

HOUSING INVESTMENT BOARD
Date: Wednesday 25 July 2018
Venue: 11 Broad Street West, Sheffield, S1 2BQ
Time: 3.00 - 5.00 pm
AGENDA

Item	Subject	Method	Lead	Time	Page
Introduction					
1	Welcome and Introductions	Verbal	Chair		
2	Apologies	Verbal	Chair		
Declarations and Register of Interests					
3	<ul style="list-style-type: none"> Changes to any registers of interests for any member; In relation to any agenda item; In relation to any activity since the last formal meeting; In relation to any forthcoming activity. 	Verbal	Chair		
4	Draft Minutes of the Previous Meeting: 31st May 2018	Minutes	Chair		1 - 4
For Discussion					
5	Updated Terms of Reference (for information, discussion by exception)	Report	M Hellewell		5 - 10
6	SCR Housing Fund - Initial Lessons Learned (for information, discussion by exception)	Presentation	M Hellewell		11 - 26
7	Scheme Update/Pipeline and Decision Schedule	Presentation	C Collins-McKeown		27 - 30

Item	Subject	Method	Lead	Time	Page
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For Approval (Investment Decisions)

8	Scheme Recommended for Financial Approval: Hawshaw Lane, Barnsley	Report	C Collins-McKeown		31 - 58
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Actions & Forward Planning

9	Agree Actions	Verbal	Chair		
10	Reporting of Investment Decisions to the Housing and Infrastructure Executive Board and the Combined Authority	Verbal	M Hellewell		
11	Any Other Business	Verbal	All		

DATE OF NEXT MEETING: Friday 24th August, 14:00

SCR HOUSING INVESTMENT BOARD

31 MAY 2018

SCR OFFICES, BROAD STREET WEST, SHEFFIELD

No.	Item	Action
	<p><u>Welcome and Apologies</u></p> <p><u>Present</u> Mayor Ros Jones CBE, Doncaster MBC (Chair)</p> <p><u>Board Members</u> Martin McKervery, LEP Huw Bowen, Chesterfield BC Rob Pearson, Homes England</p> <p><u>Officers</u> Michael Hellewell, SCR Executive Team Chris Collins-McKeown, SCR Executive Team Felix Kumi-Ampofo, SCR Executive Team Simon Tompkins, SCC / SCR Executive Team Craig Tyler, South Yorkshire Joint Authorities</p> <p>Apologies for absence were received from Board Members: Owen Michaelson (LEP), Mike Thomas (SCC / SCR Executive Team) and Colin Blackburn (SCR Executive Team)</p>	
1	<p><u>WELCOME AND INTRODUCTIONS</u></p> <p>The Chair welcomed everyone to the meeting.</p>	
2	<p><u>APOLOGIES</u></p> <p>Apologies were noted as above.</p>	
3	<p><u>Declarations of Interest</u></p> <p>As Leader of the sponsoring Authority, Mayor Jones declared an interest in the matters to be discussed at item 7 (Scheme recommendation for approval: Leach Lane, Mexborough, Doncaster) and took no part in the discussion in respect of this scheme.</p>	

4	<p><u>DRAFT MINUTES OF THE PREVIOUS MEETING – 3RD MAY 18</u></p> <p>The minutes of the previous meeting held on 3rd May 2018 were agreed to be a true and accurate record.</p> <p>All actions were noted to be complete with the following exception:</p> <p>Action: Rob to provide Chris with additional contact details for colleagues in Homes England who will be able to provide additional knowledge and assistance with land value uplift matters</p>	RP
5	<p><u>UPDATED TERMS OF REFERENCE (FOR AGREEMENT)</u></p> <p>The Board was presented with the revised, proposed Terms of Reference (ToR).</p> <p>It was suggested there are some inconsistencies in respect of references alluding to the relationship between the Board, other strategic bodies (CA, LEP, HIEB) and the role of the Senior Finance Manager which potentially complicate the understanding of whether HIB truly makes decisions or whether it makes recommendations that permit decisions to be taken by the Senior Finance Manager.</p> <p>Action: Michael to revise the wording to make the relationships clearer, particularly in respect of the role of the Senior Finance Manager</p> <p>It was suggested the ToR needs to confirm what courses of action may be taken by the Senior Finance Manager should a majority consensus not be achieved by the HIB membership.</p> <p>The members gave theoretical consideration to the Board's fundamental rationale, discussing whether this is essentially to perform a scrutinising role, or a true decision making role.</p> <p>It was acknowledged the Board's capability to truly scrutinise decisions is somewhat limited by the amount of information made available to it and there is therefore a need to quantify how it should best utilise the expertise and advice provided to it by external, knowledgeable advisors who (it was agreed) may be party to additional information not necessarily admissible at HIB meetings.</p> <p>It was noted the Board's expectation will be that expert advisors will have shared as much information as they are able to do (given the membership of Board and considering issues such as commercial sensitivities), to help the Board ensure its decisions are as well informed as can be.</p> <p>It was agreed the Board will also be somewhat dependant on the advice and guidance of the SCR Assurance Team (who draw on external expertise where required, for example in relation to State Aid</p>	MH

	<p>or to analyse the financial standing of private sector applicants) who will have undertaken considerable due diligence in respect of all potential schemes prior to being received by the Board as recommendations.</p> <p>It was noted potential schemes are assessed against a HF Full Business Case Supporting Information Checklist which will be shared with the Board to support future discussions/ recommendations.</p> <p>Action: Chris to provide the FBC Checklist for each scheme approval as part of the Private Pack circulated</p> <p>Bearing these points in mind, it was agreed the Board's role is essentially to scrutiny schemes AND make informed judgements and decisions, based on the provision of the best available advice, for the Senior Finance Manager to then sign off and take forward, recognising the Board can't be held wholly responsible for any failures to recoup loan investments should these be due to unforeseen reasons.</p> <p>It was acknowledged the Board must operate within the confines of, and accordant with, the SCRs Assurance Framework (which is endorsed by Government), whilst considering that information provided by Officers will have been assessed in line with prevailing Government guidance.</p> <p>Action: Michael to capture the Board's comments in the final iteration of the ToR</p>	<p>CCM</p> <p>MH</p>
6	<p><u>SCHEME UPDATE/PIPELINE AND DECISION SCHEDULE</u></p> <p>The Board was provided with the scheme pipeline update and decision schedule.</p> <p>This provided information regarding the 2 schemes approved for the receipt of funding, the 8 schemes currently progressing to Full Business Case, and the further 8 schemes currently in the pipeline.</p> <p>The Board was assured that immediate action is taken when it is known a scheme can't deliver against its agreed profile and advised of what changes to the programme have also been made in this respect.</p> <p>It was confirmed loan interest rates will have been determined by the contracts team (based on the receipt of expert advice) prior to a recommendation to award a loan being presented to HIB, and it therefore won't be the responsibility for HIB to determine or set interest rates.</p> <p>It was confirmed a rankings protocol helps determine which schemes in the reserve list/pipeline will receive prioritised consideration should a scheme be unable to proceed through FBC within the agreed timescale.</p>	

