

MCA - HOUSING AND INFRASTRUCTURE BOARD

MINUTES OF THE MEETING HELD ON:

TUESDAY, 22 JUNE 2021 AT 10.00 AM

VIRTUAL MEETING



Present:

Gemma Smith (Co-Chair)	Private Sector LEP Board Member
Councillor Glyn Jones	Doncaster MBC
Councillor Amy Brookes	Rotherham MBC
Councillor Tim Cheetham	Barnsley MBC
Councillor Paul Wood	Sheffield CC
Martin Swales	MCA Executive Team

In Attendance:

Colin Blackburn	Assistant Director - Housing, Infrastructure and Planning	MCA Executive Team
Carl Howard	Senior Programme Manager	MCA Executive Team
Becky Guthrie	Senior Programme Manager	MCA Executive Team
Richard Sulley	Net Zero Project Director	MCA Executive
Laurie Thomas	Senior Programme Manager	MCA Executive Team
Helen Batt	Helen Batt	
Michael Snaith	Arcadis	
Tom Hawley	Homes England	

Apologies:

Councillor Terry Fox	Sheffield City Council
Tanwer Khan	Private Sector LEP Board Member
Damian Allen	Doncaster MBC

1 Welcome and Apologies

The Co-Chair, Gemma Smith welcomed everyone to the June meeting.

The Chair gave a warm welcome to new Board Members: Councillor Amy Brookes, representing Rotherham MBC, Councillor Paul Wood, representing Sheffield City Council and to the new Co-Chair, Councillor Terry Fox, who had recently been elected as Leader of Sheffield City Council. Councillor Fox had submitted his apologies for today's meeting, but would be attending the September Board meeting.

Martin Swales, Interim Director of Transport, Housing & Infrastructure for the MCA was also welcomed to his first meeting of the Board.

The Chair also placed on record her thanks to Councillor Bob Johnson and

Councillor Julie Grocutt for the support they had given whilst being members of the Housing and Infrastructure Board.

Apologies for absence were noted as above.

2 Declarations of Interest by individual Members in relation to any item of business on the agenda

Councillor Jones declared an interest in matters to be considered at agenda Item 10 'Infrastructure Project Pipeline - Gainshare Schemes' by virtue of Doncaster MBC being a recipient of Gainshare funding.

3 Urgent items / Announcements

None.

4 Public Questions on Key Decisions

None.

5 Minutes of Previous Meeting

It was agreed that the minutes of the previous meetings of the Housing and Infrastructure Board held on 4th March 2021 are an accurate record and may be signed by the representative of the Head of Paid Service.

C Blackburn provided an update on the actions arising from the Board meeting held on 4th March 2021, and were noted as follows:-

- The Doncaster Town Centre – Quality Street (GBF) endorsed by the Board at the previous meeting, had been approved by the MCA for award of a £5.5m grant from the Getting Building Fund.

Two actions arising from the discussion on the emerging South Yorkshire Digital Infrastructure Strategy would be covered on today's agenda at Item 8 'Draft Digital Infrastructure Strategy'.

6 Net Zero Work Programme - Introduction to Project Director

The Chair gave a warm welcome to Richard Sulley, Net Zero Project Director for the MCA.

Richard Sulley informed the Board that he had been in post from 1st April 2021 and his role was to organise, mobilise and operationalise the existing Net Zero Programme to deliver on the pledges that had been made to be net zero by 2040.

Over the next few months R Sulley would be attending Board meetings and presenting more substantive reports on how it was intended to deliver on the pledges.

The Chair thanked R Sulley for his attendance at today's meeting.

Housing Fund (Brownfield) Revised Programme SBC and MHCLG Pipeline

For the benefit of new Board Members, C Blackburn provided an overview of the Housing Fund (Brownfield) programme.

The Board was reminded that, as part of the Government's 'Get Britain Building Fund', the MCA had been allocated £40.3m of capital funding and £841k revenue funding in 2020, for supporting the acceleration and development of housing schemes on brownfield land (up to end March 2025).

The funding criteria had set out that the brownfield programme must enable the delivery of a minimum of 2,500 homes by end March 2025, with start on sites by this timescale.

At the January 2021 meeting of the Board, the Board had endorsed the proposed Strategic Business Case which enabled the early deliverable schemes to enter the pipeline. This followed endorsement by the Board of the Housing Fund (Brownfield) Prospectus which set out the purpose of the Fund and the MCA processes for project sponsors to follow.

