

Wednesday, 15 March 2023

To: Members of the MCA - Overview and Scrutiny Committee and Appropriate Officers

NOTICE OF MEETING

You are hereby summoned to a meeting of the South Yorkshire Mayoral Combined Authority to be held at **South Yorkshire MCA, 11 Broad Street West, Sheffield, S1 2BQ**, on: **Thursday, 23 March 2023 at 2.00 pm** for the purpose of transacting the business set out in the agenda.



Martin Swales
Chief Executive and Head of Paid Service

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Member Distribution

Councillor Colin Ross (Chair)
Councillor Joshua Bacon
Councillor John Clarke
Councillor Jeff Ennis OBE
Councillor Bryan Lodge
Councillor Dianne Hurst
Councillor Allan Jones
Councillor Jane Kidd
Councillor Joe Otten
Councillor Ken Wyatt

Sheffield City Council
Rotherham MBC
Barnsley MBC
Barnsley MBC
Sheffield City Council
Sheffield City Council
City of Doncaster Council
City of Doncaster Council
Sheffield City Council
Rotherham MBC

MCA - Overview and Scrutiny Committee

Thursday, 23 March 2023 at 2.00 pm

Venue: South Yorkshire MCA, 11 Broad Street West, Sheffield, S1 2BQ



Agenda

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2.	Urgent Items/Announcements	Chair	
3.	Items to be Considered in the Absence of Public and Press	Chair	
4.	Declarations of Interest by any Members	Chair	
5.	Reports from and Questions by Members	Chair	
6.	Questions from Members of the Public	Chair	
7.	Minutes of the Previous Meeting Held on	Chair	5 - 10
8.	Matters Arising and Action Log	Chair	11 - 16
9.	Review of latest Forward Plan of Key Decisions	Chair	17 - 24
10.	Brownfield Housing	Colin Blackburn	25 - 32
11.	Bus Funding Update	Tim Taylor	33 - 38
12.	Mayoral Scrutiny	Mayor Oliver Coppard	Verbal

Date of next meeting: Thursday, 22 June 2023 at 2.00 pm

At: South Yorkshire MCA, 11 Broad Street West, Sheffield, S1 2BQ

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MCA - OVERVIEW AND SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD ON:

THURSDAY, 19 JANUARY 2023 AT 2.00 PM

SOUTH YORKSHIRE MCA, 11 BROAD STREET WEST,
SHEFFIELD, S1 2BQ



Present:

Councillor Colin Ross (Chair)	Sheffield City Council
Councillor John Clarke	Barnsley MBC
Councillor Jeff Ennis OBE	Barnsley MBC
Councillor Dianne Hurst	Sheffield City Council
Councillor Allan Jones	City of Doncaster Council
Councillor Bryan Lodge	Sheffield City Council
Councillor Joe Otten	Sheffield City Council
Councillor Ken Wyatt	Rotherham MBC

In Attendance:

Steve Davenport	Director of Law and Governance	SYMCA Executive Team
Gareth Sutton	Chief Finance Officer/S73 Officer	SYMCA Executive Team
John Dowie	Executive Director of Infrastructure and Place	SYMCA Executive Team
Roger Wilde	Senior Development Manager (Education & Skills)	SYMCA Executive Team
Ellen Hinsley	Minute Taker	SYMCA Executive Team

Apologies:

Councillor Thomas Collingham	Rotherham MBC
Councillor Jane Kidd	City of Doncaster Council

48 Welcome and Apologies

The Chair welcomed all to the meeting and apologies were noted as above.

49 Urgent Items/Announcements

None.

50 Items to be Considered in the Absence of Public and Press

None.

51 **Declarations of Interest by any Members**

Cllr Ennis declared an interest in agenda item no. 9 as a Member of the Board of Trustees of the National Horseracing College.

52 **Reports from and Questions by Members**

Cllr Jones questioned the possibility of additional scrutiny committees being set up to cover each Thematic Board to ensure that all decisions being made were scrutinised appropriately.

(Cllr Lodge joined the meeting.)

ACTION: The Director of Law and Governance advised that theoretically additional scrutiny committees aligned to each Board could be established and could be considered as part of the annual governance review to determine if appropriate/feasible. The matter would be reported back by the Scrutiny Officer at the next meeting.

53 **Questions from Members of the Public**

None.

54 **Minutes of the Previous Meeting Held on 20 October 2022**

RESOLVED that the minutes of the meeting held on 20 October 2022 be approved.

55 **Matters Arising**

The Chair noted that with regards to minute no. 47, an email had been circulated, providing information on the numbers of bus stops with real time display units. Further information on their distribution across the region had been tabled at the meeting and he was therefore happy to close the action.

The remaining outstanding items were due to be considered at the March meeting.

RESOLVED that the Action Log be noted.

56 **Skills Strategy**

The Senior Development Manager (Business & Skills) provided a progress report on the development of a long term Skills Strategy.

The Education, Skills & Employability Board had commissioned the Strategy in January 2022. Since then, a series of sessions themed around the journey through education, training and work had been undertaken to identify key priorities for the Strategy. These included:

- Information, advice and guidance on careers;
- Sustainable funding;
- Collaboration across sectors;

- Locally delivered and driven;
- Learner focussed;
- Meaningful employer engagement.

The information generated was currently being collated to create a framework and delivery plan which would be tested throughout their development. Local authorities would be engaged to ensure alignment with local education, skills and employability plans. It was anticipated that a first draft would be completed by May 2023.

In response to questions, the Committee was informed that the MCA was working to align the Skills Strategy with local authorities' independent versions to ensure a common thread throughout South Yorkshire. It was also clarified that education and skills providers would be consulted on the draft version and any feedback received would be incorporated into the final Skills Strategy.

As a Member of the Board of Trustees, Cllr Ennis requested that the National Horseracing College be consulted at the draft stage of the Skills Strategy.

