans. | <p>Aaron Rosser (Oxfordshire Growth Deal Delivery Manager- Infrastructure) /</p> <p>Paul Staines (Oxfordshire Growth Deal Delivery Manager- Housing)</p> | 23rd January 2020 | <p>Each district has a profiled, RAG rated assessment of each housing site included in the growth deal. We also have a similarly structured assessment of infrastructure delivery. Monthly locality meetings work through this information and assess what the current status of housing delivery on those sites are and what actions and might be necessary to ensure delivery. Each site is unique and actions taken will be specific to that set of circumstances and will in most circumstances be commercially confidential.</p> <p>However in general terms, internally we would work with colleagues to ensure the smooth progression of planning and the delivery of the related infrastructure to timetable. Externally, we would for example liaise with developers to confirm delivery</p> |

| | | | | |
|--|---|--|---|---|
| | <p>The Panel requested ongoing analysis of the above risks to gain a comprehensive understanding of mitigation activities are planned</p> <p>What do these mitigation activities consist of?</p> <p>What are the mitigation strategies now and in the future?</p> | | <p>4th March 2020</p> | <p>trajectories and understand how the market is behaving and the reasons for this.</p> <p>Infrastructure schemes have a set of associated risks and mitigation strategies. However, as the schemes are still in feasibility and options are being considered, the risks continue to evolve and are monitored on a monthly basis.</p> <p>The schemes are at an early stage, each project has factored in a 40% risk and contingency pot, so 40% of the estimated final cost is associated with risk and contingency, this is a recommended industry standard for schemes at an early stage.</p> <p>Reliance on third parties (developers / network rail etc) for delivery of infrastructure have entered into legal agreements to ensure delivery on time and on budget, with claw back functions should monies not be spent.</p> <p>For resolution of planning issues needed to unblock sites the county council and district councils work closely to consider potential activities as mentioned in the update from 23rd January 2020 above.</p> <p>Potential external market factors we will be monitored, and any trends will be picked up</p> |
|--|---|--|---|---|

| | | | | |
|---------------------------------------|---|--|---|---|
| | | | | in the narrative, judgement and expertise of our district colleagues will lead this. A similar approach is taken to the certainty/uncertainty of Local Plans depending on their current position. |
| 19th September 2019 | The Panel has requested information on Investment in infrastructure to support homes (HFI) in a table format linked to a list of housing developments. | Aaron Rosser (Oxfordshire Growth Deal Delivery Manager-Infrastructure) | 23rd January 2020 4th March 2020 | Ongoing review of all infrastructure projects being delivered through the Growth Deal. Report to be produced once review is completed. Review of all infrastructure projects being delivered through the Growth Deal is ongoing. |
| 23rd January 2020 | The Panel noted that 'Affordable Housing' was a commonly used term and asked if it could be supplied with information about how each Oxfordshire District Council defines affordable housing. It was agreed that further information should be circulated to the Panel. | N/A | 4th March 2020 | Completed Attached below |

Affordable Housing

For planning purposes, Affordable Housing is currently defined by government through the National Planning Policy Framework (NPPF). Included in this document is an extract from the NPPF which specifically sets out those definitions. Local Planning Authorities can, through their own planning policies, also specify the types and amount of Affordable Housing they expect to be delivered in their areas, and with regards to relevant planning practice guidance. In 2011, the government at that time, introduced Affordable Rents (up to 80% market). These have largely, but not exclusively, replaced Social Rents, which are significantly lower, but most often require capital subsidy to make them deliverable. For further background information, this document provides a link to a House of Commons Library publication - What is Affordable Housing?

National Planning Policy Framework - February 2019

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) Discounted market sales housing is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible

households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

House of Commons Library paper: What is Affordable Housing?

<https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7747#fullreport>