

Notes

OF A MEETING OF THE

Oxfordshire Growth Board Housing Advisory Sub-Group

HELD ON TUESDAY 5 NOVEMBER 2019 AT 6.30 PM

BARRISTERS ROOM, OXFORD TOWN HALL, ST ALDATES, OX1 1BX

Present:

Councillors: Robin Bennett, Susan Brown, John Donaldson, Jeff Haine and Bethia Thomas

Officers: Caroline Green, Kevin Jacob and Paul Staines

14 Apologies for absence and notification of substitutions; declarations of interest; Chair's announcements

Apologies were received from Councillor Neil Fawcett, (Vale of White Horse District Council) who was substituted by Councillor Bethia Thomas.

There were no declarations of interest.

15 Notes of the meeting held on 3 September 2019

The notes of the meeting held on 3 September 2019 were received

16 Update on discussions with Homes England and Ministry of Housing, Communities and Local Government regarding the Affordable Housing Programme

The sub-group received a presentation from Paul Staines, Growth Deal Service Delivery Manager (Housing) setting out progress with discussions with Homes England and the Ministry of Housing, Communities and Local Government, (MHCLG) regarding the Growth Deal Affordable Housing Programme and updated the sub-group on the progress of the progress of the programme as at Q2 of Year 2.

Key points of the presentation and discussion included:

- Agreement by MHCLG to the introduction of flexibilities including the use of Recycled Capital Grant Funding, (RCGF) and endorsement of the impending decisions by councils to the use of Top up Funding to support schemes in the Affordable Housing Programme. This would increase its competitiveness in comparison to other offers from Registered Providers.

- The effect of the flexibilities had subsequently been reflected in councils refreshed Year 2 forecast which had increased from 48% to 87%.
- As at Q2, Year 2, total grant programme spend across the life of the programme was forecast at £52.7m against the target of £60m.
- A programme total of 333 units was forecast for Year 2 resulting in grant draw down of £13.6m.
- Based on current data, the total projected number of units was 1,301 against a target of 1,322, a slight increase from the previous reported 1295.
- However, this slight increase belied considerable movement within the programme as a result of the Qtr. 2 review, for example:
 - The current overall number of schemes had reduced from 72 to 59.
 - 250 units had been removed and 256 new units included
 - Several schemes had slipped from year two to year three
- Members were advised that the backloading of the programme to year three, where over 50% of the spend was now expected was a concern for Homes England were continuing to monitor delivery closely. However, The Growth Deal Team and council officers remain focussed on achieving the targets and noted that given that the flexibilities on RCGF and top up funds had only been in place for a matter of weeks and it was not possible at this stage to fully understand the impact
- Members felt given it was inevitable that some schemes would drop out of the programme there was a need to plan initially for a greater number of schemes than could be delivered to take account of this. Officers advised that this was the ongoing ambition but building the programme was an ongoing issue.
- Members expressed some concern regarding the number of current Year 3 forecasted units with an amber/risk rating, - 678 out of 777. It was noted that ability to deliver form a key element of risk. For example, challenges related to planning, the practice of some developers in terms of the timing of the provision of registered providers on sites and general market conditions. Members felt there were opportunities to have discussions with developers at as an early stage as possible to seek to find mitigations to these issues.
- Members noted that the percentage of Affordable Housing Programme shared ownership units as a form of housing tenure was forecast to increase from target compared to affordable rent and social rent.
- Officers were continuing to work with Homes England around the impact on the Affordable Housing Programme of Homes England's strategic national partnerships with some registered social housing providers.
- In addition to the use of Recycled Capital Grant Funding (RCGF), districts had indicated a commitment to the use of a top up grant where the RCGF was used. It was expected that this would total including all borrowing, circa £36m and Homes England were to assist in establishing a regime for measuring the value for money of this investment.
- Members noted that given HM Government Treasury rules MHCLG had advised that it would not be possible to extend the current programme, but a separate programme would need to be created for future years, and that there would need to be future discussions with Government about this.
- With regard to innovation there had been a successful bid for Community Housing Fund monies to support the scoping of a re-energised countywide regime for Community Land Trusts within Oxfordshire and this project would be taken forward by the Co-Ho Hub. Discussions around modular and low carbon housing were continuing.

In further discussion, Members acknowledged and welcomed the significant amount of work being undertaken across the county and within their own districts to ensure delivery of the programme and achievement of target spend. Some concern was expressed that inevitably the delivery of housing was not in a council's control, which tended to increase the inherent risk to the programme.

Members discussed a role they could play in engaging with RP partners to increase interest and commitment to the OAHP. Members noted the successful communication by Cllr Donaldson in Cherwell and agreed to write to all RPs in their districts to promote the new flexibilities in the Oxfordshire Affordable Housing Programme and seek increased registered provider commitment. Officers agreed to draft a letter to that effect that districts could use as a template.

Looking ahead, members queried at what point it would be possible to identify that it would not be possible to reach target and commented that in this possible circumstance it would be prudent to plan for all eventualities.