	<p>It was noted up to 7 schemes could be presented to the next HIB meeting, although this is unlikely and some schemes are more likely to be presented to future meetings.</p> <p>Action: Michael, Chris, Craig to determine a schedule for additional HIB meetings, based on the expected timings of investment decisions</p>	MH, CCM, CT
7	<p><u>SCHEME RECOMMENDED FOR FINANCIAL APPROVAL: LEACH LANE, MEXBOROUGH, DONCASTER</u></p> <p>A report was received to provide details of the Leach Lane Scheme, and to request the Board's consideration of this scheme.</p> <p>Members were advised of the main matters for consideration.</p> <p>RESOLVED, that the Board:</p> <ol style="list-style-type: none"> 1. Notes the information presented in this report and supporting annexes and agrees to the progression of the Leach Lane Scheme to Full Approval and Award of Contract at a cost of £350,020 subject to the conditions set out in the Appraisal Panel Summary. 2. Endorses the SCR MCA / LEP Senior Finance Manager (on behalf of the Chief Finance/ s73 Officer and the SCR Statutory Officers Group) to carry out their role in respect of this scheme, in line with the delegated authority received from the MCA. 	
8	<p><u>REPORTING OF INVESTMENT DECISIONS TO THE HOUSING AND INFRASTRUCTURE EXECUTIVE BOARD AND THE COMBINED AUTHORITY</u></p> <p>It was confirmed the Board's decisions in respect of Item 7 will be reported to the forthcoming meetings of the Combined Authority (11th June) and the Housing and Infrastructure Executive Board (29th June).</p> <p>Associated communications in respect of these and the other decisions taken by the Board will be undertaken.</p>	
9	<p><u>ANY OTHER BUSINESS</u></p> <p>No further matters noted.</p>	
11	<p><u>Date of Next Meeting</u></p> <p>Thursday 28th June, 10.00am at 11 Broad Street West, Sheffield.</p>	

Sheffield City Region Housing Investment Board: Terms of Reference



1. Context

At its meeting on the 22nd March 2017, the Sheffield City Region (SCR) Mayoral Combined Authority (MCA) agreed the establishment of the SCR Housing Fund (HF).

The SCR HF seeks to complement and 'plug the gap' in current nationally available housing investment programmes - unlocking development opportunities to deliver much needed homes.

The SCR HF offers a flexible approach to the allocation of funds (noting the source of funding is drawn from the SCR Local Enterprise Partnership (LEP) Local Growth Fund (LGF) allocation) to meet the requirements of individual schemes. It has been developed, and will continue to be managed, in line with the principles/ success criteria agreed by the MCA (**see Annex A & B**).

On 30th October 2017, the SCR CA approved delegation of HF investment decisions to MCA Statutory Officers for schemes requesting funds up to £2m¹.

In practice, this delegated authority is exercised by the SCR MCA / LEP Senior Finance Manager (on behalf of the Chief Finance/ s73 Officer and the other SCR Statutory Officers) supported by the Housing Investment Board (HIB) (referred to as 'the Board' throughout this document).

2. Purpose of the Board

- Managing the SCR HF in line with the principles agreed by the SCR MCA;
- Providing overall strategic leadership of the SCR HF - ensuring activity remains focussed on SCR CA/ LEP agreed outcomes;
- Considering investment recommendations from Officers (via the SCR Appraisal Panel) and providing advice, guidance and challenge;
- Endorsing investment recommendations – enabling funding decisions to be made in a timely and informed way - ensuring detailed scheme scrutiny is carried out;
- Monitoring the overall performance of the SCR Pilot HF.

3. Governance and Accountability

The Board is a sub-board of the SCR Housing and Infrastructure Executive Board (HIEB), reporting to the SCR LEP and MCA via the HIEB ('thematic Board') as detailed in the SCR Assurance Framework (<https://sheffieldcityregion.org.uk/wp-content/uploads/2018/03/SCR-Assurance-Framework-2018.pdf>).

¹ Any schemes seeking in excess of £2m investment will need to seek financial approval via the HIB (for a recommendation) and the CA (for funding approval).

The MCA / LEP Senior Finance Manager (on behalf of the Chief Finance/ s73 Officer and the other SCR Statutory Officers) has delegated authority from the MCA's Monitoring Officer to enter in to funding agreements up to the value of £2m on behalf of the MCA. Above £2m the MCA will take the final investment decision.

Before taking a delegated decision, the MCA / LEP Senior Finance Manager will fully take in to account the advice and recommendations of the HIB.

The MCA Senior Finance Manager will not take a decision that is not recommended unanimously by all HIB members present at the meeting.

In circumstances where a unanimous decision cannot be reached, the investment decision will be deferred to the MCA for a final recommendation (as detailed in the MCA Constitution, Part F, Paragraph 2.3).

All decisions made by the HIB will be reported to the HIEB and the MCA meeting(s). This will be done via the 'delegated approvals report' at the next available meeting following the HIB meeting/ recommendation.

4. Membership and Chairing Arrangements

Membership of the HIB was agreed at the HIEB in February 2018 and reported to the MCA in March 2018.

Board Member	Organisation	Board Role
Mayor Ros Jones	Doncaster MBC	<i>Chair of the HIB</i> Lead MCA Member
Martin McKervey	None	<i>Vice Chair of the HIB</i> SCR Local Enterprise Partnership Representative
Owen Michaelson	Harworth Estates	SCR Local Enterprise Partnership Representative
Huw Bowen	Chesterfield BC	Lead Chief Executive
Rob Pearson	Homes England	Government Agency Representative
Mike Thomas	SCR Mayoral Combined Authority/ Executive Team	Representative of the SCR MCA Statutory Officers (on behalf of the SCR CA Chief Financial Officer)

Any changes to membership of the Board will require approval by the HIEB.

5. Quorum and Attendance

Each meeting needs to be attended by a minimum of three Board Members.

For decisions to be made/ the business of the Board to be transacted, the following members must be in attendance:

- One SCR LEP representative;
- One representative of the SCR MCA Statutory Officers Group - this will usually be Mike Thomas (SCR Senior Finance Manager), although substitutes for this role are permitted in exceptional circumstances, and only with the prior agreement of the SCR Statutory Officers.

No other Board Members are permitted to send substitutes.

Board Members need to attend meetings on a regular basis. Failure to attend half of all meetings in any six-month period may result in the loss of your position on the Board and the HIEB considering alternative membership/ representation.

6. Declaration of Interest and Confidentiality

Board Members are required to declare any interests that are either personal, prejudicial or may be construed by observers, members of the public or others to be an association/ relationship that could be considered to conflict with, have the potential to conflict, or could be perceived to conflict with the interests of the HF/ work of the HIB.

For the avoidance of doubt, if a Member is uncertain then they should enquire with the SCR Executive Team for clarification either prior to the meeting or at the start of the meeting proceedings.

Any/ all interests need to be made prior to the meeting commencing and noting for records at each Board meeting.

Board members are subject to the LEP Declaration of Interest Policy and the CA Members Code of Conduct (Part 6a of the MCA Constitution).

All information received in connection with the HIB should be considered confidential and should not be shared more widely or used for any other purpose.

