

SCR HOUSING AND INFRASTRUCTURE EXECUTIVE BOARD

15th NOVEMBER 2018

BROAD STREET WEST, SHEFFIELD

No.	Item	Action
1	<p><u>Welcome and Apologies</u></p> <p>Present:</p> <p><u>Board Members</u> Mayor Ros Jones (DMBC) – CHAIR Cllr Tricia Gilby (CBC) Huw Bowen (CBC) John Mothersole (SCC) Neil Taylor (BaDC)</p> <p><u>Advisors</u> Tony Stacey (SYHA) Rob Pearson (Homes England) Paul Bedwell (Spawforths)</p> <p><u>In Attendance</u> Sarah Cartwright (BMBC) Neil Firth (DMBC) Tom Bell (RMBC) Janet Sharpe (SCC) Garreth Bruff (SCR Exec Team) Colin Blackburn (SCR Exec Team) Michael Hellewell (SCR Exec Team) Laurie Thomas (SCR Exec Team) Jonathan Guest (SCR Exec Team) Craig Tyler (Joint Authorities Governance Unit)</p> <p>Apologies were received from Simon Carr (LEP – Co-opted) + Simon Mann (Environment Agency), Peter Dale (DMBC), Matt Gladstone (BMBC), Scott Cardwell, Rob Cogings (DDDC), Edward Highfield and Paul Woodcock (RMBC)</p>	
2	<p><u>Declarations of Interest</u></p> <p>Mayor Jones declared a non-pecuniary, indirect (as DMBC are not the sponsoring Authority) interest in respect of the Etna Heritage Hangar scheme (considered at item 5.2) due to this being based in Doncaster. Cllr Gilby assumed the Chair for the duration of this item.</p>	

3	<p><u>Minutes of the Previous Meetings</u></p> <p>The minutes of the previous meeting held on 27th September were agreed to be an accurate record.</p> <p>The following matters were noted as arising:</p> <p>It was confirmed c.140 people have signed up for the forthcoming SCR Homelessness Summit.</p> <p>Regarding High Speed Rail related matters, it was reported that Colin Chick had offered to attend the next HIEB meeting to present an update.</p> <p>Action: Exec Team officers to make arrangements for Colin's attendance at the January HIEB meeting.</p>	CB
4	<p><u>Urgent Items / Announcements</u></p> <p>It was announced this would be Rob Pearson's last HIEB meeting as a representative of Homes England (see agenda items 10 and 13).</p>	
5	<p><u>Capital Programme: Schemes for Approval</u></p> <p><u>5.1 Gullivers World</u></p> <p>A report was received requesting the Board's consideration of a recommendation to progress the scheme business case to Full Approval for Gulliver's Valley at a cost of £1.5m (£0.4m grant and £1.1m loan) subject to the conditions set out in the Appraisal Panel Summary.</p> <p>Contrary to the information contained within the Appraisal Panel Summary, members were informed that the clawback clause cost per job should read £14,000 and not £16,454.</p> <p>The Chair queried the reference to the scheme having 'an acceptable value for money (vfm) assessment' and requested that any such references in future HIEB and MCA reports be more defined and explained.</p> <p>Action: Laurie to define and explain vfm references in future reports.</p> <p>The Chair proposed it would be useful to provide narrative regarding any scheme's 'social value' where appropriate in future reports.</p> <p>RESOLVED, that the Board endorses the recommendation to progress the scheme business case to Full Approval for Gulliver's Valley at a cost of £1.5m (£0.4m grant and £1.1m loan) subject to the conditions set out in the Appraisal Panel Summary (and noting the above amendment), noting that</p>	LT

endorsement of this recommendation is subject to consideration and approval by the SCR MCA.

5.2 Etna Heritage Hangar

A report was received requesting the Board's consideration of a recommendation to progress the scheme business case to Full Approval for Etna Heritage Hangar at a cost of £400,000 subject to the conditions set out in the Appraisal Panel Summary.

Members were informed the scheme promoters have a c. £162k funding gap but assurances have been provided they are confident in closing this gap given the significant public interest in the project.

Members were advised of the inclusion of an overage clause within the funding agreement's conditions of award which would recover grant funding if the organisation receives excess net income.

RESOLVED, that the Board endorses the recommendation to progress the scheme business case to Full Approval for Etna Heritage Hangar at a cost of £400,000 subject to the conditions set out in the Appraisal Panel Summary, noting that endorsement of this recommendation is subject to consideration and approval by the SCR MCA.

5.3 Housing Fund Enhancement

A report was received requesting the Board's consideration of the change request recommendation to increase the value of the Full Approval for the Housing Fund from 'up to £10m' (current fund - approved by the CA in 2017) to 'up to £25m' (a £15m enhancement to the HF) and to vary the funding agreement subject to the conditions set out in the Appraisal Panel Summary.

The Board discussed the Fund's successes to date and acknowledged its ability to operate in a manner where there are fewer other funding opportunities for housing investment.

It was suggested the Fund's track record for delivery had been 'good' to date and was successfully getting schemes to a position where they may become more eligible for other sources of funding.