Whilst confirming the view that the programme could be delivered and budget spent, Officers acknowledged the concerns set out and commented that these could be taken back and followed up with renewed focus through the Growth Deal's internal governance arrangements once the full impact of the impact of the new flexibilities had been assessed. Members noted this and communicated that they felt that Oxfordshire compared well nationally, had a positive message to communicate and was considered by HM Government to be a good partner that HM Government would want to continue working with in the future

Officers agreed to provide a list of Registered Providers that were in strategic partnerships with Homes England and the associated actions.

The sub-group **noted** the report.

17 Progress report on Housing from Infrastructure and Affordable Housing Programme

This item was considered as part of the previous item. Members noted the positive trajectory for Homes accelerated by the investment in infrastructure provided in the presentation. They noted also the advice from the Chair that this was a key focus for the committee and asked to receive regular updates on progress

18 Community Land Trusts – Update

The sub-group received a presentation from Paul Staines, Growth Deal Service Delivery Manager- Housing, explaining community land trusts and community led housing and its potential opportunities for Oxfordshire.

In discussion and through the presentation it was noted that:

- Community Led Housing was homes that were developed, and/or managed and occupied by local people or residents in not for profit organisational structures.
- This could include residents influencing or controlling the design process, full community control of the built housing and amenities, full community ownership of the property on completion, community control over who lives in the development, rental

and sales prices fixed in perpetuity by covenants in ownership contracts, and ongoing community management.

- Community land trusts, co-operative housing, cohousing, collective self or custom-build, were all typical examples of community-led housing.
- It was different to other models because:
 - Community are stakeholders- stronger communities
 - Permanent affordability and or a local control of the assets
 - Local accountability for management
 - Can support specific social/economic challenges
 - Works well on a small scale- sites that are not otherwise viable
 - Can assist overcoming opposition to development
 - Supports small, medium sized or innovative developers
- It was felt that local buy-in and support for smaller developers was particularly important and the initiative was supported by the Ministry of Housing, Communities and Local Government, (MHCLG) as being an initiative that aligned with the conclusions of the Letwin Review and it was seen that it could overcome local opposition to growth and encourage small and medium size developers.
- Community Led Housing could be group led by a local collective coming together to support a scheme, existing local groups expanding into community led housing or via a partnership between a Registered Provider/developer and the community.
- It was noted that there were 28 active projects within Oxfordshire including sites in Oxford City, Bicester, Hook Norton, Littlemore, Thame, Botley and as part of the Cotswold Garden Village in Eynsham. However, whilst active only a relatively small number of projects were currently underway.
- Community Led Housing had the potential to unlock sites which might otherwise be difficult to develop or would be financially unviable to main stream developers. The project at Champion Way in Littlemore on a former garage site was one such example.
- Local authorities could potentially support CLH projects through subsidised or leased land. The potential for use of Growth Deal funds existed and the challenge for Oxfordshire was to ramp up work on the issue at a greater pace and energy.
- The Oxfordshire Community Led Housing Feasibility Study would seek to develop a county wide model to deliver CLH projects across the county. The study would look at mitigating challenges encountered in previous projects around:
 - Accessing appropriate expertise
 - Enabling capacity whilst retaining community led focus and ownership
 - Examine the suitability of a revolving funding model for CLH projects in Oxfordshire
 - Completion of a land audit.
- The study was funded by a successful Community Housing Fund Grant and completion was expected in March 2020.

The presentation was noted and the potential for community led housing to contribute towards the delivery of homes with a strong local sense of ownership was welcomed and acknowledged. Some of the challenges in progress the schemes such as local availability of building project expertise and skills and challenges in securing finance outside of a conventional development model were acknowledged. It was felt such projects should be supported as much possible, for example by provision of access to expertise even they could not be supported directly. Members discussed the challenge in finding sites given that the context that most of the land in Oxfordshire was optioned in one way or another and the importance of managing expectations, particularly around issues such as nomination rights.

Councillor Brown referred to a historic scheme in Oxford City that she felt could be of relevance to the study. The scheme was around 20 years old and therefore it was likely that many of the original instigators would have moved on which could provide valuable lessons for the ongoing management of similar projects in the future.

The update was **noted** with a further report to a later meeting.

19 Dates of future meetings

The date of the next meeting on 7 January 2020 was noted.

Kevin Jacob was asked to revisit date of the May 2020 meeting as this was close to the 2020 local government election date.

20 Any other business

Homes from Infrastructure Update

With the permission of the Chair, the sub-group was provided with an update on the progress of the homes from infrastructure programme.

- The forecast trajectory for accelerated homes was positive at 10,484 homes against the agreed baseline of 6,549 as part of the Growth Deal. Taking account of an optimism bias the forecast figure was 8,578.
- It demonstrated that infrastructure was invested in there could be improvements to the rate of housing delivery.

Members noted it was a welcome reminder that the remit of the sub-group covered a breadth of issues relating to the delivery of all housing under the Growth Deal, not just affordable housing.

The update was **noted**.