7. Information to support the Board in its role

There is a need to share enough information with the Board to support it in its role, whilst acknowledging the need to balance transparency and commercial confidentiality/ sensitivities for a Board with both private and public sector members.

The following information (forming the 'Private Document Pack') will typically be shared with Board Members where an investment recommendation is sought:

- A detailed cover report, presented in a standard format – including specific content on 'what the proposed LGF investment is delivering/ funding' and any issues the Board need to be aware of in terms of 'land value uplift' (*);

- A redacted version of the Full Business Case for the scheme which is seeking an investment decision (redacted to remove commercially sensitive financial information);
- A checklist detailing supporting documentation considered as part of due diligence and appraisal process;
- Appraisal Panel summary – setting out the recommendation(s) to the HIB from the SCR Appraisal Panel, with any recommended conditions attached to the LGF investment detailed (*).

The information detailed above and marked with a star (*) will be included in the publicly available 'Public Document Pack'. The information excluded from publicly available document pack is exempt under Paragraph 3, Part 1, Section 12A of the Local Government Act 1972.

In addition, and as part of the HIB meeting(s); Officers will be in attendance and able to answer any detailed questions on the scheme(s) which Board members feel are relevant in reaching an investment recommendation.

8. Frequency of Meetings

The Board will meet approximately every 4 to 6 weeks – for the duration of the programme.

Depending on the workload at any particular time – more or less frequent meetings may be appropriate and some matters may be dealt with electronically or through a conference call.

9. National Guidance for Local Enterprise Partnership Decision Making Boards

This HIB is an advisory Board responsible for making recommendations relating to the investment of Local Growth Funds (LGF).

Business will be carried out in accordance with the following guidelines, namely:

- All key decisions to be published at least 28 days in advance via the MCA Forward Plan;
- All reports must be published 5 working days in advance;
- Minutes must be published on the appropriate website within 10 working days after the meeting;
- All members must declare any interests (via the completion of an annual 'register of interests', with any changes in the register or any interests linked to specific agenda items declared at each meeting).

Author: Michael Hellewell, Senior Programme Manager
Sheffield City Region Executive Team

Approved: 31st May 2018

Review Date: August 2018 (after the first three meetings of the Board)
Annually thereafter, due by the end of June 2019

Annex A

Sheffield City Region Housing Fund – Operating Principles (agreed by the CA)

The following **principles** will guide the operation and deployment of the Fund, with individual schemes/ projects tested against each of the following at the Expression of Interest (Eoi) and Full Business Case (FBC) stage.

- **Fund of last resort** – all other sources of currently available funds will need to have been considered and deemed unsuitable (in terms of availability and/ or timing), with scheme promoters needing to provide evidence of other funding sought and reasons why it is unsuitable.
- **Commitment from delivery partners** – except in exceptional circumstances, the Fund will not 100% fund any projects. Funds from other sources (public or private) will be required in order for schemes to be considered for support from the Fund. Typically, SCR will consider an intervention rate of up to 50%, although each project will be considered individually with the potential to provide further support where a clear case for investment can be evidenced.
- **Flexibility and Additionality** – as a ‘fund of last resort’, the fund aims to provide a range of financial tools and interventions to enable activity which would not otherwise happen (e.g. where funding is not available or the scheme doesn’t meet the criteria of other available funds). In broad terms the SCR is seeking to develop an approach whereby it is able to provide investment to address challenges and remove barriers to housing delivery.
- **Acceleration** – support from the fund will need to enable the acceleration of activity where market demand can be evidenced and independently assessed. This may be through i) increased speed of delivery on existing active housing sites (e.g. an intervention or investment that would increase planned annual activity, through the diversification of available products, or by opening up new outlets or active developers) and/ or ii) enabling activity (e.g. land remediation, site acquisition) which will unlock sites, making them ‘housing ready’ significantly quicker than would have been the case without support.
- **Deliverability** – scheme Promoters will be asked to provide a ‘commitment to delivery’. The SCR will require a clear statement of when new homes will be on site (by quarter/ year). Scheme promoters will be contracted in line with this ‘clear statement of delivery’. This will ensure that schemes which are realistic and deliverable are brought forward. Where schemes do not deliver the agreed outputs/ outcomes the clawback of funds will be considered.
- **Recoverability** - the starting point in relation to any investment/ intervention supported via this route is that some form of financial return will be required. It is acknowledged that in some cases this may not be possible, and the Fund governance arrangements will need to be able to exercise judgement in balancing deliverability/ outcomes and recoverability. The pilot will allow Scheme Promoters to put forward innovative proposals.

Annex B

Sheffield City Region Housing Fund – Success Criteria (agreed by the CA)

The agreed 'success criteria' for the pilot SCR Housing Fund are set out below.

- To contribute to the SEP target of increased housing delivery through prioritising investment in enabling infrastructure, as well as supporting the 'above ground' development of new homes *[focus on a range of different scheme types and building a SCR track record of delivery]*.
- To test a range of tools/ interventions which seek to address market failures present in SCR's housing markets whilst complementing and addressing gaps in existing National housing investment programmes *[supporting schemes which wouldn't have otherwise progressed]*.
- To test new approaches to scheme identification, appraisal and decision making which can inform the development of a long-term approach to SCR-led housing investment, as well as the commissioning arrangements for the SCR IIP *[focus on a more flexible approach which can be scaled up]*.
- To pilot a model which could be replicated in the future, providing a strong basis for future Government investment in the SCR (including gainshare), as well as leverage of private sector funds *[for the pilot to provide at least 5 examples of what works/ what doesn't in a SCR context]*.
- To test to what extent a local Housing Fund is recoverable, enabling the SCR to take a different view of risk and reward - considering the wider economic and social value of housing. At a fund level the aim is for at least 50% of the fund to be recycled/ paid back to the SCR *[testing the extent to which SCR can develop a sustainable delivery model]*.
- To develop an 'outcomes based approach' which public and private sector partners can engage with in order to maximise housing delivery and value for money *[to enable and/ or accelerate the delivery of between 300 and 500 new homes (as minimum)]*.

Sheffield City Region

HOUSING INVESTMENT BOARD (HIB)

25th July 2018

Sheffield City Region

ITEM 6 PILOT HOUSING FUND: INITIAL LESSONS LEARNT

(as presented to the SCR HIEB on 29th June)

Purpose

- Update HIEB Members on current progress with the Housing Fund.
- Review the current performance of the Housing Fund.
- Consider initial lessons learnt.
- Endorse the development of a Full Business Case to seek additional funds (a further 'top up') of the Housing Fund.
- Provide input to shape the options analysis which will form the basis of the Full Business Case (subject to endorsement).

Background

- March 2017: A SCR **Pilot Housing Fund (HF)** of **up to £10m** agreed by the Combined Authority.
- **Contribute to housing growth** in the SCR through **enabling/ unlocking sites** and **accelerating activity**.
- Funding available to public and private sector partners.
- **Purpose of the HF:**
 - Support a range of different schemes;
 - Build a SCR ‘track record’ of delivery on housing;
 - Support schemes that wouldn’t have otherwise happened;
 - Develop a flexible approach which can be scaled up;
 - To deliver a number of examples of what works/ what doesn’t in SCR;
 - To test the extent to which to SCR can develop a re-cyclable fund for housing.