Caution was urged regarding the potential impact on the wider Local Growth Fund programme resulting from moving funds to the Housing Fund (HF).

RESOLVED, that the Board endorses the change request recommendation to increase the value of the Full Approval for the Housing Fund from 'up to £10m' (current fund - approved by the CA in 2017) to 'up to £25m' (a £15m enhancement to the HF) and to vary the funding agreement subject to the conditions set out in the Appraisal Panel Summary, noting that endorsement of this recommendation is subject to consideration and approval by the SCR MCA.

6	<p><u>Schemes Approved by the MCA</u></p> <p>The Board was informed of the decisions taken at the last meeting of the SCR MCA, following on from the recommendations agreed at the last HIEB meeting and subsequently through written procedures.</p>	
7	<p><u>Draft SCR Estate Transformation Strategy</u></p> <p>A report was received requesting the Board's consideration of a recommendation to agree the draft SCR Estate Transformation Strategy (ETS), presented at Annex 1 to the report.</p> <p>The report noted the Board had previously received updates on work to progress the SCR Estates Transformation Strategy (ETS), which has been overseen by the SCR Joint Assets Board (JAB), Chaired by Sharon Kemp, the Chief Executive of Rotherham MBC.</p> <p>Members were taken through the detail of the draft Strategy, with structured focus given to the Vision, Key Partnership Principles and key actions associated with each of the 4 overarching thematic priorities (Leadership and Governance, Cultural Shift, Finance and Support, and Transformational Projects). The initial ideas for a further OPE7 bid were outlined.</p> <p>The Board discussed the importance of having appropriate resources (people and funding) in place to deliver all the aims and ambitions, and the importance of local planning regime support.</p> <p>It was questioned whether some large partner organisations are yet wholly 'on-board' with the ETS initiative and whether more can be done to help them give the project an appropriate degree of focus and attention.</p> <p>It was suggested a truly transformation project might help to genuinely bring the ETS to life.</p> <p>It was suggested the SCR is well ahead of other city regions in terms of developing its strategy and ambitions and also suggested more can be done if the business model is right.</p> <p>It was suggested that success may present a need to prioritise projects if sufficient resources aren't in place.</p> <p>Action: All to provide any further feedback on the draft to Colin and Sharon.</p> <p>RESOLVED, that the Board:</p> <p>1. Notes the process and stakeholder engagement undertaken to prepare the Draft SCR Estates Transformation Strategy.</p>	<p>ALL</p>

	<p>2. Endorses the Vision, Key Partnership Principles and proposals in the Draft SCR Estates Transformation Strategy.</p> <p>3. Recommends that the Mayoral Combined Authority endorses the Draft SCR Estates Transformation Strategy and continues to engage with public sector partners and other bodies to implement the Strategy for the whole public estate with a view to maximising economic growth and housing outcomes.</p> <p>4. Supports the emerging proposals for a SCR programme bid for funding from Round 7 of the Government’s One Public Estate Programme.</p>	
8	<p><u>Strategic Economic Plan Review: Housing and Infrastructure Key Issues</u></p> <p>A report and presentation provided an update on work currently underway to refresh the Sheffield City Region (SCR) Strategic Economic Plan (SEP) and prepare a Local Industrial Strategy (LIS), with a specific focus on housing issues. The report requested the Board’s views on the evidence gathered to date.</p> <p>The supporting presentation summarised the current evidence base and highlighted key trends (e.g. the upward trajectory for net additional dwellings) and issues, including an analysis of wider demographic and housing statistics.</p> <p>It was acknowledged there will be variances between districts that may not be evident at the aggregated SCR-wide level, with some districts targeting brownfield sites for regeneration and some districts targeting green field sites.</p> <p>It was noted the focus of housing activity at a SCR-level to date has been primarily focused on ‘housing growth’ but there is a growing acknowledgement that wider issues such as affordability, type, tenure, quality and sustainability are also increasingly important factors contributing to functioning and attractive housing markets.</p> <p>The Board was informed an independent consultant was commissioned to undertake a ‘SCR Housing Affordability Study’ (presented at Appendix B to the report). It was noted the Study draws on a range of national and local datasets / sources of information (including the Strategic Housing Market Assessments of Local Authority partners and nationally available information) and aims to assess the potential impacts of housing affordability on the ability of households to access and retain employment, and on incentives to take up jobs or move to jobs with higher skills and higher pay, and on the ability of households to meet their current and future housing /social needs.</p> <p>It was noted the report also identifies potential programmes of provision to address issues of affordability across the city region and</p>	

