

Housing and Infrastructure Board

31 August 2022

Brownfield Housing Fund Open Call Update

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Discussion
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

This paper provides an update on the planned Brownfield Housing Fund (BHF) Open Call.

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 note the Brownfield Housing Fund update and comment on the proposals for the Open Call.

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

Mayoral Combined Authority Board

25 July 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 and £841k revenue funding was allocated to the South Yorkshire Mayoral Combined Authority (SYMCA) to support the development of housing schemes on brownfield land.
- 1.2 SYMCA has subsequently been awarded a further £13m as part of the Levelling Up agenda, making a total of £53m with a spend deadline of end March 2025 and an output target of between 3,300 - 4,600 new homes 'unlocked' and 'started on site.'
- 1.3 The remaining short delivery timeframe for completing the programme presents a significant challenge. In response, following a recommendation by this Board, the Mayoral Combined Authority on 25 July 2022 approved undertaking an 'Open Call' for new brownfield housing schemes from developers, housing associations and the third sector. There remains c£35m unallocated BHF funding.
- 1.4 This report provides an update on the proposals and timescales for the Open Call.

2. Key Issues

2.1 BHF Open Call

The BHF Open Call is proposed to be launched on Monday 5th September 2022 and run for 8 weeks until Friday 28th October 2022 and will primarily target Housing Associations and developers. Discussions are taking place with Partners and industry bodies relating to a series of events throughout September and October to publicise and discuss the Open Call with prospective applicants.

- 2.2 A BHF Open Call Communication and Marketing Plan is being finalised which will set out how it is aimed to engage with relevant stakeholders through the SYMCA website, events, social media and other forms of media across South Yorkshire. The key elements will be reported verbally at the meeting.
- 2.3 Once the Open Call is closed, all schemes will go through an internal SYMCA assessment process with the intention for the list of recommended new schemes being reported to the 14th December 2022 meeting of this Board to consider accepting the schemes onto the BHF Phase 3 pipeline.

BHF Open Call Prospectus

- 2.4 The Draft BHF Open Call Prospectus (Appendix A) sets out the parameters of the BHF and includes answers to Frequently Asked Questions (FAQs). BHF eligibility

criteria includes the need for all schemes to align with Local Plan and local housing policies, and for development to start on site and spend by end of March 2025.

- 2.5 Open Call applications will be invited via an Expression of Interest (EOI) Form that will be available to download from SYMCA's website. SYMCA Executive officers will be available throughout the Open Call period to support potential applicants submit EOIs and answer any queries.

3. Options Considered and Recommended Proposal

3.1 Option 1

To undertake the Open Call over September and October 2022.

3.2 Option 1 Risks

The key risks and mitigations identified through developing the BHF Open Call are as follows.

- **A lack of new schemes being submitted** - due to insufficient quality and deliverable schemes coming forward from potential scheme promoters. This risk will be mitigated by developing a robust communications and marketing strategy engaging with all relevant stakeholders, and the Prospectus including information on what a 'good' scheme looks like.
- **Insufficient information being submitted to assess and compare schemes** - resulting in lower quality schemes being submitted. This risk will be mitigated by the SYMCA Executive Team being available throughout the Open Call period to answer queries from prospective scheme applicants, and also to provide immediate feedback on draft scheme proposals if required prior to submission so as to improve the quality of applications.

3.3 Option 2

To publish the Open Call Prospectus but not to undertake the 'wrap-around' publicity and events to promote the Open Call.

3.4 Option 2 Risks

The key risk is that potential eligible schemes will not be submitted due to a lack of awareness of the Open Call, resulting in a number of new homes not being built due viability issues which otherwise could have been enabled. A further outcome of this situation could also be that the BHF programme spend and outputs targets are not achieved.

3.5 Recommended Proposal

Option 1.

4. Consultation on Proposal

South Yorkshire Local Authority Chief Executives and Housing Directors have both been consulted and are supportive of the Open Call and publicity and engagement proposals.

5. Timetable and Accountability for Implementing this Decision

The BHF Open Call is proposed to be launched on Monday 5th September 2022 and run for 8 weeks until Friday 28th October 2022.

Once the open call is closed, all schemes will go through an internal MCA process of review, scoring and prioritisation and the list of recommended schemes will be brought back to 14th Dec HIB for approval and acceptance to the BHF Phase 3 pipeline.

6. Financial and Procurement Implications and Advice

The BHF Open Call schemes will be considered alongside other schemes already in the emerging BHF Phase 3 pipeline against the full c£35m remaining in the Fund. The assessment and subsequent development of any eligible housing schemes will follow the MCA Assurance Framework.

The anticipated financial costs of undertaking the proposed events and publicity are being finalised, and will be funded from existing SYMCA communications and marketing budgets.

7. Legal Implications and Advice

Subsidy Control will be applicable to all schemes being proposed for BHF support. Each scheme applicant will be asked to provide a legal option on how Subsidy Control applies to their scheme.

8. Human Resources Implications and Advice

The SYMCA Executive Housing and Infrastructure Team will be responsible for the Open Call, but support will also be provided from the wider SYMCA Executive in supporting events, assessing the Eols and advising on programme management issues.

9. Equality and Diversity Implications and Advice

There are no equality and diversity implications arising from this report.

10. Climate Change Implications and Advice

There are no climate change implications arising from this report.

11. Information and Communication Technology Implications and Advice

There are no IT implications arising from this report.

12. Communications and Marketing Implications and Advice.

The Open Call Communication and Marketing Plan is attached with this report

List of Appendices Included

Appendix A – DRAFT Brownfield Housing Fund Open Call Prospectus_2022

Background Papers

None