Operating Principles for the Housing Fund



- Guide the operation and deployment of the Fund – as agreed by the Combined Authority.
- Individual schemes/ projects are tested against each of the following principles:
 - Fund of last resort;
 - Commitment from delivery partners;
 - Flexibility;
 - Additionality;
 - Acceleration;
 - Deliverability;
 - Recoverability.

The Current SCR HF Programme (1)

- **High levels of interest in the fund:**
 - Active engagement with 29 potential applicants at EoI Stage;
 - Received 20 EoIs (conversion rate of c70%), seeking £25m+ from SCR;
 - Schemes from applicants including Housing Associations, Private Sector, Local Authorities and Partnerships.
- **Schemes progressed/ progressing to Full Business Case (10 schemes in total):**
 - Potential to deliver over 1,200 homes (c30% affordable);
 - Total LGF funding 'ask' of c£9.7m of which up to 50% could be recovered.
- **Of which:**
 - **3 schemes have received funding approval;**
 - **7 schemes progressing to Full Business Case ('FBC Schemes'):**
Schemes in Barnsley, Bassetlaw, Chesterfield, Rotherham and Sheffield.

The Current SCR HF Programme (2)



- **A dynamic programme:**
 - Deadlines set for Scheme Promoters to provide a completed Full Business Case (FBC) and supporting evidence.
 - Support provided throughout by the SCR Executive Team.
 - SCR Target: within one month of receiving FBCs - schemes assessed, due diligence completed, initial consideration by the SCR Appraisal Panel.
- **This requires Scheme Promoters to:**
 - Stay in contact with the SCR Team whilst developing their FBC;
 - Provide all the information requested by the agreed deadlines;
 - Respond quickly to clarification questions/ requests.
- **A further 8 schemes in our pipeline ('Pipeline Schemes'):**
 - Potential to deliver over 3,100 homes;
 - Total LGF funding 'ask' of c£15.4m;
 - Schemes in Barnsley, Bolsover, Doncaster, Rotherham and Sheffield.

Three schemes approved to date...

Former Park Gardeners Club (Sheffield)

- Delivery Partners: The Guinness Partnership
- Grant of £517k to unlock a stalled site
- 38 affordable flats for rent

Nanny Marr Road (Darfield, Barnsley)

- Delivery Partners: Together Housing Group
- Grant of £367k for vital site remediation
- 35 homes for rent/ shared ownership

Leach Lane (Mexborough, Doncaster)

- Delivery Partners: Fenwood Estates
- SCR funding of £350k (50:50 grant/ loan) for vital site remediation
- 25 homes targeted at first time buyers



Currently approved schemes: key metrics...

- First scheme approved at the Combined Authority on 9th March: Less than 4 months since initial application (EoI).
- A further two schemes approved by the Housing Investment Board in May.
- Approval of **£1.23m of financial support from SCR** (both loan and grants) to unlock/ accelerate the delivery of **98 new homes**.
- **Based on the three approved schemes:**
 - Cost per home (SCR investment): **£12,550**
 - Recoverability rate: **15%**
 - Private sector investment unlocked: **£5.3m**
 - Homes England investment: **£5.2m**

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Grants are agreed for 'fast-track' homes plan

THE FIRST project to be approved in a £10m 'fast-track' housing pilot scheme will allow 98 affordable flats to be built at a Sheffield landmark site by summer 2024.

One and two-bedroom flats will be built on the site of the former Park Gardens Club close to the Park Hill flats and high above the Parkway.

The Combined Authority (CA) of the Sheffield City Region (SCR) has agreed a grant of £17,000 to the Guinness Partnership less than four months after the initial application to the pilot the Housing Investment Fund (HIF).

The Guinness Partnership, one of the largest social housing and care bodies in the UK, hopes to be on site this month, with the homes completed by June next year.

The funding from the Sheffield City Region is part of its Epsom programme of investment, which includes a contribution from the Government's Local Growth Funding.

Bids were made for the SCR fund last November and further schemes are expected to be approved over the coming months.

Julie Barry, Northern Powerhouse and Local Growth Minister, said: "Government's Local Growth Funding, combined with the multi-million-pound investment from the Sheffield City Region, is helping to deliver the new affordable homes the region needs."

"We need to think innovative"

Delivering on the pledge to build a brighter future for the whole region

Sir Nigel Knowles

Chairman of Sheffield Local Enterprise Partnership

We have to build more homes. A simple statement but one that national and local policymakers talk at length about. Our Local Enterprise Partnership is no different. At our last board meeting we heard from Simon Carr, MD of Henry Boot and a LEP board member, about the challenges and opportunities we face in building more houses. But, in the Sheffield City Region, we're not just talking about it. We're about action – and we're

difficult sites.

At the Mexborough site in Doncaster the City Region's Local Growth Funding is providing £350,000 to support

Fennovod Estates Ltd to deliver new homes through a 50 per cent grant and 50 per cent loan. The support will enable essential work such as diverting mains drains, clearing undergrowth, and raising the ground level near the canal bank to avoid the risk of flooding to be delivered.

In Sheffield, we're working with the Guinness Partnership to build 98 high quality, affordable rented homes for local people



What are the areas of success?

- High levels of interest in the fund, with engagement from a wide range of partners.
- Support for Scheme Promoters throughout via a single point of contact in the SCR Team.
- Developed a streamlined and robust process, compliant with the SCR LEP Local Growth Fund Assurance Framework.
- Flexible and responsive to local market conditions (e.g. land values).
- Signposting of potential schemes to other sources of support.
- Positive media coverage – viewed as an innovative approach.

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Positive Media Coverage

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BOOSTING NEW BUILD NUMBERS IN SHEFFIELD

Michael Knowles, senior programme manager at the Sheffield City Region (SCR) Innovation Space, on how a £8m regional pilot will set to deliver 1,500 homes and boost the area's £8m economy.

Almost 1,500 new homes could be built in the SCR from the spring, thanks to the region's new £8m regional pilot project and local councils.

Right of the schemes which applied for the SCR Housing Fund pilot are now being built in the next stage to be judged on the strength of their business cases. If successful, they will be given funding to get underway in the next few months, building a range of new homes, including a range of affordable homes.

The pilot is based on the fact that the SCR is an authority area, and areas that have been built before in the SCR. The pilot is based on the fact that the SCR is an authority area, and areas that have been built before in the SCR.

The SCR fund, which is only the schemes in the city region, completion of the government's existing national housing investment programme. The SCR fund is available to support local schemes which would be otherwise impossible. As well as looking at the economic and social benefits of the project, the pilot will also be delivered on time and within budget.

Factor to be considered in the right business case will include the cost per home, cost to build, and local amenities, how much private sector and additional

public sector money can be generated, and other potential of the investment will come back to the SCR.

Simon Carr, a member of the SCR LEF said: "We have been delighted with the high levels of interest in the project. This is a real test of the region's ability to deliver on its commitment to housing, but also a pipeline of further projects which we will look at when further funding becomes available."