ACTION: The Senior Development Manager (Business & Skills) to ensure that the National Horseracing College be consulted at the draft stage of the Skills Strategy.

The number of young people not currently in any form of education or employment and the level of economic inactivity across the older generation were significant issues, both of which had worsened since the Covid pandemic. Another concern was the high proportion of those in low-skilled, low-paid work who did not go on to progress. A key feature to address this in the Skills Strategy was around the provision of careers information and guidance to support people in their development and career progression.

The Chair observed that it would be important to ensure that the provision of training courses matched the opportunities available.

ACTION: The Senior Development Manager (Business & Skills) to incorporate the Committee's comments into the Skills Strategy, particularly with regards to aligning training courses with available opportunities and the needs of employers.

The MCA's work in other areas such as net zero, digital literacy and inclusion were comprised within the Skills Strategy. The intention was to ensure that key areas became integral and inherent across all aspects of the MCA's work.

RESOLVED that the progress of the development and timeframe of the Strategy, be noted.

(The Senior Development Manager (Business & Skills) left the meeting.)

57

South Yorkshire Renewal Fund

The Committee received an update on the South Yorkshire Renewal Fund which was to be financed by the Gainshare settlement.

Gainshare provides more flexibility than other funding streams as it comes with fewer conditions and provides an opportunity for the MCA to be more proactive and ambitious. In addition, the MCA had been granted powers to borrow for all its functions which would allow the MCA to better time investment.

The MCA has taken the decision to phase the Gainshare investment and is currently in the midst of an interim step, which had been agreed to develop four Place Plans and a regional plan. In order to support delivery, £24m had been committed to the Project Feasibility Fund. A further £26m was also made available to ensure that ready capital schemes could be progressed.

Gainshare funded activity is reviewed by Government every 5 years, with the MCA due to have its first review in 2025.

The Committee welcomed the update and commended officers for the clear vision that had been set out.

Members discussed some of the disparities between the different Devolution Deals and noted that South Yorkshire had missed out on some benefits such as business rates retention. The timing of the South Yorkshire Devolution Deal during the first national lockdown had also been unfortunate, with the MCA initially reacting to the impacts of the pandemic. The MCA was now working hard to redress some of these issues and drive long term, meaningful change for the region.

The Executive Director of Finance & Investment advised that where possible the MCA would seek a return on investments and recycle these monies back into the system to fund further projects. He added that consideration would need to be given to inflation and the balance between the time value of money against interest costs.

The Chair requested that strong governance arrangements be put in place for any funding being delegated to local authorities in order to ensure any schemes brought forward were of a high quality.

ACTION: The Corporate Director Policy to attend a future meeting to discuss how success will be measured using the Outcomes Framework and key metrics.

ACTION: The Executive Director of Finance & Investment to provide the Committee with regular updates on the South Yorkshire Renewal Fund and the projects coming forward.

RESOLVED that the Renewal Fund Update be noted.

58

Home to School Transport Update

The Executive Director of Infrastructure & Place introduced an item on Home to School Transport.

Following the withdrawal of school services by First South Yorkshire, the MCA Board had approved the use of £5.1m of reserves to protect school bus

services until July 2024. However, this would be unsustainable longer term. It was essential that consideration was given to how to transition from the current funding arrangements to a future sustainable model.

The reduction in school services was inextricably linked to the challenges facing the wider bus network in South Yorkshire which had been in decline for several years. The situation had been exacerbated by the Covid pandemic with patronage yet to recover and operators struggling commercially.

The MCA had committed support to the wider network until July 2023 while Government funding was only confirmed until the end of March 2023. He cautioned that difficult decisions would need to be made whether Government continued their support or not. In recognition of the seriousness of the situation, the MCA Board had recently agreed to increase the transport levy by 2%. The MCA was also highlighting the scale of the problem with Government at every opportunity.

(Cllr Ennis and Cllr Wyatt left the meeting.)

The Executive Director of Infrastructure & Place reminded the Committee of the public consultation of bus priorities that had taken place the previous year which would be used to inform any decisions taken by the MCA.

ACTION: The Executive Director of Infrastructure & Place to report back to the Committee with any developments on Home to School Transport at future meetings.

RESOLVED that Members consider the points raised and provide officers with any comments thereafter.

59

Transport Update

The Committee was provided with an update on other transport matters.

The Executive Director of Finance & Investment apprised Members of the current situation at Doncaster Sheffield Airport where interested investors were continuing to engage with Peel Group. The possibility of a compulsory purchase order was also being explored by Doncaster MBC.

The Executive Director of Infrastructure & Place advised that work with bus operators was ongoing to improve customer experience. Reliability and punctuality had improved but was not yet meeting targets. First were implementing a system to enable 'tap on' and 'tap off' across Doncaster, Rotherham and Sheffield which would simplify ticketing. The MCA was also continuing to work through the statutory process required for franchising.

(The Director of Law and Governance left the meeting.)

Although the £2 fare had surpassed expectations, this was largely through the transfer of existing passengers to the single fare ticket rather than an increase in overall patronage.

RESOLVED that the Transport Update be noted.

60 **Review of latest Forward Plan of Key Decisions**

RESOLVED that the Forward Plan of Key Decisions be noted.

I, the undersigned, confirm that this is a true and accurate record of the meeting.

