

Cherwell District Council

Council

28 February 2022

Revision to the Council's Resolution made 26 February 2018 regarding Oxfordshire Housing and Growth Deal

Report of Interim Assistant Director, Housing and Social Care Commissioning

This report is public

Purpose of report

To request a revision to the Resolution made by Council at its meeting on 26 February 2018, regarding the authority delegated to the Chief Executive to agree the Growth Deal Affordable Housing Delivery Plan, and to explain the reasons for the request.

1.0 Recommendations

The meeting is recommended:

- 1.1 To delegate authority to the Chief Executive, in consultation with the Leader, to agree the necessary changes and substitutions to the Cherwell District Council Growth Deal affordable housing delivery programme; and
- 1.2 Delegate authority to the Chief Executive, in consultation with the S.151 Officer and Lead Member for Finance and Governance, to agree Growth Deal grant agreements and Cherwell District Council Growth Deal 'Top Up' grant agreements subject to available funding.

2.0 Introduction

- 2.1 At its meeting on 26 February 2018, Council considered a report of the Chief Executive setting out the arrangements for the Oxfordshire Housing and Growth Deal. The Deal was announced by Government in the November 2017 Budget, and provided £215 million of additional government funding for Oxfordshire, along with a package of planning freedoms and flexibilities for the Oxfordshire authorities. The Resolution of the Council specifically referred to delegated authority to the Chief Executive to agree the Year 1 affordable housing delivery programme, phasing and processes specified in the Delivery Plan.
- 2.2 The Year 1 affordable housing delivery plan included an indicative plan for years 1-3 of Growth Deal. Due to necessary changes and substitutions of schemes in the plan, and the extension of the Growth Deal Affordable Housing Programme to

include a Year 4 (i.e., 2021/22), it is necessary to seek a revised Resolution from Council. This will ensure that the available Growth Deal funding can be committed by 31 March 2022 and all legal, operational and financial obligations can be met by Cherwell District Council.

3.0 Report Details

3.1 At its meeting on 26 February 2018, Council considered a report of the Chief Executive, setting out the arrangements for the Oxfordshire Housing and Growth Deal, and Resolved:

- (1) That the Oxfordshire Housing and Growth Deal (the Deal) be agreed.
- (2) That the Delivery Plan (annex to the Minutes as set out in the Minute Book) be approved as the basis for the Deal and it be noted that elements will be updated as detailed work programmes develop.
- (3) That authority be delegated to the Chief Executive, in consultation with the Leader and the Growth Board, to make minor changes to the Delivery Plan that may be required to secure agreement with Government.
- (4) That authority be delegated to the Chief Executive, in consultation with Leader and the Growth Board, to agree the Year 1 affordable housing delivery programme, phasing and processes specified in the Delivery Plan.
- (5) That agreement be given to appoint Oxfordshire County Council as the accountable body in respect of the Oxfordshire Housing and Growth Deal.
- (6) That authority be delegated to the Chief Executive, in consultation with the Leader and the Growth Board, to review the terms of reference of the Growth Board and agree any amendments and any appropriate inter-authority agreements required to support the Delivery of the Housing and Growth Deal.
- (7) That authority be delegated to the Chief Executive, in consultation with the Leader, to take any other decisions arising from agreement to the Oxfordshire Housing and Growth Deal, until the revised terms of reference of the Growth Board are in place.
- (8) That agreement be given to participate in the preparation of a Joint Statutory Spatial Plan (JSSP) for Oxfordshire in accordance with the timescales set out in the Delivery Plan and in accordance with Section 28 of the Planning and Compulsory Purchase Act 2004 (Districts only) with the milestones for progressing the JSSP being contingent on Government delivering the Planning Freedoms and Flexibilities as described in the Delivery Plan.