The SCR is committed to build successful partnership housing, both the public and private sectors in developing and supporting schemes that create new homes, jobs, and economic growth. We make it a priority to deliver this.

The SCR is also committed to a strategic pipeline of projects that ensure that the Housing Fund will support housing in places where it is needed, and where it is well-served by public transport, shops, and community facilities.

The funding from the SCR is part of a £100m investment in housing. This is a commitment to the government's Local Growth Fund, which is part of the government's commitment to the Northern Powerhouse.

Meanwhile, thousands of badly needed new homes could be built across the SCR under a radical new partnership approach. The SCR is committed to the government's Local Growth Fund, which is part of the government's commitment to the Northern Powerhouse.

Bid to create Europe's largest cluster for manufacturing

Local enterprise partnership

SHEFFIELD CITY REGION

Sir Nigel Knowles, chairman of the Sheffield City Region Local Enterprise Partnership.

ADVANCED MANUFACTURING is one of the huge strengths of this City Region, making it known around the globe, nurtured by the world-leading excellence of our universities, their collaboration with business, the support of the public sector, and a great legacy of industrial innovation.

It is there anyone who isn't aware that we attracted the investment of supercar makers McLaren and zero-giants Boeing and Rolls Royce? And who won't have seen the blades on the ice skates worn by Olympic athletes and Toffin and Dean, and the high-speed sleds in the Winter Olympics - all made in this region. Together we are creating a new way forward for our immense heritage of skills. Our ambition now is to create Europe's largest advanced manufacturing cluster, which

our Advanced Manufacturing Innovation District (AMID) is already making a reality. The AMID sees work start next month on the Advanced Wellbeing Research Centre AWBC alongside the Legacy Park, while in the wings the National Centre of Excellence for Food Engineering is ready to be another key occupant.

With investors keen to hear about opportunities in the Sheffield City Region just last week at MIPIM Cannes, the global property conference, we showcased a long list of successes and £1bn of offers including AMID, our international Aero Centre, and massive urban regeneration.

A fly-through app was unveiled to illustrate the exciting sites available for development and their connectivity across the region. See <http://bit.ly/2p2Aa06> to explore it for yourself.

Key among the investment opportunities is the £300m Sheffield City Gateway which will reshape the city for the 21st century and beyond. In partnership with Sheffield Hallam University, this will create a new gateway between the city and the thriving heart of the city, and combine high specification commercial, retail, and academic space including a hotel and public square, and a new location for university buildings. The project may include direct investment or joint venture

with the university, which is the landowner and able to commit up to £500m of estate to the project.

Our work to provide housing for the region is also coming to the fore, with an exciting £10m 'flat track' housing pilot inspiring a host of inventive ideas.

Work starts this month on the first being built in the centre of Sheffield by the Guinness Partnership, one of the largest social housing and care bodies in the UK.

Projects submitted for the pilot could provide 1,500 homes, with SCR infrastructure funding unlocking 14,000 homes. At the Exton Waterside mixed-use development in Chesterfield, one of the UK's largest regeneration projects, the scheme part funded by the City Region will build 1,200 homes close to the town centre and the



SIR NIGEL KNOWLES: Truly, a great City Region to live, work, play and invest in.

Chesterfield Canal and River Rother. In Rotherham, Basingthorpe Farm is a major new development planned for the north west of the town centre. Over the next 20 years it will provide around 2,500 new homes, along with employment opportunities, a new primary

school, play areas, sports pitches, allotments and a local centre. The project will be seeking development partners later in 2018 to achieve a start on site in 2020/21.

We are blessed with the beautiful Peak District on our doorstep, and a strong outdoor economy. To maximise visitor stays in the region, the City Region has helped get the 'Peak Resort' project close to Sheffield off the ground to provide quality accommodation and tempt tourists to stay longer.

Work has started on the public infrastructure and Phase One of the resort will open in 2020. Investors interested in opportunities for Phase Two and Three can contact the City Region. Added to this great quality of life, we have emerging urban centres which are providing shops and leisure facilities fit for a 21st century region. Major regeneration is underway, from Barley's Glass Works - the name is a nod to the heritage of the glassmaking industry for which it was famous - to the City Gateway in Doncaster, the Northern Gateway in Chesterfield, and the Heart of the City II in Sheffield. This is a region where many strengths come together and make many investment opportunities. Truly, a great City Region to live, work, play and invest in.

City region's success at MIPIM

THE 27TH edition of global property conference MIPIM took place in Cannes, France from March 13 to 16.

Sheffield City Region celebrated the following success at the conference:

■ The SCR won the prize for 'Best Foreign Direct Investment Strategy' in the FDI Magazine awards, with

Sheffield City Council picking up the 'Best for Connectivity' award.

■ The SCR's new interactive app, which allows potential investors to 'fly' through investment opportunities across the region, was launched at MIPIM and proved a great hit. See <http://bit.ly/2p2Aa06> for more.

Sheffield City Region

//HIGH LEVEL OF INTEREST IN INNOVATIVE HOUSING FUND

Published 18th October 2017 at 11:19:19am

There's now less than a month left to apply for funds through a highly innovative new house-building scheme.

The Sheffield City Region Housing Fund is open for applications until Wednesday 15 November - and already there's been an exceptionally high level of interest.

THE HOME INFORMATION

in Sheffield City Region



£8m fund set to bring 1,500 homes

Almost 1,500 homes could be built in the Sheffield City Region from the spring as eight schemes move forward to the next stage of a competition for a share of an £8m fund.

The SCR Housing Fund offers cash to kickstart schemes in the next few months. The bids with the best business case will be successful.

The Sheffield City Region target is to provide at least 7,000 homes every year.

The pilot, which was open to local authorities, housing providers and private sector developers, could become a model for future devolved Government investment in the City Region. It supports local schemes which wouldn't otherwise progress.

As well as looking at the economic and social benefits, the pilot will also test business cases to ensure schemes will be delivered on time and within budget.

Factors to be considered include the cost per home, any increase in land value

and local amenities, how much private sector and additional public sector resources can be generated, and what proportion of the investment will come back to the SCR.

Simon Carr, a member of the Local Enterprise Partnership for the SCR, said: "We have been delighted with the high levels of interest we received."

"This means we not only have promising projects to examine, but also have a pipeline of further projects which we will look at when further funding becomes available."

"We are deeply committed to providing high-quality homes which meet the needs of this booming region. I'm really looking forward to seeing progress in the ground as the successful projects get under way."

"The way to get things done quickly is through the Sheffield City Region. We continue to build successful partnerships involving both the public and private sectors."



//1,500 HOMES HOPE WITH £8MILLION PILOT SUCCESS

Published 21st January 2018 at 7:35pm







Sheffield City Region



What are the areas for improvement?

