

This report is public	
Acceptance of MHCLG Large-Scale Housing Development Grant Funding	
Committee	Executive
Date of Committee	7 April 2026
Portfolio Holder presenting the report	Portfolio Holder for Planning and Development, Councillor Jean Conway
Date Portfolio Holder agreed report	23 March 2026
Report of	Executive Director Place & Regeneration, Ian Boll

Purpose of report

The Ministry of Housing, Communities and Local Government (MHCLG) has provided £500,000 of specific grant funding for non-statutory feasibility work to test the strategic case for large-scale housing development. This includes capacity funding, technical studies and financial modelling (see Appendix 1 MOU) This report seeks approval of associated budget virement, and to agree programme delivery and governance arrangements.

1. Recommendations

The Executive resolves:

- 1.1 To agree to increase both the Regeneration and Economy income budget in recognition of the grant income and the expenditure budget for associated works.
- 1.2 To delegate to the Executive Director for Place and Regeneration, in consultation with the Portfolio Holder for Planning, the development of a programme in support of the grant objectives.
- 1.3 To note that procurement of specialist consultancy support and other external resources required to deliver the programme will be undertaken in accordance with the Council's constitution and procurement procedures and that further authorisations may be required as individual commissions are scoped.

2. Executive Summary

- 2.1 Heyford Park is a large-scale development site in Cherwell, centred on the former RAF Upper Heyford airbase. It is one of a small number of locations nationally being considered by MHCLG as a potential candidate for a new town or large-scale new settlement under the Government's housing growth agenda.

- 2.2 MHCLG has awarded Cherwell District Council £500,000 of specific grant funding under a Memorandum of Understanding signed on 12-13 March 2026 by the Council's S151 Officer and MHCLG's Director. The funding is a Section 31 revenue grant for the financial year 2025-26, with the MoU applying until 31 March 2027 to cover both the delivery and evaluation periods.
- 2.3 The funding supports Phase 1 feasibility work to test the strategic case for Heyford Park as a large-scale development, including transport feasibility, technical infrastructure studies, and the development of a gateway package with recommendations on delivery and governance. This is non-statutory work and does not commit the Council to any particular planning outcome.
- 2.4 The programme is being delivered in partnership with Oxfordshire County Council (transport and highways), the developer Dorchester Living, and MHCLG's New Towns Unit. A live hybrid planning application (ref. 25/02190/HYBRID) for approximately 9,000 units has been submitted by Dorchester Living and is being considered through the normal planning process separately from this feasibility programme.
- 2.5 The budget virement to recognise the grant income and associated expenditure requires Executive approval. This report seeks approval to formally accept the grant, approve the budget adjustment, authorise the programme of work, delegate programme management to the Executive Director, and note that procurement activity will follow the Council's standard procedures.

Implications & Impact Assessments

Implications	Commentary
Finance	<p>The £500,000 is fully funded by MHCLG specific grant under Section 31 of the Local Government Act 2003. There is no call on Council resources. Executive approval is required for the budget virement to increase both the Regeneration and Economy income budget in recognition of the grant income and the expenditure budget for associated works.</p> <p>The grant is revenue expenditure for the funding period between signing of the MoU and 31 March 2026, with the MoU applying until 31 March 2027 to cover the evaluation period. The Council is expected to make reasonable endeavours to spend the grant in a timely manner and to keep a record of expenditure. MHCLG requires full transparency open book working, mid-year and end-of-year reporting, and an end-of-grant evaluation by March 2027.</p> <p>Michael Furness, Assistant Director of Finance (S151 Officer), 24 March 2026</p>
Legal	<p>The MoU between MHCLG and Cherwell District Council is not legally binding (clause 13.1) but describes the understanding between both parties for the use of the funding. The Council is responsible for ensuring all procurement activity complies with Procurement Law including the Procurement Act 2023 and the</p>

