

To: Oxfordshire Growth Board

Title of Report: Oxfordshire Housing and Growth Deal Grant Funding Streams Interim Financial Summary Report – Period Q2 2019/20

Date: 28 January 2020

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

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 period 2017/18 to Q2 (September) 2019/20.

The financial report for the Oxfordshire Housing & Growth Deal Grant Funding streams, encompassing the period 2017/18 – 2019/20, will be presented to the Growth Board in Q1 2020.

Recommendation:

That the Growth Board notes the interim financial report.

1.0 Introduction

1.1 The Board will note that in November 2017, new funding was secured from the Government of £215m to support Oxfordshire’s growth ambition. This funding was focused on three key financial streams:

- Infrastructure Fund – a fund of £150m focused on supporting the acceleration of already planned housing in Oxfordshire over a five-year period from 2018/19 – 2022/23.
- Affordable Housing Fund – a fund of £60m to support a bespoke Oxfordshire-wide affordable housing delivery programme that will assist in the delivery of at least 1320 affordable homes across a range of tenures over a three-year period.

- Growth Deal Capacity Fund – a fund of £5m to fund the costs of delivering on the agreement. The allocation of the fund has been apportioned as: £2.5m to prepare the Oxfordshire Plan 2050, £1.5m to progress the Deal and £1m to support scheme feasibility to ensure that the step change in housing delivery that the Deal requires is properly resourced.

- 1.2 This report 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 at the period Q2 2019/20.
- 1.3 It is to be noted that a separate report is submitted to the Growth Board outlining the business performance of the 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 the Oxfordshire County Council 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 A financial summary report will be presented to the Oxfordshire Growth Board on a regular basis. This will now be scheduled formally as a quarterly report, commencing Q2 2019.
- 2.5 As set out in the 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 2018/19 - Q2 (September) 2019/20

3.1 Infrastructure Fund

- 3.1.1 As per the Growth Deal Delivery document, the infrastructure funding will be received in equal instalments of £30m per year from 2018/19 to 2022/23.
- 3.1.2 Year 1 financial performance – total spend of £29.732m was achieved in

2018/19.

3.1.2 Year 2 – Q2 financial performance (April – September 2019) – a total spend of £1.459m has been achieved.

3.1.3 A separate summary report on the performance of the Infrastructure programme for Q 2019/20 will be presented to the Growth Board.

3.2 Affordable Housing Fund

3.2.1 Year 1 – a total fund of £6.715m was granted by the Government to support the total number of units of 191 secured over a range of tenures across Oxfordshire. The target for Year 1 funding was set at £6.5m.

3.2.2 The programme is currently forecasting grant to be claimed for Year 2 as £13.615m. This forecast is against a funding target set of £21.5m.

3.2.3 A separate summary report on the business performance of the Affordable Housing programme for Q2 2019/20 will be presented to the Growth Board.

3.3 Capacity Fund – for the period 2017/18 – Q2 (September) 2019/20

3.3.1 The Capacity Fund of £5m, has been set to boost capacity to initiate a joint statutory spatial plan and support housing delivery. The Oxfordshire Housing and Growth Deal Delivery Plan set out the agreed elements of the Capacity Fund as:

Fig 1 3 Year Breakdown

Capacity Fund Spending Profile	Total	2017/18	2018/19	2019/20
Oxfordshire Plan (Joint Statutory Spatial Plan (JSSP))	£2.5m	£0.200m	£1.200m	£1.100m
Strategic Housing Delivery	£1.5m	£0.200m	£0.650m	£0.650m
Feasibility Work	£1.0m	£0.110m	£0.480m	£0.410m
Total Spend	£5.0m	£0.510m	£2.330m	£2.160m
Grant Payment		£0.5m	£2.5m	£2.0m

2017/18 Financial Summary

3.3.2 It is to be noted that funding of £0.5m was received in 2017/18 as initial set up costs for the Oxfordshire Housing and Growth Deal Delivery Plan.

3.3.3 For 2017/18, a total spend of £0.088m against an original planned spend of £0.088m was reported. The balance of grant funding was carried forward into the reserves of the Growth Deal Capacity Fund to support future spend.

2018/19 Financial Summary

3.3.4 Funding of £2.5m was received in 2018/19. For funding breakdown, please refer to Fig 1, column 2018/19, above.

3.3.5 For 2018/19, a total spend of £0.631m against an original planned spend of £1.340m is reported. The balance of grant funding was carried forward into the reserves of the Growth Deal Capacity Fund to support future spend.

2019-20 Financial Summary – Q1 – Q2 2019 (April – September 2019)

3.3.6 Funding of £2m was received for 2019/20. For funding breakdown, please refer to Fig 1, column 2019/20, on page 3 of this report.

3.3.7 For the period Q1 – Q2 2019 (April – September 2019), a total spend of £0.709m against an original planned spend of £1.812m for 2019/20 is reported.

4.0 Risk Management

4.1 A key risk originally reported by the Growth Deal Programme Board was the lack of robustness to the financial reporting of the Growth Deal funds.

4.2. This risk has now been mitigated by the strengthening of the financial monitoring process. The monitoring procedures that have been put in place bring benefits to the overall reporting of the monthly financial statement to provide strategic and tactical information of the Oxfordshire Housing and Growth Deal Grant funding streams.

4.3. The financial performance of the Oxfordshire Housing and Growth Deal Grant funding streams will be 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.

4.4 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 report outlines progress against the financial performance of the Oxfordshire Housing and Growth Deal funding streams at Q 2 (September) 2019/20.

5.2 The 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.

Report Author:	<i>Tina Hollis, Growth Deal Programme Office Manager – on behalf of the Growth Deal Programme Board</i>
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