

MCA - HOUSING AND INFRASTRUCTURE BOARD

MINUTES OF THE MEETING HELD ON:

MONDAY, 13 SEPTEMBER 2021 AT 1.00 PM

VIRTUAL MEETING



Present:

Councillor Terry Fox (Co-Chair)	Sheffield City Council
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
Damian Allen	Doncaster MBC
Martin Swales	MCA Executive Team
Colin Blackburn	MCA Executive Team
Daniel Wright (Observer)	MCA Executive Team

In Attendance:

Becky Guthrie	MCA Executive Team
Ryan Shepherd	MCA Executive Team
Laure Thomas	MCA Executive Team

Apologies:

Virginia Saynor	Environment Agency
-----------------	--------------------

1 Welcome and Apologies

Cllr Fox welcomed everyone to the meeting and thanked them in advance for their time today, he then asked everyone present to introduce themselves due to this being his first meeting.

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 under Item 6 appendices A,F,H,I,L of the Agenda – Programme Approvals - by virtue of Doncaster MBC being a recipient of Gainshare funding and was then joined by all the Councillors present in declaring the same interest. Councillor Fox and Councillor Wood – item 6 appendices C, E, J. Councillor Brookes – item 6 appendix D. Councillor Cheetham – item 6 appendixes B and G.

3 Urgent items / Announcements

None.

4 **Public Questions on Key Decisions**

None received.

5 **Minutes of Previous Meeting**

Taken as read. CB confirmed actions were undertaken. CB also mentioned under Item 8 the wording was incorrect and relates to the previous item 7, so the minute itself does not reflect the decision. CB to send the correct minute for item 8 to the Co-Chairs after this meeting for confirmation that the minute is accurate.

Minutes taken as a true record subject to Co-Chair sign off of the item 8 amendment.

6 **Programme Approvals**

Laurie Thomas presented this paper which seeks approval to progress ten SBCs (Strategic Business Cases) to development of OBCs (Outline Business Cases) which includes the release of development funding for one project. The paper also requests approval of grant for two projects. There is a request to include Heart of the City Expansion project in the GBF Programme. Finally, the report seeks approval for five change requests where projects that have already been approved but are now seeking changes to their existing agreements.

Gainshare Funding Programme. The MCA agreed in March 2021 to twenty interim schemes accepted on to the pipeline, nineteen fall within the remit of this Board. Ten schemes actually represent twelve of the nineteen, two lots of two have been amalgamated.

Housing Retrofit (Gainshare SBC)

Doncaster MBC is seeking £2.7m from the Gainshare cost of £4.45m.

The project is a pilot which install Air Source Heat Pumps in 100 Council owned homes in order to test the effectiveness and impact of Air Source Heat Pumps in decarbonising the fuel supply to Council owned homes. The project will also part fund external wall insulation to 250 Council homes and fully fund external wall insulation to 50 privately owned homes.

The benefits and outcomes are at an early stage, but the proposed benefits are expected to include reduced emissions, health benefits, lower energy bills and 10-15 jobs supported. It is a strategic fit and it is anticipated to be able to demonstrate value for money at full approval stage.

Gemma Smith said moving forward it is really important for us to have a look at this in the outline business case to evaluate potential of lower energy bills that air source heat pumps bring when powered by electricity and that being more expensive than gas.

The board considered and approved the project to progress to MCA for

approval to proceed to outline business case (OBC).

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

1. Progression of 'Housing Retrofit' SBC to the MCA (Mayoral Combined Authority) for approval to proceed to OBC for Gainshare funding to Doncaster Metropolitan Borough Council (DMBC) subject to the conditions set out in the Assurance Summary attached at **appendix A**.

Glassworks – Enhanced Capital Contributions (Gainshare SBC)

The project is seeking £2.60m from Gainshare funding towards total project costs of £17.37m. The Glassworks is finalising construction on a 3.8-hectare site in the heart of Barnsley town centre. The £200m scheme is a major priority for the Council and will deliver a new high-quality mix of retail and leisure facilities that will preserve and enhance the long term sustainability of the town centre through the creation of a new urban quarter with a revitalised and accessible market at its heart. As a result of the COVID pandemic detailed negotiations with prospective tenants has revealed an increased funding gap in order to attract tenants. The Gainshare funding is requested to be used as inducements for prospective tenants to create a fully occupied development.

