

MCA - HOUSING AND INFRASTRUCTURE BOARD

MINUTES OF THE MEETING HELD ON:

TUESDAY, 1 MARCH 2022 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 Amy Brookes	Rotherham MBC
Councillor Tim Cheetham	Barnsley MBC
Councillor Glyn Jones	Doncaster MBC
Councillor Paul Wood	Sheffield City Council
Martin Swales	SYMCA Executive Team

In Attendance:

Colin Blackburn	Assistant Director - Housing, Infrastructure and Planning	SYMCA Executive Team
Carl Howard	Senior Programme Manager	SYMCA Executive Team
Sue Sykes	Assistant Director - Programme and Performance Unit	SYMCA Executive Team
Becky Guthrie	Senior Programme Manager	SYMCA Executive Team
Ryan Shepherd	Senior Programme Manager - Development & Planning	SYMCA Executive Team
Matt Bartle	Senior Programme Manager (Strategic Development)	SYMCA Executive Team
Andrew Shirt	Minute Taker	Joint Authority Governance Unit

Apologies:

Damian Allen	Doncaster MBC
Michael Faulks	Private Sector LEP Board Member

1 Welcome and Apologies

The Chair welcomed everyone to the meeting.

Apologies for absence were noted as above.

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

Members declared interests in respect of agenda item 6 regarding schemes in their own council areas.

3 Urgent items / Announcements

None.

4 **Public Questions on Key Decisions**

None.

5 **Minutes of Previous Meeting**

RESOLVED – That the minutes of the meeting held on 18 January 2022 be agreed as a true record.

6 **Programme Approvals**

C Howard presented a paper which requested approval to enter into contract for three BHF (Brownfield Housing Fund) projects, subject to the conditions set out in the assurance summaries.

The paper also requested the Board to recommend one BHF project to the MCA Board for full approval. Two Outline Business Cases were recommended to continue developing their projects for a future decision on funding. Finally, the paper recommended changes for one approved scheme.

Full details of all the projects, key risks identified and any specific conditions which were recommended to be met prior to contracting/grant drawdown were included within the papers and the Board considered each project separately.

G Smith referred to the 'Phase 4 Park Hill, Sheffield' project. She queried if the developers profit margin needed to be adjusted in light of current market conditions.

C Howard replied that the project had been assessed on a funding gap basis and therefore, to make this scheme viable, it included a level of developer profit. The proposed contract clauses include a break once further design and feasibility work is carried out, and it is at this point that better cost certainty will allow a further consideration of the viability gap. Here a final check can be carried out on the level of developer profit to check it is in line with existing market conditions.

Councillor Wood asked if checks are made on the country of origin of schemes' finances.

M Swales replied that, previously, this had not been part of the MCA's due diligence work. He agreed to discuss further with colleagues after today's meeting. **ACTION: M Swales**

G Smith highlighted that several projects contained a risk with regards to cost increases. She reported that, over the last 12 months, the building industry had seen an increase of 8% in build costs. Current forecasts had suggested that there could potentially be an additional 10% cost increase on top of the 8% increase over the course of the next 12 months.

In relation to future projects, G Smith asked if the Board could examine the level of contingency contained in applications.

M Swales replied that the MCA were witnessing cost increases for all infrastructure projects. In addition, MCA colleagues were currently considering submitting a policy paper to a future MCA Board to outline the impact this was having on all programmes.

RESOLVED – That the Board approve:

- i) Full approval of “Doncaster Small Sites” project for £0.89m Brownfield Housing Funding to DMBC (Doncaster Metropolitan Borough Council) subject to the conditions set out in the Assurance Summary attached at Appendix A.
- ii) Full approval of “Former Nightingale School” project for £1.57m Brownfield Housing Funding to DMBC (Doncaster Metropolitan Borough Council) subject to the conditions set out in the Assurance Summary attached at Appendix B.
- iii) Full approval of “Adwick Depot” project for £1.2m Brownfield Housing Funding to DMBC (Doncaster Metropolitan Borough Council) subject to the conditions set out in the Assurance Summary attached at Appendix C.
- iv) Progression of “Phase 4 Park Hill Sheffield” project to the MCA for full approval of £5.61m Brownfield Housing Funding to SCC (Sheffield City Council) subject to the conditions set out in the Assurance Summary attached at Appendix D.
- v) Progression of “Heart of the City 2 – Block A” project to the MCA for full approval of £3m Gainshare funding to SCC (Sheffield City Council) subject to the conditions set out in the Assurance Summary attached at Appendix E.
- vi) Progression of the Outline Business Case “Rotherham to Kilnhurst Flood Alleviation Scheme” project to the MCA for a decision to progress to FBC for £2m Gainshare Funding to RMBC (Rotherham Metropolitan Borough Council) subject to the conditions set out in the Assurance Summary attached at Appendix F.
- vii) Progression of the Outline Business Case “Sheffield Future High Streets Fund” project to the MCA for a decision to progress to FBC for £3m Gainshare Funding to SCC subject to the conditions set out in the Assurance Summary attached at Appendix G.
- viii) Approval of one project change for “Attercliffe Development Costs” which is requesting changes to an approved Brownfield Housing Fund revenue project.
- ix) Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered at number 1, 2, 3 and 8 above.

Connected By Water Flood Catchment Plan Launch and Implementation

A paper were presented which set out details of the Connected by Water Plan launch event and the next steps towards implementation of the Plan.

The Board was reminded that the Connected by Water Plan aimed to help identify and secure additional funding and investment to reduce flood risk to homes and businesses, as well as improving the resilience of places to climate change and potential future flooding.

Following approval by the MCA Board on 24 January 2022, the Connected by Water Plan was launched on 28 January 2022 with an online event hosted by Mayor Dan Jarvis.

The launch received widespread positive coverage by the media, and various social media posts were made by partner organisations as well as speakers and attendees. A media roundup was attached to the paper at Appendix A.

Following the launch, focus had now turned to implementing the Plan, continuing the collaborative approach adopted in developing the Plan.

The Board noted that proposed key next steps included:

- Establishing an officer steering group.
- Confirming the resources which the MCA and other organisations are committing to support implementation.
- Identifying the priority actions within the Plan to focus activity over the next 12 months.
- Continuing to identify and pursue additional funding opportunities.

The Board noted that public consultation on the Plan was also running until 11 March 2022, via the Environment Agency's website:

<https://consult.environmentagency.gov.uk/yorkshire/connected-by-water-south-yorkshire-action-plan/>

Members were reminded that the Board had approved the use of up to £0.15m of Gainshare contingency funding to support implementation of the Plan.

Discussions were taking place with Local Authority flood leads regarding proposals for the remaining £0.35m of contingency funding to not only support any overspend with 'shovel ready' flood schemes, but also related scheme activities set out in the Plan to support flood resilience and mitigation. Further details of how this funding was proposed to be used would be presented to a future meeting of the Board for consideration.

The Board welcomed the update and thanked R Shepherd for the work undertaken to date.

Councillor Fox asked if a paper could be presented at a future Board meeting detailing the successes of previously implemented flood prevention initiatives.

ACTION: R Shepherd.

RESOLVED – That the Board noted the Connected by Water Plan launch

event details with related media publicity and the proposed next steps for implementing the Plan.

8 **Forward Plan**

The Board considered its Forward Plan.

RESOLVED – That the Board noted the Forward Plan.

9 **Any Other Business**

C Blackburn reported that the MCA had received an extra £13.45m for the Brownfield Housing Fund, which was in addition to the already allocated £40m.

Currently, there were approved funding commitments of nearly £18m (including the projects recommended for approval at today’s meeting). The additional funding presented an additional challenge to develop sufficient schemes for approval and delivery before the end of March 2025 spend deadline.

The Board noted that the MCA Executive Team were currently working with the local authorities in terms of reviewing Phase 3 projects, which already contained an element of over-programming.

A funding profile would be developed for the remaining £35m.

A paper would be presented at the Board’s next meeting to allow Members to consider how to bring forward further innovative schemes and to consider if it would be appropriate to work with other partners to help contribute to the outputs of the Brownfield Housing Fund. **ACTION: C Blackburn**

Councillor Fox requested that there be a discussion at a future meeting in respect of the Levelling Up Agenda and consideration be given around a holistic view with regards to local services and infrastructure required to support new housing schemes. **ACTION: C Blackburn**

C Blackburn acknowledged the request.

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