- Improve guidance on ‘state aid’, ‘land type’, ‘housing need’, ‘land value’ and ‘early engagement with Local Authorities’.
- Require more detailed information at EoI stage – will the scheme directly deliver housing outputs or unlock/ enable sites to be brought forward for housing development in the future by others?
- Originally over ambitious on the timetable for decisions – need to build in time for the iterative ‘clarification stage’.
- Relationship and alignment with national funds – improve this (if possible) or develop clearer guidance.
- Single point of entry/ ‘closed’ pipeline – potential missed opportunities, inability to invest in the ‘right homes and the right time’, lack of flexibility (which needs to be balanced with certainty).

Success Criteria – direction of travel...

Criteria (agreed by the Combined Authority)	Current Progress
Focus on a range of different scheme types, building a SCR track record of delivery	
Supporting schemes which wouldn't have otherwise progressed	
A more flexible approach which can be scaled up	
To provide at least 5 examples of what works/ what doesn't in a SCR context	
At least 50% of the fund to be recycled/ paid back to the SCR	
To enable and/ or accelerate the delivery of between 300 and 500 new homes (as minimum)	

Final Thoughts...

- Desire to drive forward the HF programme and funding decisions - continue to set challenging timescales.
- Work with partners to ensure we are investing in the 'right schemes' and that they deliver.
- Schemes are subject to appropriate/ proportionate scrutiny in line with our Assurance Framework (this is a Govt requirement).
- 'Good spend, not quick spend' – **but our aim is deliver both!**
- Expect to commit all Housing Funds by November 2018 – a year since the initial deadline.
- Delivery is key:
First new homes – by Summer 2019.

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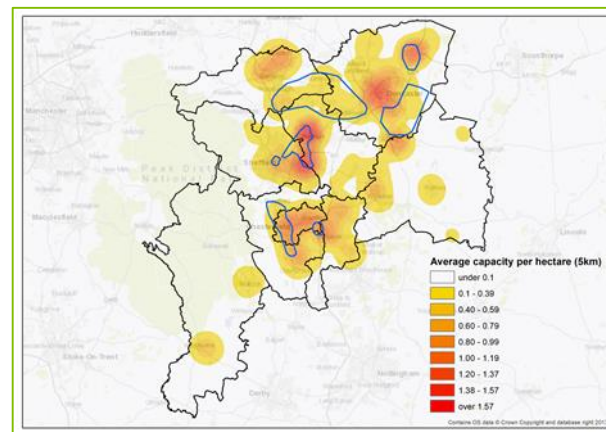


Next Steps



- **Ambition to grow the Housing Fund** - *‘supporting the delivery of the emerging SCR Housing Programme through the use of CA and Govt funds’.*
- The development of a Full Business Case to support the potential ‘top up’ of the Housing Fund (subject to MCA approval).
- **Strengthens future discussions with Government** - *‘we have developed a flexible, responsive, robust and streamlined approach that is delivering new homes’.*

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Sheffield City Region

ITEM 7: SCHEME UPDATE/ PIPELINE AND DECISION SCHEDULE

SCR HIB: 25/07/18

The Current SCR HF Programme

- **Schemes progressed/progressing to Full Business Case (10 schemes in total)**
 - Potential to deliver over 1,200 homes (c30% affordable);
 - Total LGF funding 'ask' of c£9.7m of which up to 50% could be recovered;
- **3 schemes received funding approval:**
 - Former Park Gardeners Club site in Sheffield;
 - Nanny Marr Road Ph2 in Barnsley
 - Leach Lane in Doncaster
- **7 schemes progressing to Full Business Case ('FBC Schemes'):**
 - Schemes in Barnsley, Bassetlaw, Chesterfield, Rotherham and Sheffield.
- **A further 8 schemes in our pipeline ('Pipeline Schemes'):**
 - Potential to deliver over 3,100 homes;
 - Total LGF funding 'ask' of c£15.4m;
 - Schemes in Barnsley, Bolsover, Doncaster, Rotherham and Sheffield.

Schemes Status (as at 11/07/18)

Project Name	Local Authority Area	Status/Comments	No. of Units	Total LGF Funding (£)	Grant/ Loan	FBC Due	FBC Received	Target Appraisal Panel Date	Target Funding Decision (HIB)	Notification of Investment Decision
Former Park Gardeners Club (001)	Sheffield	Approved by MCA 09/03/18	38	517,060	Grant	30.03.18	28.01.18	01.03.18	09.03.18	HIEB: 29.03.18
Nanny Marr Road Ph2 (006)	Barnsley	Approved by HIB 03/05/18	35	367,500	Grant	30.03.18	30.03.18	19.04.18	03.05.18	HIEB: 11.05.18 MCA: 11.06.18
Leach Lane, Mexborough (002)	Doncaster	Approved by HIB 31/05/18	25	350,020	Grant & Loan	30.03.18	30.03.18	16.05.18	31.05.18	HIEB: 29.06.18 MCA: 30.07.18
Project 004	Chesterfield	Outstanding issues/ questions for clarification	350	1,793,588	Grant & Loan	30.03.18	30.03.18	09.08.18	24.08.18	HIEB: Tbc MCA: 30.07.18
Project 005	Chesterfield	Some clarification responses received, due diligence ongoing	203	1,550,000	Grant & Loan	30.03.18	30.03.18	09.08.18	24.08.18	HIEB: Tbc MCA: Tbc
Project 007	Sheffield	Outstanding issues/ questions for clarification	53	750,000	Grant	30.04.18	30.04.18	09.08.18	24.08.18	HIEB: Tbc MCA: Tbc
Project 008	Sheffield	Outstanding issues/ questions for clarification	98	1,000,000	Loan	18.05.18	18.05.18	09.08.18	24.08.18	HIEB: Tbc MCA: Tbc
Project 009	Barnsley	Outstanding issues/ questions for clarification	25	632,000	Grant & Loan	18.05.18	18.05.18	28.06.18	25.07.18	HIEB: Tbc CA: 30.07.18
Project 010	Rotherham	Outstanding issues/ questions for clarification	16	720,000	Grant	18.05.18	18.05.18	05.09.18	Sept - date Tbc	HIEB: Tbc MCA: Tbc
Project 015	Bassetlaw	Invited to progress to FBC/ due diligence	400	2,000,000	Grant & Loan	17.08.18		20.09.18	Oct - date Tbc	HIEB: Tbc MCA: Tbc
TOTAL			1,243	9,680,168						

Updated Decision Schedule (as at 11/07/18)

HIB Meeting	Potential Number of Schemes (total X)	FBC Deadline	Appraisal Panel Meeting	Forward Plan (for key decisions)	Report Deadline	Target Funding Decision (HIB meeting)	Notification of Investment Decision(s)
3 rd Meeting	1	w/c 18 th June	Tue 3 rd July & Wed 11 th July	Tues 19 th June	Int: 11/07 SO: 12/07 Circ: 17/07	Wed 25 th July, 1500	HIEB: tbc CA: tbc
4 th Meeting	Up to 4	w/c 2 nd July	Thur 26 th July	Monday 16 th July	Int: 10/08 SO: 13/08 Circ: 16/08	Fri 24 th August, 1400	HIEB: tbc CA: tbc
5 th & 6 th Meeting	Up to 2	w/c 13 th August	tbc	tbc	tbc	Sept – tbc Oct - tbc	tbc

Sheffield City Region Housing Investment Board
25th July 2018

Scheme Recommended for Financial Approval:
Hawshaw Lane, Hoyland, Barnsley

Purpose of Report

This report provides details of the Hawshaw Lane Scheme (referred to as 'the Scheme' throughout this report) which has progressed through the agreed Appraisal Framework for the Sheffield City Region (SCR) Housing Fund (HF). The Scheme is presented to the Housing Investment Board (HIB) for consideration.