Considered to have a good strategic fit. A condition of the approval is that the Gainshare funding can only be used to assist in the capital costs that the tenant might have.

The board considered and approved the project to progress to MCA for approval to proceed to OBC.

RESOLVED – That the Housing and Infrastructure considered and approved:

1. Progression of 'Glassworks – Enhanced Capital Contributions' SBC to MCA for approval to proceed to OBC for Gainshare funding to Barnsley Metropolitan Borough Council (BMBC) subject to the conditions set out in the Assurance Summary attached at **Appendix B**.

Fargate Future High Street Fund (Gainshare SBC)

The project is seeking £3m from Gainshare funding towards total project costs of £31.1m. The MCA is asked to contribute £3m required to deliver the "New Front Doors" element of the programme Sheffield Future High Streets Programme. The Gainshare monies will be used for access and refurbishment works to buildings on Fargate and High Street, with a further £2m from funding secured under the MHCLG Future High Streets Fund and potential to attract £26m of private sector investment.

The project is aiming to deliver 118 net additional jobs and a return of £1.64 for every £1 invested, and an additional 22 housing units. It is a strategic fit and additional work at OBC stage will demonstrate value for money.

The board considered and approved the project to progress to MCA for

approval to proceed to OBC.

RESOLVED – That the Housing and Infrastructure considered and approved:

1. Progression of 'Fargate Future High Street Fund' SBC to MCA for approval to proceed to OBC for Gainshare funding to Sheffield City Council (SCC) subject to the conditions set out in the Assurance Summary attached at **Appendix C**.

Rotherham to Kilnhurst Flood Alleviation Scheme (FAS) (Gainshare SBC)

The project is seeking £2m from Gainshare funding towards total project costs of £4.3m. The MCA is asked to contribute £2m towards RMBC's strategic response to reduce the risk of flooding along the River Don corridor. The Gainshare monies will be used for new flood defences around Rotherham United stadium, plus flood defences and a new canal barrier around Forge Island. This is part of wider works along 5km of river through the town centre, Parkgate and Kilnhurst areas.

It aims to avoid £20m of flood damage costs to people, property and infrastructures which would result in a £76m loss of GVA (Gross Value Added) for the local economy. The project is considered to have strategic fit. Whilst at an early stage of development, it is anticipated that the scheme will be able to demonstrate value for money at approval stage.

The board considered and approved the project to progress to MCA for approval to proceed to OBC.

RESOLVED – That the Housing and Infrastructure considered and approved:

1. Progression of 'Rotherham to Kilnhurst Flood Alleviation Scheme' SBC to proceed to OBC for Gainshare funding to Rotherham Metropolitan Borough Council (RMBC) subject to the conditions set out in the Assurance Summary attached at **Appendix D**.
2. Delegated Authority to be given to the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer to enter into legal agreements for the points covered above.

Sheaf Catchment Flood Alleviation Scheme (Gainshare SBC)

The project is seeking £0.80m development costs from Gainshare funding in order to develop the project and Outline Business Case. The full scheme is anticipated to cost £25m, with £15m already ringfenced from the Environment Agency. The future funding requirement is still to be determined. The project aims to reduce flood risk and deliver a range of benefits in Sheffield's Sheaf and Porter valleys which contains a significant proportion of Sheffield's employment and residential areas.

Aiming to better protect 370 homes and 253 businesses. Anticipated the project will be able to provide expected value for money at approval. Good strategic fit. Can be claimed as capital expenditure. The Assurance Summary explains in further detail within Appendix E.

The board considered and approved the project to progress to MCA for approval to proceed to OBC.

RESOLVED – That the Housing and Infrastructure considered and approved:

1. Progression of 'Sheaf Catchment' SBC to MCA for approval to proceed to OBC and release of up to £0.80m business case development costs from Gainshare funding to SCC subject to the conditions set out in the Assurance Summary attached at **Appendix E**.

Doncaster Surface Water Mitigation (Gainshare SBC)

£400,000 total project costs £700,000 grant requested to mitigate long standing surface water flooding issues at Bawtry, Old Denaby and High Melton through improved drainage.

It is aiming to protect 50 residential and 10 commercial properties. If confirmed at Full Business Case stage the project is likely to demonstrate value for money. The project is considered to have strategic fit.

The board considered and approved the project to progress to MCA for approval to proceed to OBC.