	<p>in the constituent and non-constituent districts and help meet likely future housing needs.</p> <p>It was suggested the Study had been well received by the SCR Local Authorities following consultation with the Directors of Housing.</p> <p>The key findings of the Study were set out in the presentation.</p> <p>It was noted this information will effectively be used to update the site priority work undertaken by Ed Ferrari and inform the further prioritisation of the housing programme.</p> <p>It was noted the aggregated local plan numbers still don't equate to the SCR SEP ambition for new housing, although windfalls have the potential to increase housing outputs.</p> <p>It was suggested there will be a number of opportunities for sharing ideas and best practices between the districts' planning teams.</p> <p>Members requested that future updates on the housing programme be presented, with the suggestion this be standing item at every other HIEB meeting. It was requested that future updates are provide information regarding:</p> <ul style="list-style-type: none"> • Rates of new housing delivery, broken down by district, and targets • Rates of affordable housing delivery, and targets. • Analyses of homelessness. <p>Action: Colin / Michael/ Garreth to factor this information into future updates, with an update on rates of new housing delivery to be presented to the board on a quarterly basis</p>	<p>CB / MH / GB</p>
<p>9</p>	<p><u>Pilot Housing Programme: Programme Update and Review</u></p> <p>As requested at previous meetings, the Board was presented with a review of the Pilot Housing Programme.</p> <p>It was suggested schemes are moving forward but the harder to deliver schemes which are now left in the current programme are not progressing at the pace originally envisaged.</p> <p>It was noted that whilst easier schemes came forward early on, there had been some resource and capacity issues experienced by the SCR and the scheme promoters. Also, to ensure good governance, the clarification an appraisal stages had proved more iterative and time consuming than originally envisaged.</p> <p>It was noted the SCR target remains the same (to progress schemes up to the original HF allocation of £10m for HIB approval by the end of the current Financial Year) and that existing and emerging pipeline activity remains strong and provides compelling evidence for an 'up to £15m' enhancement of the Housing Fund.</p>	

	<p>Members sought clarity regarding the intended processes and qualifying criteria for schemes seeking entry into the Fund's pipeline.</p> <p>Action: Michael to recirculate the qualifying criteria/ updated prospectus and ensure this is available on the SCR website for potential scheme promoters</p> <p>RESOLVED, that the Board notes the content of the report and presentation</p>	MH
10	<p><u>Homes England Update</u></p> <p>A verbal report was received providing a brief update on what Homes England continues to do to help SCR increase and accelerate the number of homes and affordable homes being delivered, highlighting matters that have developed since the last HIEB meeting.</p> <p>It was noted Homes England had launched its 5 year Strategic Plan, setting out the steps the government intends to take to respond to the long-term housing challenges facing the country, and suggested the Partnership that is developed in the SCR needs to be well informed by what the Mayor's pledges are for new housing.</p> <p>The Board was advised of housing related matters announced in the recent budget statement. This sets a new Government Policy to focus 80% of future housing investment in the highest demand areas nationally. It was noted that only the Derbyshire Dales district in the SCR would fall within this category and therefore Members were very concerned that the SCR would only be able to access 20% of total Government/Homes England housing funding which would have a significant impact in maintaining the upward trend in housing delivery in the SCR.</p> <p>In view of this national policy change it was considered even more important that we develop our SCR Housing Fund so we can ensure the continuation of sufficient housing investment in the SCR.</p> <p>It was noted this would be Rob's last meeting as the representative of Homes England. The Chair and Board members thanked Rob, for his service and dedication to HIEB and HIB, and for imparting his unsurpassed knowledge of housing at the meetings he had attended.</p>	
11	<p><u>Place Delivery Plan – Dashboard</u></p> <p>The Dashboard update was provided for information.</p> <p>Regarding the Land and Asset and Joint Planning Approaches actions, it was queried whether the SCR would seek to implement a 'SCR Planning Protocol', akin to the previously discussed Kent Planning Protocol, as a simple means to convey a positive message to potential developers and investors. It was noted this had been discussed with the SCR Heads of Planning and subsequently we are</p>	

	in the process of commissioning the Planning Advisory Service (PAS) to support planning improvements across the city region.	
12	<p><u>Forward Plan</u></p> <p>The Forward Plan was provided for information.</p>	
13	<p><u>Any Other Business</u></p> <p>It was noted the SCR HIB will require a named Homes England Board member. In the short-term this will be either Dilys Jones or Marie Kiddell. This change in membership was noted and approved by the Board.</p> <p>It was noted Simon Carr had stood down as a LEP Board special advisor for Housing and would subsequently not be attending HIEB meetings. Members requested that their thanks to Simon for his support of the Board be acknowledged.</p> <p>Action: Craig to write to Simon on the Board's behalf.</p> <p>It was agreed by the Chair that officers may send out information in relation to Local Growth Fund schemes seeking capital project endorsements via written procedures.</p> <ul style="list-style-type: none"> • For infrastructure schemes - there was a recognition of the need to accord with the meeting schedules of the SCR Appraisal Panel and Mayoral Combined Authority (December) due to HIEB not convening again until 17th January 2019. • For Housing Fund schemes - there is a need to continue to make swift funding decisions, whilst recognising that diary commitments and a delay in allocating a new LEP Board member to the Housing Investment Board (following the end of Martin McKervey's time as a LEP member) have impacted on the ability to convene quorate meetings of the HIB. 	<p>CT</p> <p>LT</p> <p>MH</p>
16	<p><u>Date of the Next Meeting</u></p> <p>17th January, 2019, 2pm, Broad Street West, Sheffield.</p>	