Signed

Name

Position

Date

Overview and Scrutiny Committee

Action Log from 19 January 2023

Open and Recently Completed Actions

Meeting Date	Minute No	Action	Action Owner	Update	Status
20/10/22	44	Matters Arising/Review of Action Log The Chair recognised that two petitions had been delivered to the MCA board earlier in the week. The second petition was on retrofitting South Yorkshire homes in fuel poverty which was due to be considered at the March 2023 OSC meeting. OSC to receive information relating to response given to petitioner at the March 2022 MCA Meeting.	Christine Marriott	Details shared with Committee via email on 02/02/23	Closed
20/10/22	46	Mayoral Scrutiny A Healthy Life Expectancy Lead had been appointed to advance the work addressing Health inequalities across the region. This also linked with the work the Mayor would do as the new Chair of the Integrated Care Partnership. To add report on Health Inequalities to the work plan.	Christine Marriott	Raised with Health Inequalities lead to schedule in to the work plan	Ongoing

Meeting Date	Minute No	Action	Action Owner	Update	Status
19/01/23	52	Reports from and Questions by Members ACTION: The Director of Law and Governance advised that theoretically additional scrutiny committees aligned to each Board could be established and could be considered as part of the annual governance review to determine if appropriate/feasible. The matter would be reported back by the Scrutiny Officer at the next meeting.	Steve Davenport		Ongoing
19/01/23	56	Skills Strategy ACTION: The Senior Development Manager (Business & Skills) to ensure that the National Horseracing College be consulted at the draft stage of the Skills Strategy.	Roger Wilde		Closed
19/01/23	56	Skills Strategy ACTION: The Senior Development Manager (Business & Skills) to incorporate the Committee's comments into the Skills Strategy, particularly with regards to aligning training courses with available opportunities and the needs of employers.	Roger Wilde		Closed

Meeting Date	Minute No	Action	Action Owner	Update	Status
19/01/23	57	South Yorkshire Renewal Fund ACTION: The Corporate Director Policy to attend a future meeting to discuss how success will be measured using the Outcomes Framework and key metrics.	Felix Kumi-Ampofo		Ongoing
19/01/23	57	South Yorkshire Renewal Fund ACTION: The Executive Director of Finance & Investment to provide the Committee with regular updates on the South Yorkshire Renewal Fund and the projects coming forward.	Gareth Sutton		Ongoing
19/01/23	58	Home to School Transport Update ACTION: The Executive Director of Infrastructure & Place to report back to the Committee with any developments on Home to School Transport at future meetings.	John Dowie	There is a bus update within the March meeting agenda.	Closed

Completed Actions

Meeting Date	Minute No	Action	Action Owner	Update	Status
28/07/2022	32	Minutes of the Previous Meeting Held on 23 March 2022	Christine Marriott	22/09/22 – Agenda setting meeting on 16/09/22 ‘hot topics’ from Social Media posts and	Complete – but public engagement

Meeting Date	Minute No	Action	Action Owner	Update	Status
		The Scrutiny Officer to research how to improve public participation and provide a report to Members at a future date.		questions and petitions presented to MCA Boards were provided to OSC Members to inform Work Programme for 2022/23.	will continue to inform OSC agenda
28/07/2022	34	Review of latest Forward Plan of Key Decisions The Deputy Chief Executive to circulate information on the Government's criteria for Skills Bootcamps to the Committee.	Ruth Adams	12/10/22 - Information circulated to OSC Members.	Complete
28/07/2022	35	Bus Cancellations The Director of Public Transport Operations to provide information on the indicative levels of inaccuracy of data displayed on digital bus stops to the Committee.	Tim Taylor	Further information circulated to Members on 2 September. 16/09/22 OSC have invited Tim Taylor back to the October OSC meeting to discuss the data provided.	Complete
28/07/2022	35	South Yorkshire Retrofit Democratic Services to add Retrofit Taskforce to the Work Programme.	Christine Marriott	09/08/22 – Item placed on agenda for the Work Programme workshop scheduled for 16/09/22	Completed
28/07/2022	36	Launch of Data and Intelligence Hub Democratic Services to arrange an additional, single item meeting on Mayoral Scrutiny.	Christine Marriott	09/08/22 – Contacted Cllr Ross for preferred dates for meeting with Mayor Coppard. Await news. 26/09/22 - Decision made by OSC Chair to include Mayoral Scrutiny on the October agenda.	Complete
23/03/22	22	Mayoral Scrutiny	Christine Marriott	Letter of thanks sent to Mayor Jarvis on 08/04/22.	Complete.

Meeting Date	Minute No	Action	Action Owner	Update	Status
		Cllr Ennis suggested that the Committee should send a letter of thanks to Mayor Jarvis. This was agreed.			
20/10/22	AOB	The Committee to write to the Leader of RMBC to request a representative's attendance at meetings in order to operate successfully as a combined authority.	Christine Marriott	Letter sent to Cllr Chris Read on 7 November 2022. A copy of the letter was also circulated to OSC members on the same date. A response received from Cllr Chris Read on 17 November 2022.	Complete.
20/10/22	47	The Corporate Director of Public Transport to circulate information to the committee on the regional distribution of bus stops with real time display units.	Stephen Edwards	An update to be provided to the Committee via email.	Complete.

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Forward plan of Key Decisions to be made: Forward Plan of all Key Decisions from January 2023