3.2 The Oxfordshire Housing and Growth Deal has been operational for more than three years and is supported by a central Growth Deal team at Oxfordshire County Council. Cherwell District Council (CDC) has its own Growth Deal Programme Board, led by the Senior Responsible Officer and supported by project management officers and Workstream Leads. In addition to the CDC Growth Deal Programme Board, at a county level there are Member and Officer groups who receive updates

and oversee delivery of the various Growth Deal workstreams including: Affordable Housing, Homes from Infrastructure, Economy and Productivity, and the Oxfordshire Plan 2050 (JSSP).

- 3.3 In relation to affordable housing workstream, an indicative delivery plan was developed in Year 1 and this covered years 1 to 3 of the Growth Deal. Many schemes for years 2 and 3 were still at early stages of discussion and some were reliant on the developers agreeing to sell market housing at a discount to enable Registered Providers to buy them as additional affordable housing units funded through the Growth Deal Affordable Housing Programme. As the programme progressed, it became clear that for various reasons (e.g., site suitability, viability and delivery timescale) some schemes would not be deliverable with Growth Deal funding. The Growth Deal grant rates were not competitive with Homes England grant rates and therefore it was necessary for each local authority to introduce a 'Top Up' fund which would be agreed on a site-by-site basis, subject to eligible criteria and value for money tests being met. The funding for the CDC Growth Deal 'Top Up' was agreed as part of the budget setting process in 2019 for the financial year 2020/21 and is comprised of existing S.106 Commuted Sums received by the council in lieu of on-site affordable housing. The top up fund helped to improve the opportunities to secure the number of affordable housing units needed to meet the agreed delivery targets in Cherwell.
- 3.4 Due to the Covid pandemic and the impact of site closures and lockdowns in 2020, MHCLG (now DLUHC) and Homes England agreed a 1-year extension to the 3-year Oxfordshire Growth Deal Affordable Housing Programme. This enabled delayed and substituted sites across Oxfordshire to be included in the funding programme up to 31 March 2022. Some of the Cherwell schemes planned for year 3 were impacted by delays and have been funded in 2021/22. Other schemes included in the original indicative delivery plan agreed in Year 1, will not be delivered. This is not due to the impact of Covid, but due to buoyant sales of open market housing, rising development costs and some sites not being able to achieve planning permission within the funding time frame.
- 3.5 Therefore, to achieve the planned target of 131 additional Growth Deal funded affordable homes in Cherwell, and contribute to achieving the overall Oxfordshire target, it has been necessary to identify substitute sites that can deliver the required outcomes. These sites have progressed and have planning permission in place. In addition, DLUHC and Homes England have made clear that the remaining Oxfordshire Growth Deal Affordable Housing Programme funding must be committed to schemes before 31 March 2022.
- 3.6 The original Council Resolution in 3.1 above, specifically refers to delegated authority to the Chief Executive, in consultation with the Leader and the Growth Board, to agree the Year 1 affordable housing delivery programme (Resolution 4). Therefore, it is necessary to seek further delegated authority for the Chief Executive to agree all changes and substitutions to the CDC Growth Deal affordable housing delivery programme, and to authorise the associated Growth Deal grant agreements and Cherwell DC Growth Deal 'Top Up' grant agreements, subject to funding applications meeting the published criteria and value for money tests. This will ensure the Council's Constitutional requirements are met and that the Growth Deal grant and CDC Growth Deal Top Up grant funding can be committed to the identified schemes before the 31 March 2022 deadline.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The recommendation set out in paragraphs 1.1 and 1.2 of this report are necessary for the reasons set out in paragraph 3.6 above, and to ensure the relevant Growth Deal and CDC Growth Deal Top Up grant agreements can be executed by lawyers.