In January 2021, the Board also had allocated £567k of revenue funding to help support and accelerate business case development of the early deliverable schemes.

At the March 2021 Board meeting, four Phase 1 schemes (West Bar, Malthouses, Porter Brook and Small Sites in Rotherham) had been presented and approved by the Board. Contracts were currently being draw-up.

As part of the Phase 1 package of schemes, the Allen Street scheme would be considered separately on today's agenda.

Since January 2021, work had taken place to develop the Phase 2 schemes for delivery in 2021/22. In addition, work had also taken place to develop the longer term pipeline of schemes.

As part of MHCLG's requirements, the MCA is required to submit an indicative pipeline of all the schemes within the programme in June.

The table contained in the report at paragraph 2.6 set out the current status of the Phase 2 schemes. Of these, four schemes (Park Hill 4, Norfolk Park 10, Shirecliffe 2 and Phase 1 Council Build Programme in Doncaster) were being submitted to the Board for acceptance onto the Programme SBC pipeline, which if approved by the Board would allow the schemes to be progressed to the Outline Business Case (OBC) stage as soon as possible.

The proposed Phase 3 schemes for funding and delivery later in the programme from 2022-25 were set out in the table in paragraph 2.11. The table includes a proposed further twelve schemes to add onto the pipeline, noting that some of these schemes were at the very early stages of development.

The Board noted that a total of £40.3m of capital funding was available in the programme. Taking account of all the schemes in Phases 1, 2 and 3, there was now an over-programme position, currently at a £65m 'ask'. It was highlighted that, due to the uncertainty with some of the schemes and their timescales, a number of schemes may fall out of the programme and other schemes could potentially come forward over the next four years.

In relation to the revenue allocation for 2020-22, paragraph 2.15 set out a proposed reprofiling of the revenue allocations between years to reflect the current situation with scheme's development.

Paragraph 3 of the report presented the Board with three options for their consideration together with the risks and mitigations for each option.

Following discussion, the Board recommended that 'Option 1' be progressed at this time, as follows:

'To continue to work with Local Authorities partners and their selected 'sponsored' scheme promoters on the prioritised pipeline, submitting this as the current known Programme to MHCLG, and updating the Housing and Infrastructure Board via the Programme SBC and subsequent business case submissions'.

The Chair noted that Phase 2 proposals totalled £18.8m, however, £17m needed to be spent in 2021/22. If a large scheme fell out of the programme there would be a risk and a challenge to spend to this level.

The Chair asked for clarification when Phase 2 schemes would need to be in a viable position to make progress with their scheme.

C Blackburn replied that the MCA Executive was currently working with all the local authorities to meet the end of July deadline for OBC submissions.

It was acknowledged that the timescales were challenging. To assist local authorities to complete their scheme OBCs, the MCA Executive had commissioned an expert consultant for the local authorities to draw down.

If the July deadline was achieved, the OBC's would be presented for approval at the Board's October meeting. The OBCs would then need to be worked-up to full Business Cases which would be presented at the earliest, to the January 2022 Board meeting for consideration and approval.

If the July deadline was not achieved there could be significant risk to the programme meeting the end of March 2022 spend deadline, which could have implications for securing MHCLG funding in future years of the programme.

The Chair asked if there would be an opportunity to invite an 'open call' for schemes during the summer period, if schemes missed the July deadline.

C Blackburn replied that this option was available for the Board to consider. However, he noted that schemes would need to go through the full due

diligence process involving SBC, OBC and FBC which would mean that they would not be ready until after March 2022. If actioned, an open call would therefore only be to support the pipeline in the 2022-25 period.

Councillor Cheetham queried if the timetable for submitting Phase 2 Business Cases was achievable. Furthermore, he queried if the MCA's governance structure and scheduled Board meetings were fit for purpose to achieve the deadlines set.

The Chair acknowledged Councillor Cheetham's concerns and requested that a separate meeting be arranged with herself, Councillor Fox, Martin Swales and C Blackburn to discuss whether further meetings should be arranged to consider scheme business cases as soon as they are ready to be considered.

ACTION: C Blackburn

T Hawley commented that a challenge with delivering the Housing Fund (Brownfield) programme was local authority resources. He was conscious that local authority colleagues were increasingly stretched due to the number of capital funding opportunities currently available. It was often the same individuals writing bids and delivering capital schemes for different programmes, and therefore, resource pressures available across the region were a significant risk. Furthermore, it could equally be a risk to further investment and projects that may be supported by Homes England in the region due to these potential schemes relying upon the same individuals.