Date Published: 1 January 2023

Decision to be made:	What is the decision?	Planned Decision Date	Decision maker's name (or name of the board) & title:	Lead Officer name and contact details	Documentation for consideration & other relevant documents	Prohibitions Restrictions Exemptions
Award of South Yorkshire Supertram Embedded Rail Repairs (Polymer Sealant) Contract	To award the contract to the winning tenderer. Estimated cost £1.4M.	8/03/23	Corporate Director of Public Transport	Pat Beijer Director of Public Transport Development pat.beijer@southyorkshire-ca.gov.uk	Public Transport Team (PTT) Approval Paper	Not exempt
BEIS Programme - Approval of Funding Support for scheme D0058 (FBC)	Approval of £3m grant funding (BEIS) to deliver public realm at West Bar in Sheffield. Delegation from MCA.	16/03/23	MCA - Housing and Infrastructure Board	Sue Sykes Assistant Director - Procurement, Contracts and Programme Controls sue.sykes@southyorkshire-ca.gov.uk	Board paper.	Fully exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Decision to be made:	What is the decision?	Planned Decision Date	Decision maker's name (or name of the board) & title:	Lead Officer name and contact details	Documentation for consideration & other relevant documents	Prohibitions Restrictions Exemptions
BEIS Programme - Rotherham Markets and Libraries Complex (FBC)	Approval of £3m grant funding (BEIS) to redevelop the markets and libraries in Rotherham Town Centre. Delegation from MCA.	16/03/23	MCA - Housing and Infrastructure Board	Sue Sykes Assistant Director - Procurement, Contracts and Programme Controls sue.sykes@southyorkshire-ca.gov.uk	Board Paper	Not exempt
Approval of funding support for Business D0049 (FBC)	Delegated from MCA - Approval of award of £7m loan to support the creation and development of a Business base for company D0049.	16/03/23	MCA - Business Recovery and Growth Board	Sue Sykes Assistant Director - Procurement, Contracts and Programme Controls sue.sykes@southyorkshire-ca.gov.uk	Board Paper	Fully exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Decision to be made:	What is the decision?	Planned Decision Date	Decision maker's name (or name of the board) & title:	Lead Officer name and contact details	Documentation for consideration & other relevant documents	Prohibitions Restrictions Exemptions
Approval offunding support for Business D0060 (FBC)	Progression of "D0060" from FBC to full approval and award of £1.5m equity funding	16/03/23	MCA - Business Recovery and Growth Board	Rachel Clark Assistant Director Trade & Investment rachel.clark@southyorkshire-ca.gov.uk		Fully exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)
Gainshare - Doncaster Waterfront (FBC)	Approval of £6.2m grant funding for the remediation of a key site on the edge of the city centre. Delegation from MCA.	16/03/23	MCA - Housing and Infrastructure Board	Sue Sykes Assistant Director - Procurement, Contracts and Programme Controls sue.sykes@southyorkshire-ca.gov.uk	Board Paper.	Not exempt
Capability and Ambition Fund (BJC)	Approval of £986,000 revenue funding to deliver the Capability and Ambition Fund activity across South Yorkshire.	17/03/23	MCA - Transport and the Environment Board	Sue Sykes Assistant Director - Procurement, Contracts and Programme Controls sue.sykes@southyorkshire-ca.gov.uk	Board Paper.	Not exempt

Decision to be made:	What is the decision?	Planned Decision Date	Decision maker's name (or name of the board) & title:	Lead Officer name and contact details	Documentation for consideration & other relevant documents	Prohibitions Restrictions Exemptions
Transforming Cities Fund - Doncaster Active Travel - Mexborough (FBC)	Approval of £1.2m grant funding to deliver Active Travel improvements in Mexborough.	17/03/23	MCA - Transport and the Environment Board	Sue Sykes Assistant Director - Procurement, Contracts and Programme Controls sue.sykes@southyorkshire-ca.gov.uk	Board paper.	Not exempt
Adult Education Budget Allocations 23/24	Recommendation of indicative allocations of Adult Education Budget to providers to the MCA Board, up to a total of £40m.	20/03/23 5/06/23	MCA - Education, Skills and Employability Board MCA - Mayoral Combined Authority Board	Adam Greenwood Tom Bousfield Assistant Director Employment & Skills Corporate Director Growth, Business & Skills Adam.Greenwood@southyorkshire-ca.gov.uk tom.bousfield@southyorkshire-ca.gov.uk	Board paper.	Not exempt

Decision to be made:	What is the decision?	Planned Decision Date	Decision maker's name (or name of the board) & title:	Lead Officer name and contact details	Documentation for consideration & other relevant documents	Prohibitions Restrictions Exemptions
Bus Driver Training Programme	Approval to commission contracts to providers following procurement of services to deliver Bus Driver training programme approved by Education, Skills and Employability Board on 12/12/22. Using £385k from existing Adult Education Budget funds.	20/03/23	MCA - Education, Skills and Employability Board	Sue Sykes Assistant Director - Procurement, Contracts and Programme Controls sue.sykes@southyorkshire-ca.gov.uk	Options paper	Not exempt
Skills Bootcamps - Contracts Awarding	Approval to commission contracts to providers following procurement of services to deliver Skills Bootcamps to South Yorkshire residents from April 2023 – March 31 st 2024. Using £724k awarded by Department for Education.	20/03/23	MCA - Education, Skills and Employability Board	Sue Sykes Assistant Director - Procurement, Contracts and Programme Controls sue.sykes@southyorkshire-ca.gov.uk	Options paper	Not exempt
Individual Placement and Support in Primary Care (IPSPC) - contract extension	Approval to award £0.43m to enable delivery of IPSPC across South Yorkshire.	21/03/23	Corporate Director of Business and Skills	Sue Sykes Assistant Director - Procurement, Contracts and Programme Controls sue.sykes@southyorkshire-ca.gov.uk	Options Paper.	Not exempt

Decision to be made:	What is the decision?	Planned Decision Date	Decision maker's name (or name of the board) & title:	Lead Officer name and contact details	Documentation for consideration & other relevant documents	Prohibitions Restrictions Exemptions
Internal Audit Services - contract award	Approval to award £0.4m contract for provision of internal audit services for SYMCA for 4 years.	23/03/23	Section 73 Officer	Sue Sykes Assistant Director - Procurement, Contracts and Programme Controls sue.sykes@southyorkshire-ca.gov.uk	Board paper.	Not exempt
Extension of Bus Service Contracts	To seek Approval to extend bus service contracts due to expire on 01 April 2023 to 22 July 2023.	29/03/23	Corporate Director of Public Transport	Andy Wright Bus Service Manager andy.wright@southyorkshire-ca.gov.uk	Decision Paper.	Fully exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)
B0048 Skyhouse (BJC)	Approval of award of £750,000 grant to support delivery of continued regeneration within the Waverley redevelopment area. Delegation from Housing and Infrastructure Board on 16/03/2023.	31/03/23	Director of Transport, Infrastructure and Housing	Sue Sykes Assistant Director - Procurement, Contracts and Programme Controls sue.sykes@southyorkshire-ca.gov.uk	Board Paper	Not exempt