5.0 Consultation

- 5.1 The proposed changes and scheme substitutions to the CDC Growth Deal affordable housing delivery programme have been discussed with the County Council's Growth Deal Project Team and have been the subject of bid clinics with Homes England and discussions with DLUHC (formerly MHCLG). The Registered Providers who will be delivering the Growth Deal Schemes have also submitted applications for grant and are in a position to draw down grant funding as soon as they receive approval from Cherwell District Council. The CDC Growth Deal Programme Board receive highlight reports on all Growth Deal Workstreams, including Affordable Housing. The Lead Member for Housing receives briefings on the affordable housing workstream prior to attending the countywide Housing Advisory Sub-Group.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Do nothing to update the Resolution – this option is rejected as without a revised resolution to delegate authority to make changes or enter into funding agreements, it would not be possible to achieve the Cherwell Growth Deal Affordable Housing targets nor commit the Growth Deal funding that has been identified for Cherwell District by 31 March 2022.

7.0 Implications

Financial and Resource Implications

- 7.1 The CDC Growth Deal Top Up funding is comprised of existing S.106 Commuted Sum funds already received from developers in lieu of on-site affordable housing. Growth Deal funding is paid by DLUHC (formerly MHCLG) to Oxfordshire County Council and in turn, this is administered by OCC to each of the City and District Councils following approval of a grant funding application. Any new Growth Deal schemes will need to be added to the council's Capital Programme in order for CDC to spend the funds received. The recommendation in this report will enable legal grant agreements to be put in place with each Registered Provider to protect the grant funding and ensure it is used for the intended purpose of delivering affordable housing. It is important to maximise the opportunity to secure external funding to deliver our corporate commitment of meeting housing need. Without the necessary delegated authority to the Chief Executive, there is a significant risk to the loss of Growth Deal funding to Cherwell District Council.

Comments checked by:
Michael Furness, Assistant Director Finance, 01295 221845,
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Legal Implications

- 7.2 The council's Resolution of 26 February 2018 does not specifically cover substitutions and changes to the original Year 1 affordable housing delivery programme and therefore a revised resolution is necessary to meet legal and Constitutional requirements. Failure to have the delegated authority in place, may result in legal challenge. Grant funding agreements cannot be executed without the proper authority in place.

Comments checked by:
Christopher Mace, Solicitor; 07702917916; christopher.mace@cherwell-dc.gov.uk

Risk Implications

- 7.3 Cherwell District Council is a party to the Oxfordshire Housing and Growth Deal agreement with government and has a duty to deliver its obligations. Delegated authority to the Chief Executive to agree changes and substitutions to the Cherwell Growth Deal affordable housing delivery programme will provide the best opportunity to deliver the affordable housing targets and to maximise the investment to the district. Growth Deal is also a countywide project and all partners are obliged to commit the available Growth Deal Affordable Housing Programme funding by 31 March 2022 which is a deadline set by DLUHC in 2021. Without the appropriate delegated authority, and subsequent ability to meet CDC obligations, there is a financial and reputational risk to the council.

Comments checked by:
Louise Tustian, Head of Insight and Corporate Programmes; 01295 221786:
Louise.Tustian@Cherwell-DC.gov.uk

Equalities and Inclusion Implications

- 7.4 There are no impacts on equality and inclusion as a consequence of the recommendation in this report. Provision of more affordable housing in the district will contribute to meeting identified housing needs and developing sustainable and inclusive communities.

Comments checked by:
Emily Schofield, Acting Head of Strategy; 07881 311707;
Emily.Schofield@cherwell-dc.gov.uk

Sustainability Implications

- 7.5 There are no sustainability implications as a consequence of the recommendation in this report.

Comments checked by:
Sandra Fisher-Martins, Climate Action Mobilisation Manager, 07584174682,
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8.0 Decision Information

Key Decision N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

Corporate Plan: Housing that meets your needs.
Housing Strategy 2019-2024

Lead Councillor

Councillor Barry Wood, Leader of the Council
Councillor Lucinda Wing, Lead Member for Housing

Document Information

Appendix Title and Number

- None

Background papers

None

Reference papers

Exempt Growth Deal Affordable Housing delivery programme.

The Chief Executive's report to Council on 26 February 2018 and associated Minutes and Resolution are published here, see item 83:

<https://modgov.cherwell.gov.uk/ieListDocuments.aspx?CId=114&MId=2837&Ver=4>

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