T Hawley said he would be interested to understand the advice which had been given with regards to pursuing 'Option 1' over 'Option 2' as presented in the report, particularly in relation to Subsidy Control.

M Swales thanked T Hawley for his observations and agreed to provide comments outside of today's meeting. **ACTION: M Swales**

RESOLVED – That the Housing and Infrastructure Board:-

1. Approved the Revised Programme Strategic Business Case for the South Yorkshire Housing Fund (Brownfield) and accepted the additional schemes onto the pipeline as set out Paragraphs 2.6 and 2.11.
2. Approved the updated revenue spend profile for the Phase 2 schemes as set out in Paragraph 2.15.
3. Agreed that Phase 1, 2 and 3 schemes be submitted to MHCLG as the current known five year Housing Fund (Brownfield) Programme, noting the over programming approach being proposed and the risks associated with the 'Remaining Programme' schemes at this stage.

8 **Draft Digital Infrastructure Strategy**

C Blackburn introduced a report which presented the Draft Digital Infrastructure Strategy which had been informed by the views and comments of the Board at the previous meeting.

The Draft Strategy was presented for the Board's consideration and comment

to inform the drafting of the final version.

The Board noted that the Draft Strategy provided the proposed strategic approach(es) to accelerating the development of a gigabit capable and 5G digital infrastructure network across the whole of South Yorkshire.

The Strategy also included proposals for public interventions and support which would be required to achieve this overarching strategic ambition. This would seek to put in place the digital infrastructure and connectivity 'foundations' to support the digital inclusive, digital skills and digital innovation and business support agendas.

The Board noted that the proposed draft Vision for the Digital Infrastructure Strategy was:

'A Gigabit digital infrastructure that accelerates new social and economic possibilities for all the people and businesses of South Yorkshire'.

The following five key Goals were proposed to deliver this Vision:

1. Ensure South Yorkshire's superfast broadband and 4G success is repeated for Gigabit broadband and 5G;
2. Support the social and economic priorities set out in the Strategic Economic Plan;
3. Form an inclusive platform that enables better outcomes for all sections of society;
4. Be supported by the Governance and data-driven approach needed to maximise the digital potential of South Yorkshire; and
5. Position South Yorkshire as a centre of applied digital innovation.

C Blackburn introduced Michael Snaith representing Arcadis Consulting to the Board.

M Snaith thanked local authority colleagues who had supported him in the work he had undertaken on behalf of the MCA. M Snaith provided the Board with an overview of the work undertaken to explore and map the public sector assets and infrastructure available to enable improvements in fixed, mobile and wireless connectivity.

Councillor Jones noted that there was c160,000 premises in South Yorkshire that were currently not covered by the industry's upgrade and new digital infrastructure roll out plans. He asked what the MCA could do provide better digital access to these premises.

M Snaith replied that there were three elements to address this issue. Firstly, the MCA would need to engage with DCMS in relation to funding and leverage funding to help address those 160,000 premises who had no access to the upgrades. Secondly, the MCA would need to undertake work to engage with the private sector market to make them aware of the opportunities available. And thirdly, the MCA could explore opportunities to innovative to maximise the potential of infrastructure across the area.

Councillor Jones asked if an outline Action Plan and associated targets and

timescales could be developed setting out when the Digital Strategy would be delivered in its entirety.

C Blackburn replied that the Strategy had links to and overlapped with the digital skills and digital innovation and business support agendas. The Digital Infrastructure Strategy was the first of these three strands to be developed but work was taking place to develop the other two elements to provide a holistic and inclusive approach to the whole digital agenda.

C Blackburn acknowledged Councillor Jones' suggestion to develop an outline Delivery Action Plan and associated targets and timescales and said this work would be undertaken shortly.

Councillor Jones asked if the existing SFSY Programme Team could continue to be funded, but changing the remit of their activities to focus on delivering the Draft SY Digital Strategy.

Councillor Jones commented that the draft Strategy suggested that delivering the Strategy was urgent, but suggested that delivery needed to be rapidly accelerated.