Thematic Priority

Secure investment in infrastructure where it will do most to support growth.

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper will be available under the Mayoral Combined Authority Publication Scheme.

Annex A of this report is exempt under paragraph 3, part 1, section 12A of the Local Government Act 1972.

Recommendations

Members of the Housing Investment Board are asked to:

- **Review the information presented in this report and supporting annexes and consider the progression of the Hawshaw Lane Scheme to Full Approval and Award of Contract at a cost of £632,000 to the Local Growth Fund (LGF), subject to the conditions set out in the Appraisal Panel Summary (see Annex B).**
- **Endorse the SCR MCA / LEP Senior Finance Manager (on behalf of the Chief Finance/ s73 Officer and the SCR Statutory Officers Group) to carry out their role in respect of this scheme, in line with the delegated authority received from the MCA.**

1. Introduction

- 1.1 At its meeting on the 22nd March 2017, the Sheffield City Region (SCR) Combined Authority (CA) agreed the establishment of the SCR Housing Fund (HF). The HF seeks to complement and 'plug the gap' in current nationally available housing investment programmes; unlocking development opportunities to deliver much needed homes across the SCR. The HF offers a flexible approach to the allocation of funds to meet the requirements of individual schemes. It has been developed, and will continue to be managed, in line with the principles agreed by the CA.
- 1.2 On 30th October 2017, the SCR CA approved delegation of HF investments to Statutory Officers of the CA for schemes requesting funds up to £2m. In practice, this delegated authority is exercised by the SCR Mayoral Combined Authority (MCA) / Local Enterprise Partnership (LEP) Senior Finance Manager (on behalf of the Chief Finance/ s73 Officer and the SCR Statutory Officers Group) supported by the Housing Investment Board (HIB). The membership of the HIB was agreed by the Housing and Infrastructure Executive Board on 9th February 2018 and reported to the MCA on 9th March 2018.
- 1.3 The SCR Assurance Framework for LEP LGF requires that all schemes seeking investment undergo a thorough and proportionate scheme appraisal following the Treasury Green Book approach. Given the pilot nature of the HF, and in recognition of the scale of the funding available, SCR have developed a flexible and streamlined approach to scheme assessment/ appraisal/ due diligence. This approach remains compliant with the SCR Assurance Framework, as well as prevailing Ministry of Housing, Communities and Local Government (MHCLG) and Homes England guidance.
- 1.4 Prior to consideration by the HIB, the scheme has been through a process of technical appraisal by a Panel of Officers representing the SCR Statutory Officers, culminating in the recommendations presented for approval. These findings will inform the s73 Officer's view regarding the Value for Money Statement and the Monitoring Officer's view regarding the relative risks of the scheme presented.
- 1.5 In line with standard financial arrangements, LGF Funding cannot be considered as granted/ approved unless and until a Funding Agreement is executed by both parties.

2. Proposal and Justification

- 2.1 **Business Case Approval – Housing Fund: Hawshaw Lane, Hoyland, Barnsley**
Hawshaw Lane is located within the Dearne Valley and M1 J36 growth area (as identified in the SCR's Strategic Economic Plan and Integrated Infrastructure Plan). It also lies within Homes England's recognised Housing Zone and is the only site within this area which has failed to come forward for delivery by the market, despite it being 'for sale' for some time.
- 2.2 Barnsley MBC are seeking £632,000 of LEP LGF to acquire and redevelop a 0.65ha strategic housing site and deliver 16 semi-detached and detached houses for market sale and 9 mews houses for social rent.
- 2.3 LEP LGF funding is required to acquire the site, undertake further site investigation work and cover the abnormal development costs to deliver 25 new homes for market sale and social rent. SCR funding will unlock £3.2m public sector investment, including £0.125m from Homes England's Shared Ownership and Affordable Housing Programme (SOAHP).
- 2.4 The scheme mix comprises 9 x 2 bed 3/4 person mews properties for rent together with 14 x 3 bed 5 person and 2 x 4 bed 6/7 person houses for sale. It is envisaged that the site will be acquired by December 2018 enabling a start on site in April 2018. The first homes will be available for occupation in December 2019, with the scheme being fully completed by March 2020.

- 2.5** The site is currently owned by Ackroyd and Abbott Homes, who secured planning permission for 65 homes, including apartments. 22 homes for market sale were completed seven years ago. However, following the housing market crash, a few properties failed to sell and the developer had to let them as Private Rented Sector (PRS) units. The developer now wishes to sell the remainder of the site. The site has not attracted interest from volume house builders due to its size. Nor have any SME builders expressed interest due to the abnormal development costs and the requirement to build out the remainder of the site to complement existing properties.
- 2.6** The scheme has a Benefit Cost Ratio (BCR) of 1.9 and a Net Present Value (NPV) of £371,223. The BCR is below 2 which is the benchmark for good value for money. However, the wider benefits of providing affordable housing (above the minimum requirement) and unblocking of a stalled scheme in a priority area mean this delivers acceptable value for money to SCR for a scheme of this nature.
- 2.7** As the appraisal is based on acceleration/delivery of housing and housing units are a direct outcome, clawback on the delivery of the outcomes (housing units) is recommended. In addition, as the scheme includes the direct sale of homes, overage clauses will form part of the contract.
- 2.8** SCR HIB are asked to consider and approve progression of Hawshaw Lane to Full Approval and Award of Contract at a cost of £632,000 to the SCR CA subject to the conditions set out in the Appraisal Panel Summary Table attached at **Annex B**.

3. Consideration of alternative approaches

- 3.1** In respect of the Business Case approval, alternative approaches including 'do nothing' and 'do less' were considered as part of the options appraisal in the Economic Case of the FBC.

3.2 **Options Appraisal Summary (taken from the Full Business Case at Annex A)**

Do nothing – without intervention to acquire and develop the site it will remain stalled, having already stood partially developed for seven years. The site is currently overgrown and at risk of fly tipping and anti-social behaviour.

Do Something (Smaller SCR Investment) – it is not financially viable to acquire part of the site and provide the mix of market and affordable housing needed in this location. The site doesn't lend itself to a wholly market sale or affordable housing scheme.

Preferred Scheme – 16 new homes for sale and 9 affordable homes (36% on-site delivery of affordable housing, which is more than double to planning policy requirement of 15%) will provide a mixed tenure development based on housing need for this location. This tenure mix will reduce the level of sales risk.

The alternative approaches identified were either not viable or would significantly impact the value for money of the project.

4. Implications

4.1 Financial

The financial implications of this scheme have been fully considered by a representative of the s73 officer and included in the recommendations agreed by the Appraisal Panel as presented in **Annex B**. The funding requested of £632,000 comprises 40% loan at a rate in line with the Public Works Loan Board (PWLb) rate, and 60% grant funding.

