

Housing and Infrastructure Board

31 August 2022

Brownfield Housing Fund New Pipeline Schemes

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 two 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 approve the two schemes listed in Sections 2.2 and 2.3 being accepted onto the BHF Phase 3 Pipeline.

Consideration by any other Board, Committee, Assurance or Advisory Panel

SYMCA Management Board

16th August 2022

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 This report proposes two new schemes to add onto the BHF Phase 3 Pipeline. These two 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. These have been brought forward from the 'Pending Pipeline' following further development work by the local authority.

2.2 Gleadless Valley- Gaunt Road Scheme, Sheffield

This scheme would deliver 30 affordable homes. The project is part of the Gleadless Valley masterplan delivering a potential rehousing option for later phases of remodelling / redevelopment across Gleadless Valley. BHF grant is being requested to fill a viability gap for this scheme.

Estimated BHF 'ask' of c£900k; Intervention Rate of c£30k per housing unit (see Section 6 below regarding the above average intervention rate). Start on Site is anticipated to be March 2023.

2.3 Gleadless Valley- Hemsworth OPIL Scheme, Sheffield

This scheme would deliver 81 specialist older persons living units. The project is part of the Gleadless Valley masterplan delivering a potential rehousing option for later phases of remodelling / redevelopment across Gleadless Valley. BHF grant is being requested to fill a viability gap for this scheme.

Estimated BHF 'ask' of c£894k; Intervention Rate of c£11k per housing unit; Start on Site is anticipated to be April 2023.

3. Options Considered and Recommended Proposal

3.1 Option 1

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

3.2 Option 1 Risks and Mitigations

Not approving or delaying approvals for the two 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 two 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 and resulting cost escalation as the schemes are developed. However, the SYMCA business case and due diligence processes will ensure that any changes are considered in accordance with the SYMCA Assurance Framework.

There also remains a risk that the projects will not ultimately be deliverable and/or will not achieve the required BCR to progress. However, the SYMCA Executive is satisfied that these risks will be managed as the scheme progresses through the business case process.

3.5 Recommended Option

Option 2

4. Consultation on Proposal

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

5. Timetable and Accountability for Implementing this Decision

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

6. Financial and Procurement Implications and Advice

The Gaunt Scheme intervention rates poses a challenge to the overall BHF programme due to being higher than the programme average of £16,000 per housing unit. However, this will be monitored as the scheme is developed and will be offset and mitigated by other schemes in the programme having a lower than average intervention rate.

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 SYMCA 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 SYMCA funding approval and scheme delivery stages.

List of Appendices Included*

- A – Brownfield Housing Fund Phase 3 Project Mandate form – Gaunt Road
- B – Brownfield Housing Fund Phase 3 Project Mandate form – Hemsworth OPIL

Background Papers

None