Decision to be made:	What is the decision?	Planned Decision Date	Decision maker's name (or name of the board) & title:	Lead Officer name and contact details	Documentation for consideration & other relevant documents	Prohibitions Restrictions Exemptions
B0055 Blue Mans Way (FBC)	Approval of award of £1.3m grant to support delivery of affordable homes in Catcliffe. Delegation from Housing and Infrastructure Board on 16/03/23.	31/03/23	Director of Transport, Infrastructure and Housing	Sue Sykes Assistant Director - Procurement, Contracts and Programme Controls sue.sykes@southyorkshire-ca.gov.uk	Board Paper.	Not exempt
CRSTS10 York Road to Melton Road Trans Pennine Trail Improvements (BJC)	Approval of award of £350k grant to deliver active travel enhancements. Delegation from Transport and Environment Board on 17/03/23.	31/03/23	Director of Transport, Infrastructure and Housing	Sue Sykes Assistant Director - Procurement, Contracts and Programme Controls sue.sykes@southyorkshire-ca.gov.uk	Board Paper.	Not exempt
Approval of Contract Awards School Bus Services	To seek Approval to award School bus Services contracts for one year (non-statutory) and four year (statutory) durations and general Network Services for three year duration.	12/04/23	Corporate Director of Public Transport	Andy Wright Bus Service Manager andy.wright@southyorkshire-ca.gov.uk	Decision paper.	Not exempt

Decision to be made:	What is the decision?	Planned Decision Date	Decision maker's name (or name of the board) & title:	Lead Officer name and contact details	Documentation for consideration & other relevant documents	Prohibitions Restrictions Exemptions
Award of contract Bus Franchising	Award of contract for provision of legal services relating to bus franchising.	14/04/23	Director of Transport, Infrastructure and Housing	Pat Beijer Director of Public Transport Development pat.beijer@southyorkshire-ca.gov.uk	approvals paper.	Not exempt

Overview and Scrutiny Committee

Thursday, 23 March 2023

Brownfield Housing Fund Programme Update

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Monitoring/Assurance
Is this a Key Decision?	No
Has it been included on the Forward Plan of Key Decisions?	Not a Key Decision

Director Approving Submission of the Report:

John Dowie, Interim Executive Director of Infrastructure & Place

Report Author(s):

Colin Blackburn, Assistant Director of Housing, Infrastructure & Planning

Colin.blackburn@southyorkshire-ca.gov.uk

Becky Guthrie, Senior Programme Manager

Becky.guthrie@southyorkshire-ca.gov.uk

Executive Summary

To review the progress of the Brownfield Housing Fund Programme.

What does this mean for businesses, people and places in South Yorkshire?

The Brownfield Housing Fund will deliver new housing and the regeneration and reuse of brownfield sites in support of the Strategic Economic Plan and Recovery Action Plan objectives. It will enable thousands of new homes to be provided that would otherwise not be built due to viability gaps, supporting both economic growth and jobs, and new affordable homes for South Yorkshire residents.

Recommendations

The Board is asked to:

- note the update on the Brownfield Housing Fund Programme.

Consideration by any other Board, Committee, Assurance or Advisory Panel

N/A

1. Background

- 1.1 The South Yorkshire Mayoral Combined Authority (SYMCA) has been allocated £53.3M from Government to support the development of housing schemes on brownfield land, to unlock the development of at least 3,300 new homes by the end of March 2025. There was also £0.84m revenue funding which was received, and which helped support the development of the initial programme schemes.
- 1.2 The South Yorkshire Brownfield Housing Fund (BHF) Programme involves three Phases of pipeline schemes, which are set out in the BHF Programme Business Case (PBC). Phases 1 and 2 comprise of schemes that have already been developed; funding has been approved by SYMCA; and the schemes are now in the contract / delivery phase. Phase 3 schemes are those that have been formally accepted onto the BHF Programme pipeline, some of which were identified through an Open Call undertaken in Autumn 2022.
- 1.3 The strategy for developing the BHF is set out in PBC, approved by the Housing and Infrastructure Board (HIB) in June 2022 and updated with BHF Open Call schemes in December 2022.
- 1.4 A BHF update was previously reported to this Committee on 22 March 2022 and this report provides a further update of progress over the past 12 months in delivering the BHF Programme.

2. Key Issues

- 2.1 Phases 1 and 2 of the BHF pipeline, consisted of 12 schemes in total, which were approved in the years 2020/21 and 2021/22. The total value of these approved schemes was £17.28M. In total, it is expected that 1,505 units will be unlocked from these Phase 1 and 2 schemes.
- 2.2 Phase 3 of the BHF pipeline currently has 24 schemes with a total funding ask of £39.39M, with the potential to unlock a further 2,428 new homes. SYMCA Executive is working with scheme sponsors to progress these schemes, which are currently at different stages in the business case development process; for example two schemes requesting a total of £2.09M are being considered by the HIB for final funding approval in March 2023; and seven schemes with a funding ask of £20.33M have submitted Strategic Business Cases which are currently being appraised through SYMCA's Assurance Process.

Brownfield Housing Fund – Overview

- 2.3 The current overview of the BHF pipeline Phases 1-3 is summarised in the table below.