4.2 Legal

The legal implications of this scheme have been considered by a representative of the Monitoring Officer and are reflected in the recommendations agreed by the Appraisal Panel presented in Annex B.

4.3 Risk Management

Risk management is a key requirement for each of the submissions and is incorporated into the full business case submissions. Where weaknesses have been identified in the FBCs in terms of risk management, further work to capture and mitigate these risks is included as suggested conditions as presented in **Annex B**.

4.4 Equality, Diversity and Social Inclusion

Hoyland has been designated by Homes England as a Housing Zone, an area of high housing need/demand for both affordable and market sale products. The area will benefit from this development by enabling families who are currently renting to purchase their own homes and provide much needed affordable housing for new forming households. The development will also provide those living nearby with access to larger homes to accommodate their growing family needs.

Barnsley is projecting to increase housing growth by 25%; from 800 units per annum to over 1,100 units per annum, in line with Barnsley's Local Plan. This provides evidence that the LGF investment from SCR will see the delivery of a scheme which is helping to address local housing need as well as supporting housing growth linked to SCR's economic aspirations.

5. Communications

- 5.1** The approval of the LGF business cases, as well as other significant development milestones, presents an opportunity for positive communication on behalf of the LEP. Officers from the SCR Executive Team will work with the LEP and relevant partner organisations on joint communications activity.

In addition, a condition of the contract award is that SCR's logo/ branding is to appear on all publicity materials.

6. Annexes

6.1 Annex A

Full Business Case for the Scheme (see 'Freedom of Information and Schedule 12A of the Local Government Act 1972' information on page one of this report).

Annex B

Appraisal Panel Summary Document.

REPORT AUTHOR POST

Officer responsible

Organisation

Email

Telephone

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Housing Consultant (Housing Fund)

Mike Thomas, SCR MCA / LEP Senior Finance Manager (on behalf of the Chief Finance/ s73 Officer)

Sheffield City Region Mayoral Combined Authority

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Scheme Details		Appraisal Panel Comments		Recommendations / Conditions	
SCR Executive Board	Housing Investment Board	Strategic Case	The site lies within the Dearne Valley and the M1 J36 growth area. It is identified in the SCR's SEP and Integrated Infrastructure Plan as well as Homes England's recognised Housing Zone. The supply of homes across a range of tenures will support jobs and business growth and strengthen the housing market in the area.	Funding	LGF via the SCR Housing Fund
Project Name	Land at Hawshaw Lane, Hoyland	Value for Money	This scheme will deliver 25 homes (9 affordable) and has an adjusted BCR of 1.9 and a NPV of £371,223. The BCR is thus below 2, which is the benchmark for good value for money. However, the wider benefits of providing affordable housing (above the minimum requirement) and unblocking of a stalled scheme in a priority area mean this delivers acceptable value for money to SCR for a scheme of this nature.	Approval Requested	Full approval and award of funding
Scheme Promoter	Barnsley Metropolitan Brough Council	Risk	This is only the second time in recent history that the applicant is delivering a housing scheme in this way. However, the first scheme in Longcar was successful and the lessons from that are informing this project. In addition, the SCR HF is a pilot which aims to encourage new ways of unblocking sites of this nature and delivering homes.	Grant Award	Grant of £379,200
SCR Funding	£632,000			Grant Recipient	Loan of £252,800 at competitive PWLB rate Barnsley Metropolitan Brough Council

Total Scheme Cost	£3,863,322	State Aid	<p>The applicant's solicitor has confirmed that "provided the loan falls under the Market Economy Operator Principle (MEOP)..... this does not constitute State Aid if it is carried out in line with normal market conditions. Accordingly, the State Aid rules are not triggered if BMBC..... operating in the normal conditions of a market economy could have been prompted to enter into the transaction on the same terms".</p> <p>The applicant will provide a final State Aid opinion from its solicitor prior to any funding drawdown.</p>	Payment Basis	Loan to be paid upfront. Grant to be defrayed on cost.
% SCR allocation	16.4%	Delivery	<p>The applicant has an "in principle" agreement to purchase the site. Development works will be procured via a two-stage competitive tender process and managed in-house, supported by NPS Barnsley.</p> <p>The scheme will be delivered as a direct development by BMBC in partnership with Berneslai Homes who will manage the 9 Affordable Homes provided.</p>	Claw Back Clauses	Clawback on outputs
Description				Conditions of Award	
<p>BMBC is requesting funding of £632k to support the acquisition and redevelopment of a 0.65ha strategic site within the Hoyland & Wombwell Housing Zone. The funding is required on a 40% recyclable loan/60% grant basis to be repaid within two years of scheme start on site.</p> <p>The site was partially developed (22 of 65 planned units) between 2006/7 and 2009/10, but has remained stalled for the last 7 years. The acquisition of this site, by BMBC, will accelerate the delivery of mixed tenure housing provision in a key growth corridor within the Barnsley Borough. The site is currently owned by Ackroyd and Abbott Homes.</p> <p>The affordable housing policy requirement in this area is 15% (equivalent to 4 units for this scheme). SCR funding will enable 5 additional affordable housing units to be provided on site.</p>				<p><i>The following conditions have to be satisfied before drawdown of funding.</i></p> <ol style="list-style-type: none"> 1. All required statutory consents including all planning enquiries must be satisfied. 2. Confirmation that viable options are in place to ensure successful project completion even if cost of remediating site exceeds both LGF grant and loan and contingency. 3. A full and updated risk register 4. Detailed delivery plan (Gantt Chart) which shows all items within the construction/development process 	

5. Cashflow statement showing when the sales receipts are likely to be realised

The following conditions have to be satisfied before contract execution.

6. Evidence of Cabinet approval to proceed
7. Independent RICS valuation report. If this shows the land to be worth less than estimated, the SCR funding request will change accordingly.
8. Confirmation of match funding from Homes England – SOAHP of £125K.
9. Agreement of an overage clause acceptable to SCR
10. Solicitors state aid opinion to be submitted which explains all public money used in the project including both the loan and the grant element of SCR funding.

The conditions above should be fully satisfied no more than a week after the September 2018 BMBC Cabinet meeting which considers and approves this scheme. Failure to do so could lead to the withdrawal of approval.

Finally, a condition of the award is that the use of the assets (particularly the affordable housing units) should remain as set out in the business plan for a minimum 10-year period after completion of the scheme.

Record of Recommendation, Endorsement and Approval				
Project Name – Land at Hawshaw Lane, Hoyland				
Appraisal Panel Recommendation		Board Approval		
Date of Meeting	03/07/2018	Date of Meeting		
Head of Paid Service or Delegate	Ruth Adams Deputy MD	Approving Officer (Board Chair)		
Signature		Signature		
Date		Date		
S73 Officer or Delegate	Mike Thomas Senior Finance Manager	Statutory Finance Officer Approval Name: Signature: Date:		
Signature				
Date				
Monitoring Officer or Delegate	Steve Davenport SCR CA Solicitor			
Signature				
Date				