Councillor Cheetham echoed Councillor Jones' concerns. He added that the pace in developing the Strategy and progressing to adoption had been frustratingly slow. Furthermore, he said that if adoption of the Strategy was further delayed then the identified opportunities may be missed, and the Strategy was likely to require a refresh at the point of adoption. One clear example of this, was the reference to FTTP coverage which was stated as 4% in the Strategy, and it was now 23% across South Yorkshire.

In addition, Councillor Cheetham said he disagreed with a statement in the report in relation to a potential risk around the lack of alignment and commitment from local authorities on the key elements of the Strategy. In reality he said that there was firm commitment across the four districts to support its adoption and implementation.

Councillor Cheetham also commented that the Strategy was still high level, but lacked a supporting and tangible Delivery Plan. The work involved in pulling the Strategy together had identified a number of 'no regret wins' which were in essence the Delivery Plan. Therefore, there was no reason as to why this could not be developed, rather than creating a further delay.

Referring to clawback spend, Councillor Cheetham said he was of the opinion that a proportion of the clawback monies should be released to support the extension of the SFSY Team in the interim period to provide the ability to deliver the Digital Infrastructure Strategy..

In response, C Blackburn noted that conversations were taking place in relation to resourcing the whole digital agenda, including delivery of this Strategy. He also noted that initial work on a Delivery Plan was being considered and an update would be provided at the next meeting. **ACTION: C Blackburn**

The Board asked for clarification how the draft Digital Infrastructure Strategy

could be fast-tracked for approval, as they would like it to be approved as soon as possible.

C Blackburn explained that, subject to the Board's endorsement, the next stages would be for the draft Digital Infrastructure Strategy to be considered by the LEP Board and then the MCA for approval.

Following discussion, it was agreed that the Board delegates authority to the Co-Chairs to agree the amendments to the Draft Strategy to reflect the comments made by the Board at today's meeting. It was also agreed for a meeting to be arranged with the Co-Chairs and Cllr Jones and Cllr Cheetham to consider the amendments prior to reporting to the LEP Board and MCA.

ACTION: C Blackburn

RESOLVED – That the Housing and Infrastructure Board:

1. Commented on the Draft South Yorkshire Digital Strategy;
2. Requested that the Draft Strategy be amended to reflect the comments of this Board and a final draft version be discussed at an informal meeting prior to the Strategy being submitted to the LEP Board and MCA for approval; and
3. That an update be provided at the next meeting relating to delivery of the Strategy.

9 Programme Approvals

C Howard introduced a report which requested the Board's approval of a BHF (Brownfield Housing Fund) scheme for the Allen Street brownfield housing scheme subject to the conditions set out in the Assurance Summary and to give approval for delegated authority.

On 22nd of December 2020, the MCA received confirmation of £40.34m BHF award with the aim of creating more homes by bringing more brownfield land into development.

The Fund aimed to ease viability issues that brownfield projects face alongside wider interventions aimed at economic development.

In March 2021, the first four BHF projects with a total value of £2.539m were approved for funding at the Housing and Infrastructure Board.

The report on today's agenda presented the fifth project for a decision which, if approved, will take the total amount granted to £3.085m.

The Appraisal Panel Summary Table attached at Appendix A to the report asked the Board to take a decision whether to support the proposal of a BHF grant of £0.546m requested by Sheffield City Council for acquiring the leasehold interest in a site to bring forward development of 120 new homes to the market. The total project costs were £1.093m with match funding coming from the Council's own resources. The project costs included the purchase and demolition. Subsequent to the project activity it was hoped that the cleared site would be developed for up to an eight storey residential block.

The scheme aligned well with several local and regional policies, namely supporting the housing targets for Sheffield and the wider area.

The assessment had concluded that a value for money assessment based on information provided by Sheffield City Council would mean that the project was deliverable for a cost-benefit ratio of around 1:1.1, which means that for every £1 public investment there may be £1.10 worth of benefits derived.

This would meet the minimum standard set for the Brownfield Housing Fund.

The assessment did highlight that there was a level of uncertainty around whether further public funds may be needed to deliver the full scheme, which may affect any value for money calculation. However, if wider benefits such as improvement to the local area, are taken into account then this could improve the overall position.

The Board considered and approved the project for award of a £0.546m grant from the BHF.

RESOLVED – That the Housing and Infrastructure Board considered and approved:-

1. Progression of the “Allen Street” project to full approval and award of £0.546m grant to Sheffield City Council subject to the conditions set out in the Assurance Summary attached at Appendix A.
2. Delegated authority to be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above.

