

Housing and Infrastructure Board

29 June 2022

Brownfield Housing Fund Pipeline

Is the paper exempt from the press and public?	No
Purpose of this report:	Policy Decision
Is this a Key Decision?	No
Has it been included on the Forward Plan?	No

Director Approving Submission of the Report:

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Executive Summary

To seek approval to add eight new schemes onto the Brownfield Housing Fund (BHF) Phase 3 Pipeline for funding and delivery by end March 2025.

What does this mean for businesses, people and places in South Yorkshire?

The purpose of the BHF is to unlock development on brownfield land, delivering additional housing units that otherwise would not come forward. The creation of additional, quality housing alleviates pressure on the existing housing stock and helps to maintain affordability in the region. The BHF leverages other public and private sector investment, creating growth, jobs and skills opportunities for the people of South Yorkshire.

Recommendations

The Board is asked to:

1. Approve the eight schemes listed in Section 2.2 to 2.9 being accepted onto the BHF Phase 3 Pipeline.

1. Background

- 1.1 In June 2020, the Government launched 'A New Deal for Britain' which is a key part of the Government's Strategy to rebuild Britain following Covid 19 and support the economic recovery across the UK. As part of this strategy, £40.3m of capital funding was allocated to the South Yorkshire Mayoral Combined Authority (SYMCA) for supporting the development of housing schemes on brownfield land. SYMCA has subsequently been awarded a further £13m as part of the Levelling Up agenda making a total of £53m which needs to be spent by end March 2025.
- 1.2 A separate agenda item sets out the overall performance of the BHF fund. This related report proposes eight new schemes to add onto the BHF Phase 3 Pipeline. These eight schemes are recommended to the Board for acceptance onto the BHF Phase 3 Pipeline by the MCA Management Board in accordance with the MCA Assurance Framework.

2. Proposals and Justification

2.1 Brownfield Housing Fund Phase 3 Pipeline Approvals

The proposed new schemes to be added onto the BHF Phase 3 Pipeline are summarised below, with the details of each set out in the attached Project Mandate forms for each of the schemes.

2.2 Newstead General Needs, Sheffield

The Newstead General Needs project will deliver 77 new affordable homes as part of the Sheffield City Council's Stock Increase Programme (SCC SIP). BHF grant is being requested to fill a viability gap for this scheme. See Appendix A for further details.

Estimated BHF 'ask' of c£1.84m; Intervention Rate of c£24k per housing unit; Start on Site anticipated to be October 2022.

2.3 Newstead OPIL, Sheffield

The Newstead OPIL project will deliver 141 new specialist Older Persons Independent Living (OPIL) units as part of the SCC SIP. BHF grant is being requested to fill a viability gap for this scheme. See Appendix B for further details.

Estimated BHF 'ask' of c£2.39m; Intervention Rate of c£16.9k per housing unit; Start on Site anticipated to be January 2023.

2.4 Bole Hill View, Sheffield

The Bole Hill View project will deliver 36 new affordable homes as part of the SCC SIP. BHF grant is being requested to fill a viability gap for this scheme. See Appendix C for further details.

*Estimated BHF 'ask' of c£279k; Intervention Rate of c£7.7k per housing unit;
Start on Site anticipated to be April 2023.*

2.5 Temporary Accommodation Scheme, Sheffield

The Temporary Accommodation project will deliver 25 new affordable temporary accommodation units as part of the SCC SIP. BHF grant is being requested to fill a viability gap for this scheme. See Appendix D for further details.

*Estimated BHF 'ask' of c£348k; Intervention Rate of c£13.9k per housing unit;
Start on Site anticipated to be July 2023.*

2.6 Viking Lea, Sheffield

The Viking Lea project will deliver 90 new affordable homes as part of the SCC SIP. BHF grant is being requested to fill a viability gap for this scheme. See Appendix E for further details.