Phase 1 20/21	District	Funding ask		Units	
	Sheffield	£3,124,051		762	
	Rotherham	£433,950		27	
			£3,558,001		789

Phase 2 21/22	Sheffield	£9,690,155		572	
	Rotherham				
	Barnsley	£225,000		9	
	Doncaster	£4,155,000		159	
			£14,070,155		740
Phase 3 22-25					
	Sheffield	£24,397,031		1657	
	Rotherham	£9,804,000		522	
	Barnsley	£2,940,000		147	
	Doncaster	£2,250,000		102	
			£39,391,031		2,428
Totals			£57,019,187		3,957
BHF Total			£53,410,000		
Over Programmed			£3,609,187		657

2.4 Of the potential 3,957 new homes that could be delivered through the BHF Programme, currently 1420 of these would be social and affordable homes. This figure excludes a couple of schemes where the detailed housing mix is still to be determined.

2.5 The current overprogrammed position of circa 7% of the programme funding will allow for some projects to be taken out of the pipeline should they fail to meet programme criteria; for example, as a result of delays.

Open Call

2.6 The South Yorkshire Mayoral Combined Authority Board gave approval in July 2022 to undertake the Open Call for new schemes due to a remaining unallocated budget of £21.7M in the BHF Programme. The Open Call was held between the 5th September and 28th October 2022, and a wide ranging communication and awareness campaign was undertaken including press and social media releases and a series of in-person and online questions and answer events. Individual discussions were also undertaken with prospective applicants.

2.7 This campaign resulted in 39 Expressions of Interest with a total funding ask of £82m; nearly four times the available funding. The breakdown of submitted schemes per district is as follows:

Expression of Interest Submissions by Geography			
LA Totals	Value	Units	Number of Schemes
Barnsley	£11,350,000	686	3
Doncaster	£6,250,000	230	5
Rotherham	£13,606,000	863	7
Sheffield	£51,605,000	2,903	24
	£82,811,000	4,682	
		Total Schemes	39

2.8 All Expressions of Interest were assessed based on the strategic criteria set out in the published Open Call Prospectus document including affordable housing provision; low carbon standards; whether located in a Strategic Economic Plan (SEP) Growth Area; and deliverability with starts on site by end March 2025. The preferred schemes were added to the Phase 3 Pipeline.

2.9 A summary of the Phase 3 pipeline is below:

Phase 3 - 2022-25					
Scheme Name	District	2022 - 2025			
		Capital £		Units	
SCC SIP* Newstead OPIL	Sheffield	£2,396,000		141	
SCC SIP Newstead General Needs	Sheffield	£1,848,000		77	
SCC SIP Bole Hill View	Sheffield	£279,000		36	
SCC SIP Viking Lea	Sheffield	£1,615,000		90	
SCC SIP Algar	Sheffield	£895,000		50	
SCC SIP Gaunt Road	Sheffield	£480,000		30	
SCC SIP Temp Accommodation	Sheffield	£1,500,000		90	
SCC SIP Hemsworth OPIL	Sheffield	£894,000		81	
Park Hill P5	Sheffield	*1,792,000		112	
Cannon Brewery	Sheffield	6,696,031		300	
Attercliffe Waterfront	Sheffield	4,130,000		552	
Devonshire Quarter	Sheffield	790,000		60	
Sheffield Community Land Trust	Sheffield	185,000		0	
Langsett Road	Sheffield	552,000		23	
St Elizabeth Close	Sheffield	345,000		15	
SCC Totals			24,397,031		1,657
Eastwood	Rotherham	£1,749,000		36	
Blue Mans Way	Rotherham	1,300,000		76	
Waverley Phase 2	Rotherham	1,300,000		106	
Waverley Parcel 4C	Rotherham	1,470,000		87	
Waverley Parcel 4D	Rotherham	3,100,000		185	
Olive Lane, Waverley	Rotherham	885,000		32	
RMBC Totals			9,804,000		522
Goldthorpe Pre-1919 redevelopment	Barnsley	440,000		11	
The Seam	Barnsley	2,500,000		136	
BMBC Totals			2,940,000		147
Unity Housing West	Doncaster	2,250,000		102	
DMBC Totals			2,250,000		102

	2022 - 2025 Totals	39,391,031		2,428
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** SCC SIP refers to Sheffield City Council's Stock Increase Programme*

- 2.10 The HIB also agreed a Reserve Pipeline following the Open Call comprising of seven schemes with a funding ask of £11.4M. Subject to further clarity on scheme details and development of complaint business cases, these could also provide further schemes to add into the Phase 3 Pipeline should funding headroom become available.

Scheme	District	Funding Ask	Housing Units
Charnwood Street, Swinton	Rotherham	480,000	49
Rotherham Housing Development Programme	Rotherham	4,365,000	291
Bankwood Lane/ New Rossington	Doncaster	500,000	27
Gateway East	Doncaster	250,000	18
Claywood	Sheffield	1,200,000	50
Basford Way	Sheffield	405,000	17
Laurel Works	Sheffield	4,200,000	268
Total		£11,400,000	720

- 2.11 The target for the BHF programme is to unlock / start on site a minimum of 3,300 new homes on brownfield land by the end of March 2025, and this still looks to be achievable, but it is very challenging. The impact of the Covid19 Lockdown on the construction sector has affected the delivery of new homes, and other factors over the past 12 months such as material and labour cost escalation, higher inflation and costs of borrowing, and local authority capacity has compounded the development and delivery of brownfield housing schemes.
- 2.12 This challenging situation is reflected in the actual current programme spend. Although SYMCA has approved £17.28m for twelve schemes in 2020/21 and 2021/22, only £2.44M of revenue and capital funding has been contracted and spent to date. The pace of delivery is 'picking up' but the experience so far shows how important it will be to seek to ensure as many of the Phase 3 Pipeline schemes are progressed to development readiness and secure funding approval as early as possible, to enable sufficient time for delivery and spend by the end of March 2025 programme deadline.
- 2.13 There are reputational risks to under-delivery on this programme such as the possibility of funding in the final years of the programme being reduced or withdrawn by Government, and/or negatively impacting on any future devolution of brownfield housing funding to the region.