10 **Infrastructure Project Pipeline - Gainshare Schemes**

L Thomas introduced a report to provide the Board with an update on progress with the Gainshare infrastructure and housing schemes, including an estimated timescale for consideration of Strategic Business Cases by the Board.

The Board noted that the MCA had agreed in March 2021 to the inclusion of a number of potential Gainshare investments for 2021/22 in each of the four South Yorkshire districts. A brief summary of each scheme was set out in Appendix 1 to the report.

Of the twenty infrastructure schemes accepted on to the pipeline, nineteen fall within the remit of the Housing and Infrastructure Board.

Following publication of the report, two schemes had been merged, namely, the Doncaster Natural Flood Management and the Conisbrough and Doncaster Natural Flood Management Tickhill scheme into one scheme named ‘Doncaster Natural Flood Management programme.’ The Doncaster Housing Retrofit Schemes had also been merged into one scheme. This now brought the total to seventeen schemes.

It was confirmed that all the schemes were in the process of, or had submitted

Strategic Business Cases (SBC's).

A summary of the project assurance and decision stages were presented and noted by the Board.

The Board noted that the submitted and assured SBC's would be presented at the next Board meeting scheduled for 13th September 2021.

The Chair requested that the time of the Board meeting scheduled for 13th September 2020 be extended if necessary to allow Members to fully consider all the schemes and also consideration be given as to whether further meetings of the Board were required to consider business cases as and when they are ready to help accelerate scheme funding approvals . **ACTION: C Blackburn**

RESOLVED – That the Housing and Infrastructure Board:-

1. Noted the contents of the report.
2. Commented on the potential issues relating to the scale and timing of the Strategic Business Cases.

11 **South Yorkshire Flood Catchment Plan Update**

C Blackburn introduced a report to provide the Board with an update on ongoing work and emerging workstreams to prepare the South Yorkshire Flood Catchment Plan.

Helen Batt, Flood Risk Manager for South Yorkshire – Environment Agency was introduced and welcomed to the Board.

H Batt provided the Board with a presentation to update Members on the progress made in preparing the South Yorkshire Flood Catchment Plan.

The Board noted that a Steering Group had been established to oversee the preparation of the Plan comprising of senior officers from the MCA Executive, Environment Agency, four South Yorkshire Authorities, and Yorkshire Water. The outputs of the work of the Group are reported to both this Board and the South Yorkshire Flood Risk Partnership which are jointly overseeing the preparation of the Plan.

The aim of the Plan was for it to be a 'living document' to facilitate the development of an integrated long term strategy for flood risk management and climate resilience. This would enable partners and communities to incorporate emerging data, knowledge and opportunities to continue to build and shape the Plan over time.

Importantly, the programme arising from the Plan would provide a clear programme of well-developed projects to secure the remaining investment that was required to alleviate and mitigate future flooding.

The preparation work was set around four key workstream themes, with one local authority leading on each of one of themes:

1. Responding to the climate emergency.
2. Ensuring investment is prioritised, smart and based on evidence using the best available data and intelligence.
3. Strengthening the use of technology and operational management to build the capacity of Local Authorities and other Risk Management Authorities (RMAs) to work together more effectively on an operational basis.
4. Community engagement and resilience

Work had now commenced to draft the initial Plan, which if ready would be submitted for consideration by this Board in September. It was anticipated that the final Plan would be launched by the end of the year.

M Swales congratulated and thanked colleagues and local authorities for the work which had been undertaken to develop a coordinated response to preparing the Plan.

Councillor Cheetham echoed M Swales' comment. Councillor Cheetham said he welcomed the idea that the Plan would be a 'living document', which introduces more flexibility in relation to joint working and solving specific issues.

The Board thanked H Batt for her presentation.

RESOLVED – That the Housing and Infrastructure Board noted and commented on the workstreams being undertaken to prepare the South Yorkshire Flood Catchment Plan.

12 Forward Plan

C Blackburn presented the Board's Forward Plan for Members' information.

RESOLVED – That the Housing and Infrastructure Board noted the contents of the Board's Forward Plan.

13 Any Other Business

None.

In accordance with Combined Authority's Constitution/Terms of Reference for the Board, Board decisions need to be ratified by the Head of Paid Services (or their nominee) in consultation with the Chair of the Board. Accordingly, the undersigned has consulted with the Chair and hereby ratifies the decisions set out in the above minutes.

Signed

Name

Position

Date