RESOLVED – That the Housing and Infrastructure considered and approved:

1. Progression of 'Doncaster Surface Water Mitigation' SBC to proceed to OBC for Gainshare funding to DMBC subject to the conditions set out in the Assurance Summary attached at **Appendix F**;

Cheapside Acquisition (Gainshare SBC)

Barnsley MBC are seeking £1m Gainshare funding to purchase the freehold site at 24-32 Cheapside in the town centre, with a view to eventually creating green space in place of the existing building.

The project is considered to have strategic fit. Further details will be needed at OBC/FBC stage to fully assess value for money.

Cllr Fox – Any questions – GS asked about the timing of this. Has this been independently valued because at the minute properties prices are soaring and not sure it is a time for buying. LT said as far as we are aware, BMBC have had discussions and agreed prices and detailed negotiations. The building itself is an old building and detracts from the Glassworks. Also, negotiations underway with the current retailers to relocate within Glassworks. Cllr Tim Cheetham said market value won't increase much at this point and doesn't seem to have increased over the last 18 months. Represents good value for money from BMBC point of view.

The Board considered and approved the project to progress to OBC

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

1. Progression of 'Cheapside Acquisition' SBC to proceed to OBC for Gainshare funding to BMBC subject to the conditions set out in the Assurance Summary attached at **Appendix G**;

Bentley Flood Alleviation Scheme (Gainshare SBC)

Doncaster MBC are seeking £1m to contribute towards flood embankment and flood wall works in Bentley to alleviate the risk of large-scale flooding which has occurred twice in the last 12 years.

Considered to have a good strategic fit and the Board are asked to approve the project to move forward to develop an OBC.

The Board considered and approved the project to progress to OBC

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

1. Progression of 'Bentley Flood Alleviation Scheme' SBC to OBC for Gainshare funding to DMBC subject to the conditions set out in the Assurance Summary attached at **Appendix H**;

Natural Flood Management Conisbrough and Tickhill (Gainshare SBC)

Seeking £400,000 to construct natural flood defences along a brook with high flood risk.

Value for money cannot be assessed at this stage the project will protect 48 homes and other infrastructure. The project is considered to be a good strategic fit with flood relief being a key aim of the SEP. Further detailed costs and cost benefit analysis of options are requested as the project develops further.

The Board considered and approved the project to progress to OBC

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

1. Progression of 'Natural Flood Management – Conisbrough and Tickhill' SBC to OBC for Gainshare funding to DMBC subject to the conditions set out in the Assurance Summary attached at **Appendix I**;

Councillor Fox asked whether we have done an overall assessment for ourselves on the amount of the money we are investing in the protection of residents, businesses and opening up building as well. Could we have an overall view of what actually we are developing for flood defences. From across the region we are opening up some real opportunities and if we take a more collective and comprehensive view it would be worthwhile for us as a Board to have look at that subject. LT said can report on a programme level and bring to the Board on a periodic basis.

Councillor Jones said regionally lots of schemes that mitigate against flooding, we need to be assured that strategically we are doing them in the correct order

so we don't get impacts in other places further down-stream. Needs to be done at the right time, in the right place, in the right order.

Cllr Fox – Any further questions/comments – none.

Colin Blackburn mentioned this links to the next item in terms of catchment plan and our intention to bring some of that detail and the wider perspective about all the good work that's happening already and the challenges ahead, also the amount of funding that's being spent (amount of partnership funding, local authorities, MCA as well), this is something we will be bringing to the next meeting in October.

Cllr Fox said that, whilst we are doing this work with public money, it would also be worthwhile seeing private sector investment too, the interactions and the partnerships are around this system. Looking forward to seeing this at the next meeting.

CB to get a comprehensive view to the Board and what land we are opening up and protecting.

Sheffield Heart of the City 2 (Gainshare SBC)

Sheffield CC are seeking £3m towards the construction of Block A in a prominent location in the City Centre around Pinstone Street/Barkers Pool. The grant will contribute towards a much larger £52m scheme which includes demolition, façade retention, construction of a hotel and ground floor units and refurbishment of the Gaumont building. The project is estimated to create 227 net additional jobs.

The project is considered to have strategic fit with the SEP and is well advanced for a start on site this year.

The Board considered and approved the project to progress to MCA to proceed to OBC

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

1. Progression of 'Heart of the City 2 – Block A' SBC to OBC for Gainshare funding to SCC subject to the conditions set out in the Assurance Summary attached at **Appendix J**.