3. Options Considered and Recommended Proposal

3.1 Option 1

To note the progress in delivering the BHF programme.

3.2 **Option 1 Risks and Mitigations**

There remain a number of risks related to delivering the proposed new Phase 3 Pipeline schemes.

- Delays in finalising business cases for the Phase 3 Pipeline schemes such as due to capacity constraints of scheme sponsors and/or fluctuating economic conditions and cost escalations resulting in schemes not meeting programme criteria or the end of March 2025 deadline.
- Committing to funding schemes which may be delayed in delivery and therefore not contribute to 'unlocking' homes by the end of March 2025.

To mitigate these risks the Pipeline will be kept under continual review and schemes removed from the pipeline if it appears they cannot meet the delivery deadline. The over programming position will be helpful in this regard.

SYMCA Executive officers will also continue to support scheme sponsors of both the Phase 3 Pipeline and Reserve Pipeline schemes to seek to bring forward sufficient schemes by the end of March 2025 to meet both programme spend and housing output targets.

3.3 **Option 2**

N/A

3.4 **Option 2 Risks and Mitigations**

N/A

3.5 **Recommended Option**

Option 1

4. **Consultation on Proposal**

- 4.1 The Housing and Infrastructure Board has overseen the development and delivery of the BHF Programme. Local Authority Housing Directors have been involved at every stage in helping develop the ambitions of the BHF Prospectus and programme, as well as Housing Associations and Homes England.

5. **Timetable and Accountability for Implementing this Decision**

- 5.1 There is two years until the end of March 2025 BHF deadline, so it is critical that schemes are developed and delivered to meet this deadline.

6. **Financial and Procurement Implications and Advice**

- 6.1 There is £36.02M of BHF funding yet to be approved and the programme is currently overprogrammed by c£3.61M (7%). Monitoring will be important to ensure that this position is managed, and sufficient funding headroom is available for all schemes and/or alternative schemes are identified and brought forward for development to fill any funding headroom for spend by the end of March 2025.

7. **Legal Implications and Advice**

- 7.1 There are no direct implications of this report. All schemes funded from the BHF are approved in compliance with SYMCAs agreed processes and will have appropriate contracts agreed between SYMCA and scheme promoters.

8. Human Resources Implications and Advice

- 8.1 The SYMCA Executive will continue to support scheme promoters to develop the schemes expediently.

9. Equality and Diversity Implications and Advice

- 9.1 Appropriate equality and diversity considerations are considered as part of the SYMCA scheme design and development process.

10. Climate Change Implications and Advice

- 10.1 The carbon impacts of projects form part of the scheme development and scheme approval process.

11. Information and Communication Technology Implications and Advice

- 11.1 None as a direct result of this report.

12. Communications and Marketing Implications and Advice

- 12.1 There will be opportunities for publicity and marketing at both the SYMCA funding approval and scheme delivery stages.

List of Appendices Included:

- A none

Background Papers

None

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Overview and Scrutiny Committee

23 March 2023

Bus Services Update

Is the paper exempt from the press and public?	No
<i>Reason why exempt:</i>	Not applicable
Purpose of this report:	Monitoring/Assurance
Is this a Key Decision?	No
Has it been included on the Forward Plan?	No

Director Approving Submission of the Report:

John Dowie, Executive Director for Infrastructure and Place

Report Author(s):

Tim Taylor, Director of Public Transport Operations

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Executive Summary

This report provides the Transport and Environment Board with an update on the latest position on the current and future funding of bus services in South Yorkshire following the announcement from Government on 17 February to extend Bus Recovery Grant (BRG) funding for a further three months until end of June 2023.

What does this mean for businesses, people and places in South Yorkshire?

The bus network in South Yorkshire is essential to its prosperity. It is vital that services which are not commercially viable are protected as best as possible within the constraints of available budget.

Recommendations

It is recommended that OSC members:

1. Note the recent funding extension by DfT of Bus Recovery Grant (BRG) and £2 fare cap and the benefits, albeit short-term, for bus services in South Yorkshire
2. Acknowledge the expected reduced pressure on the use of SYMCA reserves as a result of the funding extension announced.
3. Recognise the complexity and uncertainty of the future funding landscape, compounded by the late decisions from Department of Transport on any extension to Bus Recovery Grant (BRG) funding.

Consideration by any other Board, Committee, Assurance or Advisory Panel
Transport and the Environment Board 17 March 2023

1. Background

- 1.1 Since the start of the Covid pandemic in 2020, bus operators have been able to access various levels of financial support to ensure that services which would otherwise be commercially unsustainable can continue. At various points in time, there has been numerous suggestions that funding from central government would come to an end, most recently in April and then October 2022.
- 1.2 The current funding settlement continues to provide support to most bus operators in South Yorkshire with the exception of First who declined to claim this funding from October 2022. Following an announcement on 17 February 2023, a further extension to Bus Recovery Grant (BRG) funding has been confirmed through to 30 June 2023. This coincides with a funding extension to the existing £2 fare cap on bus which was also due to end on 31 March.
- 1.3 In order to protect bus services from further cuts, SYMCA agreed in Autumn 2022 to commit additional reserves of up to of £7.2m between October and July 2023, with an additional £5.1m of reserves having been agreed for protecting non-statutory school services through to July 2024. This allowed SYMCA to temporarily retain services which would have otherwise been reduced or removed.
- 1.4 Whilst the latest funding extension clearly allows for a reduced dependency on financial reserves between April and July 2023, in the absence of a long-term funding settlement for buses from government, it merely serves to delay the potential significant reduction in bus services when this funding expires.
- 1.5 Given the dynamic nature of both the funding position with DfT and decisions made through discussions with SYMCA Leaders and Officers, relative to the paper submission deadline for the paper preparation, the Director of Public Transport Operations will provide a verbal update on any matters not covered by this paper during the meeting.