	Council's own procurement procedures (clause 10). The Council must also ensure compliance with state aid/subsidy control, equalities duties, health and safety, and fraud prevention requirements (clause 8). Legal services will review terms of individual commissions as they are procured.			
	Denzil Turberville, Head of Legal, 24 March 2026			
Risk Management	The key risk is delay in deploying resources and commencing feasibility work within the funding period. This is mitigated by the programme structure already developed with MHCLG and OCC, and by the delegation of programme management to the Executive Director to enable responsive decision-making. A further risk relates to the outcome of the feasibility work: the MoU is clear that funding supports policy development for large housing settlements even if locations are not ultimately taken forward as New Towns. Programme risks will be managed through the project risk register.			
	Celia Prado-Teeling, Performance Team Leader, 24 March 2026			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		x		Neutral. This report concerns acceptance of feasibility funding. No direct impact on service delivery or access at this stage.
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		Neutral. No aspects of the proposed decision could impact on inequality at this stage.
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		Neutral. No direct impact upon the lives of people with protected characteristics at this stage. Equality considerations will be addressed as part of any future planning and development proposals and project EqIA.
Climate & Environmental Impact	x			Positive. The feasibility programme includes assessment of infrastructure capacity including energy and sustainable transport options, which will inform the environmental sustainability of any future development.
ICT & Digital Impact		x		N/A
Data Impact		x		N/A
Procurement & subsidy		x		Neutral. No procurement is approved by this report. Individual commissions will be procured in

				accordance with the Council’s procurement procedures and Procurement Law. Subsidy control considerations are noted in the MoU and will be assessed as relevant.
Council Priorities	Priority 4: Quality housing and place making — “Cherwell will be a place where people feel at home in areas that improve their health, happiness and wellbeing today and in the future.” This programme directly supports the Council’s role in shaping the future of one of the largest potential new settlement sites in the district, ensuring that growth is evidence-based and properly planned.			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	The feasibility programme involves ongoing engagement with Oxfordshire County Council, MHCLG’s New Towns Unit, Dorchester Living as the principal landowner/developer, and other stakeholders. Community engagement will be considered as part of any future phases of work. There is a budget line approved with MHCLG in the agreed programme to be supported by the £500k grant funding which is the subject of this report.			

Supporting Information

3. Background

- 3.1 Heyford Park is centred on the former RAF Upper Heyford airbase, located approximately 6 miles north-west of Bicester in Cherwell District. The site has an extensive planning history and is already subject to significant development activity, with existing residential, commercial and community uses established on the former base.
- 3.2 In 2025, the Government announced its intention to identify locations for new towns and large-scale settlements as part of its housing growth strategy. MHCLG’s New Towns Taskforce and subsequently the New Towns Unit have been engaging with local authorities across England to identify and assess candidate sites
- 3.3 Heyford Park was identified as one of a small number of sites nationally with the potential to deliver a large-scale new settlement. Cherwell District Council has been in dialogue with MHCLG’s New Towns Unit since 2025, and a programme of preparatory feasibility work was developed to test the strategic case for the site.
- 3.4 In parallel, Dorchester Living (the principal landowner and developer) submitted a hybrid planning application (ref. 25/02190/HYBRID) for approximately 9,000 residential units and associated infrastructure, employment and community facilities. This application is being considered through the Council’s normal planning processes and is separate from the feasibility programme covered by this report.

3.5 MHCLG agreed to provide £500,000 of preparatory funding to support Phase 1 feasibility work. A Memorandum of Understanding was signed on 12 March 2026 by Cathy Francis (Director, MHCLG) and on 13 March 2026 by Michael Furness (Assistant Director of Finance and S151 Officer, Cherwell District Council).

4. Details

4.1 The MoU sets out three principal workstreams for the funded programme:

- Transport feasibility work, to be progressed in partnership with Oxfordshire County Council covering rail, bus and highways connectivity;
- Parallel technical studies to test infrastructure capacity across utilities, education, health and other key services, building an evidence base for the strategic case;
- Development of a gateway package recommending a delivery and governance approach for any future phases of work.

4.2 The funding is non-statutory in nature. It supports policy development and feasibility testing and does not commit the Council to any particular planning decision or development outcome. The MoU is explicit that the funding can be used even if the location is not ultimately taken forward as a New Town (clause 1.1).