South Yorkshire Electric Vehicle Charging Infrastructure (Getting Building Fund FBC)

SCR MCA are seeking £1.85m for the purchase and installation of up to 109 charging points and associated infrastructure, providing up to 218 charging bays for use by battery-powered electric vehicles at public car park locations across South Yorkshire.

The core benefits and justification of the scheme are the environmental impacts appraised over a 20-year period from scheme opening (beginning of 2022/23).

These have been assessed to deliver an overall Net Present Value of Benefits of c.£2.26m. Overall, the BCR is likely to be greater than 1 but less than 1.5 which places the scheme in a low but acceptable value for money category. However, there is a risk that the BCR could fall below one if the benefits are not as high as estimated. The scheme provides a clear rationale and alignment with the SCR Strategic Economic Plan. The Board are asked to approve grant of £1.85m for this scheme. The Assurance Summary explains in further detail within Appendix K.

GS – Asked whether the Councils are going to keep hold of the responsibility for maintenance and running and any revenue from these charging points for the first five year. CB confirmed they are but some of the cost should be able to be capitalised and although we cannot say exactly at this time what the demand will be over the next five years in individual locations some revenue may be generated from fees for the use of the individuals EV's which will also contribute to the costs.

GS asked what is foreseen to be the longer-term plan after five years such as considering viability and whether to continue or let someone else take over responsibility and ownership. CB confirmed that we are doing this collaboratively, and arrived at a five year initial period after soft market testing and how the EV market works, but after five years there will need to be another procurement however it will be the decision of Authorities individually how they wish to proceed thereafter and whether they want to continue to do it collectively again.

GS asked whether this is the first of this kind of scheme? CB confirmed that it is the first South Yorkshire wide scheme although BMBC, RMBC and SYPTE all have small existing schemes and we have taken the lessons learned from those schemes to develop this joint EV scheme.

GS suggested that as there will need to be more EV chargepoints, it is worth us considering how we work more closely with the Transport and Environment Board on this, as its crucial to identify where we need these future charging points to help support public transport. It is also going to be a challenge in residential areas as more people adopt electric vehicles, particularly for the high density residential areas where people don't have drives. We will need to look at some kind of public charging opportunities.

CB noted that in terms of this £1.85m he has been working with the Local Authorities and SYPTE to identify locations for this first tranche, but the intention is to build into the procurement the allowance to enhance the programme should further funding be identified. Collectively, we are exploring where potentially we can leverage some of the Government's on-street funding and other transport funding to enhance the programme. In terms of delivery each Authority will have responsibility for their own element but a joint Project Board will be set up to oversee the whole programme and share good practice and support.

Cllr Tim Cheetham commented that the earliest they can begin the procurement for the supplier is the first week in October. The programme milestones are challenging, and we want to ensure that we deliver the schemes

in the first phase. CB noted that the timescales are very challenging and that we are working to confirming a preferred supplier in November with a view to preparing all the groundwork beforehand so that all the contracts are drawn down from the framework supplier in December; with mobilisation in January. It is unlikely that we will be able to deliver the whole programme by the end of March but we will seek to deliver as much as possible of the programme by then, and we are having discussions with MHCLG relating to this.

The Board considered and approved the project for award of a £1.85m grant from the GBF

RESOLVED – That the Housing and Infrastructure Board considered and approved

1. Approval of 'South Yorkshire Electric Vehicle Charging Infrastructure' FBC for award of £1.85m GBF (Getting Building Fund) to SCR MCA subject to the conditions set out in the Assurance Summary attached at **Appendix K**;
2. Delegated authority to be given to the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer to enter into legal agreements for the points covered above

Doncaster Council House Build Phase 1 (Brownfield Housing Fund BJC)

Doncaster MBC is seeking £0.50m to enable the delivery of 33 new high-quality, environmentally friendly affordable homes across 3 sites in Doncaster. The BHF funding will be used to close a viability gap and enable quality environmental features to be implemented on the scheme including PV panels, EV charging points and high thermal performance.

The Net Present Social Value of the project has been estimated to have a value of £1.77m, including £1.29m of Social and Environmental Benefits. The project also has a benefit cost ratio (BCR) of 3.65, representing a return of £3.65 per £1 of MCA investment. The project is therefore considered to deliver acceptable value for money.

The assessment considers the project is deliverable and has clear governance structures. The Board are asked to approve grant of £0.50m. The Assurance Summary explains in further detail within Appendix L.