2. Key Issues

- 2.1 The latest funding extension allows for SYMCA to continue to plan for a range of possible outcomes for July 2023 dependent on any agreed long-term funding arrangement.

- 2.2 However, given the uncertainty over future funding now beyond 30 June 2023 SYMCA are still progressing with tendering more permanent (i.e. 3-year) bus service contracts to replace the existing short-term contracts which will now be extended to 23 July 2023.
- 2.3 The timeline for this procurement activity is as follows:
1. Tenders published to market – 20 February
 2. Tenders close – 20 March
 3. Submissions analysed and recommendations prepared by – 12 April
 4. Equality and Diversity Implications assessed by – 12 April
 5. Proposed awards issued and standstill commences – 25 April
 6. Standstill ends – 05 May
 7. Commence service change activity (timetables etc.) – 05 May
 8. Service change date – 23 July
- 2.4 Meetings have been conducted with SYMCA Leaders and Executive Directors during mid to late February and early March to discuss the range of options available to us in the transition to a financially sustainable position on bus tendered service support.
- 2.5 Given the extension of BRG reduces the drawn down of reserves during April to June, SYMCA has policy choices to consider on how it deploys its reserves to best services in the future. The extension of BRG is estimated to leave around £4.54m available from the £7.2m established for the protection of priority bus services.
- 2.6 This arrangement needs to recognise not only the pressures to protect local general network services but also the prioritisation and importance of non-statutory school bus services. Whilst these are protected through the use of further financial reserves through to July 2024, a longer-term settlement and agreement on their continuation needs to be reached.
- 2.7 There remains significant uncertainty as to what DfT will do in any further funding settlement beyond 30 June. Whilst there may be options for a longer-term funding arrangement for bus services to be put in place, this is contingent on agreement from Treasury and the wider fiscal environment. It is still likely that DfT will look to remove BRG in whole or in part at some point and it would therefore be prudent to plan on the basis that we will sooner rather than later need to make fundamental decisions about what we want as a longer-term bus network.
- 2.8 Throughout this process, SYMCA officers will continue to engage with Local Authority Transport Officers to ensure they are also suitably sighted on the proposals at a local and service level and allow them to raise concerns as to any specific services which may be at risk or are contrary to local need.

3. Options Considered and Recommended Proposal

3.1 Option 1

Continue with the existing tendered services procurement process to secure longer-term stability in the network, whilst simultaneously exploring and agreeing with SYMCA Leaders our approach to dealing with the wider issues on a sustainable

funding position for general network and school bus services from July 2023 onwards.

3.2 **Option 1 Risks and Mitigations**

There is a possibility that DfT further extend funding beyond the end of June 2023, and we enter another short-term cycle of funding at a similar level to present which just delays the final timing of network reductions which are ultimately required unless equivalent levels of existing funding are confirmed for a multi-year settlement.

3.3 **Option 2**

Continue to put in place short term service arrangements which temporarily extend the existing arrangements and wait for confirmation from DfT on the outcome (positive or otherwise) of funding beyond the end of June 2023.

3.4 **Option 2 Risks and Mitigations**

As we have seen from all previous short-term funding extensions from DfT, the announcement of the settlement has been made very late relative to the end of the existing funding window. As such, should funding not be extended, and a longer-term funding package not agreed, SYMCA would be faced with very little time to prepare its response to the funding reduction and ensure adequate engagement and communication of the changes with stakeholders and constituents.

3.7 **Recommended Option**

Option 1

4. **Consultation on Proposal**

4.1 Engagement with Local Authority Executive Directors for Transport has already taken place and individual sessions with Local Authority Leaders have also taken place during late February and early March. Further discussions are also planned for March and April with Local Authorities to ensure that a more detailed understanding of the outcome and implications of policy choices are known.

5. **Timetable and Accountability for Implementing this Decision**

5.1 As outlined above, the contracts for future tendered services are planned to commence from 23 July 2023. At present, BRG funding is only confirmed to 30 June so decisions on levels of service need to be taken aligned to these dates.

6. **Financial and Procurement Implications and Advice**

6.1 The approach set out in this paper recommends deploying existing reserves which were already allocated for the protection of priority services to maintain bus services but over a different time horizon given the benefit derived from an extension to BRG.

It also assumes a continuation of the existing tendered service revenue budget for 2023/24 and for the following two financial years, which is consistent with both the budget approved from 2023/24 but also broader assumptions about revenue budget in line with medium-term plans shared with the Mayoral Combined Authority Board.

7. **Legal Implications and Advice**

7.1 Bus tenders are procured in accordance with the Transport Act 1985 requirements.

8. Human Resources Implications and Advice

8.1 Not applicable for this paper.

9. Equality and Diversity Implications and Advice

9.1 Whilst this paper provides an outline on the proposed approach and timescales for future bus tendered services, it does not at this time define the scope and extent of what services will be in place once the full extent of funding available is known, nor the affordability of bids received from operators.

For this reason, an assessment of Equality and Diversity implications is recommended once bids have been received from operators. This is shown in the timeline as set out in 2.3 above.

10. Climate Change Implications and Advice

10.1 Not applicable for this paper.

11. Information and Communication Technology Implications and Advice

11.1 Not applicable for this paper.

12. Communications and Marketing Implications and Advice

12.1 Additional reduction in bus services within the region will create media and stakeholder concern about the future viability of public transport so it's vital that we communicate the level of financial support being invested by SYMCA to continue to sustain bus services whilst additional resource and powers are secured. We will need to continue to highlight the existing SYMCA funding for services until July 2023 and the actions being taken to secure the resource and powers beyond this time.

We will also continue to press publicly and privately for a longer-term (multi-year) funding settlement for bus to allow sustainable services to be put in place.

List of Appendices Included

None.

Background Papers

None.

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