4.3 The grant is £500,000 of revenue funding, paid as a single lump sum under Section 31 of the Local Government Act 2003. The maximum amount payable is for the funding period between signing of the MoU and 31 March 2026. The MoU applies until 31 March 2027, covering both the delivery period (2025-26) and the evaluation period (2026-27).

4.4 The Council is expected to make reasonable endeavours to spend the grant in a timely manner and to maintain a record of expenditure. MHCLG requires open book working, mid-year and end-of-year reporting, and an end-of-grant evaluation by March 2027.

4.5 There is no match-funding requirement and no call on Council resources beyond existing officer time for programme management and governance. Executive approval is required for the budget virement to recognise the grant income and associated expenditure within the Regeneration and Economy budgets.

Programme delivery

4.6 The programme is being led by the Place and Regeneration directorate, with a dedicated Programme Director and Project Manager being recruited to manage delivery. The Senior Responsible Officer is the Executive Director Place and Regeneration.

4.7 Key delivery partners are Oxfordshire County Council (transport feasibility across rail, bus and highways), MHCLG's New Towns Unit (policy alignment and monitoring), and Dorchester Living (site-specific technical input). The programme operates through established governance structures including regular programme board meetings.

- 4.8 Procurement of specialist consultancy support for technical studies will be required and will be undertaken in accordance with the Council's procurement procedures and Procurement Law, as required by the MoU (clause 10). Individual commissions will be scoped within the programme and may require further authorisations depending on value.

Monitoring and reporting

- 4.9 MHCLG requires full transparency open book working on all matters relating to the programme, including project activities, expenditure, and mid- and end-of-year reporting. The Council has agreed to complete an end-of-grant evaluation in March 2027.
- 4.10 Programme performance will also be reported through the Council's internal governance arrangements and will contribute to reporting under the Annual Delivery Plan.

5. Alternative Options and Reasons for Rejection

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

Option 1: Do not accept the MHCLG funding.

This would mean the Council would not participate in the feasibility programme for Heyford Park as a potential new settlement. The £500,000 grant would not be drawn down. The Council would lose the opportunity to shape the evidence base and strategic case for one of the largest development sites in the district. Given the scale of the planning application already submitted, there is a strong case for the Council to be actively engaged in understanding the infrastructure implications and delivery options. This option is not recommended.

Option 2: Accept the funding but defer programme commencement until later in the financial year.

This would delay the start of feasibility work, creating a risk of not meeting MHCLG's delivery timetable and the reasonable endeavours requirement to spend in a timely manner. Given the MoU was only signed on 12-13 March 2026, the programme timeline is already compressed. This option is not recommended.

6. Conclusion and Reasons for Recommendations

- 6.1 The £500,000 MHCLG preparatory funding provides an important opportunity for the Council to lead the feasibility assessment of Heyford Park as a potential large-scale new settlement. The programme is fully externally funded with no call on Council resources, and the MoU provides a clear framework for delivery, monitoring and evaluation.
- 6.2 The budget virement to recognise the grant income and associated expenditure requires Executive approval. Accepting the grant and establishing the delegation and governance arrangements sought in this report will enable the programme to

be delivered efficiently within the required timescales, while ensuring that procurement and other internal governance requirements are met.

- 6.3 It is recommended that Executive notes the grant, approves the budget virement, delegates programme management to the Executive Director, and notes that procurement will follow standard Council procedures.

Decision Information

Key Decision	Yes — financial threshold met (£500,000 grant acceptance and budget virement)
Subject to Call in	Yes
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Memorandum of Understanding between MHCLG and Cherwell District Council
Background Papers	None
Reference Papers	None
Report Author	Kassandra Polyzoides, Programme Manager Tom Dobrashian, Interim Head of Regeneration & Growth
Report Author contact details	Kassandra.Polyzoides@Cherwell-DC.gov.uk Tom.Dobrashian@Cherwell-DC.gov.uk
Executive Director Approval (unless Executive Director or Statutory Officer report)	Report of Executive Director Place and Regeneration