GS – It mentions a confusing point on whether gas boilers will be used or not, so seeking clarity. Becky Guthrie said last project in the phase 1 of the programme do have gas boilers but they have higher thermal efficiency and solar panels. The next phase does not have gas boilers. Damien Allen – Would like to get some assurance whether the spec of the gas boilers includes the ability to dual fuel in terms of hydrogen burn. Would be helpful in terms of the existing programme that there is the potential for this in the future. BG to follow that up.

The Board considered and approved the project for award of a £0.5m grant from the BHF

RESOLVED – That the Housing and Infrastructure Board considered and approved

1. Approval of 'Doncaster Council House Build Phase 1' BJC for award of £0.50m BHF (Brownfield Housing Fund) to DMBC subject to the conditions set out in the Assurance Summary attached at **Appendix L**;
2. Delegated authority to be given to the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer to enter into legal agreements for the points covered above

Getting Building Fund Proposed Change to the Programme

One Getting Building Fund project, 'Parkwood' will not now deliver their activity by March 2022. Sheffield City Council have proposed to replace the 'Parkwood' project with 'Heart of the City Expansion' activity. The new project costs £6m GBF and consists of three strands of activity:

- 1 - **Purchase of additional empty properties** on Fargate.
- 2 - **Improving Shop Fronts in the Heart of the City** – move away from a traditional 'shell' approach to 'white box' units which is designed to reduce fit out costs for end tenants.
- 3 - **Improving John Lewis/Barkers Pool** – with projections and digital screens. Stalls and container units planned to be used as a temporary measure for future businesses locating in Heart of the City following wider regeneration.

The scheme is expected to create jobs and new/improved floorspace and public realm which will assist the MCA to meet its agreement on output delivery with MHCLG. Value for money will be further tested fully on submission of the FBC.

The Board are asked to recommend 'Heart of the City Expansion' project to be part of the GBF Programme. The MCA will make the final decision on the change to the Programme at the meeting on the 20 September. Agreement also needs to be reached with MHCLG for the change, who have already been approached and consulted during the development of this alternative project.

Cllr Fox said he was very disappointed not being able to deliver the Parkwood scheme and after three years might have heard this news sooner. The Board considered and approved the project to be recommended to MCA for inclusion in the GBF programme.

RESOLVED – That the Housing and Infrastructure Board considered and approved

1. Selecting the project 'Heart of the City expansion' project for inclusion in the GBF Programme.

Brownfield Housing Fund and Getting Building Fund Project Changes

Appendix F highlights five schemes from the Getting Building Fund and Brownfield Housing Fund which have proposed changes to their existing approvals. The changes are proposed to allow schemes to progress and spend their financial commitments within their respective Programme periods. The Board are asked to approve the proposed changes to the schemes as set out in Appendix M.

The Board considered and approved the project changes requests.

RESOLVED – That the Housing and Infrastructure Board considered and approved

1. Approval of five change requests for changes to their approved projects subject to any conditions set out in the Change Summary attached at **Appendix M.**

7 Draft South Yorkshire Flood Catchment Plan

Colin Blackburn presented the report and ran through the presentation. Work had been ongoing over the past 9 months with the Environment Agency, the four Local Authorities and Yorkshire Water to prepare the Flood Catchment. He noted that over the Summer a number of wider stakeholder workshops have been undertaken to obtain a wider input and views on the emerging draft Plan.

CB confirmed that the intention is to bring a draft Plan to the next meeting for consideration and comment, with a view to bringing the final document to the December Board meeting for endorsement. The emerging Plan is being developed around the following four key themes which were further detailed:

- Theme 1: Responding to the climate emergency
- Theme 2: SMART (Specific, Measurable, Attainable, Relevant, Time-based) investment
- Theme 3: Strengthening the use of technology and operational management
- Theme 4: Community engagement and resilience

Martin Swales commented that the presentation showed the significant extent of work that has clearly been undertaken by Local Authorities, MCA, Environment Agency, Yorkshire Water and others, working together to ensure a coherent and coordinated plan, which is welcomed.

DA also confirmed his support for the emerging Plan.

RESOLVED – That the Housing and Infrastructure Board note the emerging content of the South Yorkshire Flood Catchment Plan

8 Forward Plan

CB this was presented just for information. We have an October and then hopefully one in December to be confirmed.

Cllr Fox asked if there were any questions – none.

9 **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