*Estimated BHF 'ask' of c£1.61m; Intervention Rate of c£17.9k per housing unit;
Start on Site anticipated to be December 2023.*

2.7 Algar, Sheffield

The Algar project will deliver 50 new affordable homes as part of the SCC SIP. BHF grant is being requested to fill a viability gap for this scheme. See Appendix F for further details.

*Estimated BHF 'ask' of c£895k; Intervention Rate of c£17.9k per housing unit;
Start on Site anticipated to be March 2024.*

2.8 Park Hill P5, Sheffield

Phase 5 Park Hill is a residential led mixed-use re-development of a Grade II* listed structure close to Sheffield Railway Station. Phase 5 is the final phase of the long-term regeneration of the Park Hill flats, transforming five iconic brutalist buildings. Phase 5 consists of 112 units (including 20% affordable housing units) and BHF grant is being requested to fill a viability gap for this scheme. See Appendix G for further details.

*Estimated BHF 'ask' of c£1.79m; Intervention Rate of c£16k per housing unit;
Start on Site anticipated to be June 2024.*

2.9 Goldthorpe Pre-1919 Redevelopment, Barnsley

The project involves the strategic acquisition and demolition of approx. 34 pre-1919 terraced properties to create space to build 11 new low carbon homes and deliver a series of high-quality public realm interventions to improve the area. There is also the opportunity to 'unlock' a linked site of c70 homes for future development. BHF grant is being requested to fill a viability gap for this scheme. See Appendix H for further details.

*Estimated BHF 'ask' of c£1.29m; Intervention Rate of c£16k per housing unit;
Start on Site anticipated to be February 2023.*

3. Options Considered and Recommended Proposal

3.1 Option 1

Not approving or delaying approval to add the eight new schemes onto the BHF Phase 3 Pipeline.

3.2 Option 1 Risks and Mitigations

Not approving or delaying approvals for the eight schemes would result in a slower pace of delivery and loss of activity and spend within the BHF funding programme. This would jeopardise both the achievement of the BHF programme outputs and spend targets and result in less homes being built in South Yorkshire over the coming years.

3.3 Option 2

Approve the eight new schemes onto the BHF Phase 3 Pipeline.

3.4 Option 2 Risks and Mitigations

There are risks due to the current Post Covid 19 economic environment of cost escalation as the schemes are developed. However, the MCA business case and due diligence processes will ensure that any changes are considered in accordance with the MCA Assurance Framework.

3.5 Recommended Option

Option 2

4. Consultation on Proposal

The MCA Management Board has considered the Project Mandate proposals and recommends the eight schemes be added onto the BHF Phase 3 Pipeline.

5. Timetable and Accountability for Implementing this Decision

If schemes are accepted onto the pipeline, the SYMCA Executive will work with scheme promoters to develop and deliver schemes in line with the timelines set out in the Project Mandate forms.

6. Financial and Procurement Implications and Advice

Some of the proposed schemes' intervention rates pose a challenge to the overall BHF Fund due to being higher than the programme average £16k per housing unit. However, this will be monitored as the schemes are developed and will be considered as individual schemes come forward through the business case stages.

7. Legal Implications and Advice

The legal implications of individual projects will be considered as they progress through the business case stages.

- 8. Human Resources Implications and Advice**
None as a direct result of this report.
- 9. Equality and Diversity Implications and Advice**
Appropriate equality and diversity considerations are taken into account as part of the MCA Assurance process for the scheme business cases
- 10. Climate Change Implications and Advice**
The carbon impacts of projects form part of the scheme development and scheme assurance process for individual projects.
- 11. Information and Communication Technology Implications and Advice**
None as a direct result of this report.
- 12. Communications and Marketing Implications and Advice**
There will be opportunities for publicity and marketing at both the MCA funding approval and scheme delivery stages.

List of Appendices Included*

A-H – Brownfield Housing Fund Phase 3 Project Mandate forms (x8 Schemes)

Background Papers

None