

Mayoral Combined Authority Board

Tuesday, 14 November 2023

SYMCA Brownfield Housing Fund Pipeline and Open Call

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Funding Decision
Is this a Key Decision?	Yes
Has it been included on the Forward Plan of Key Decisions?	Yes

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Executive Summary

Government devolved funding to SYMCA in 2020 and 2022 for brownfield housing as part of Levelling Up. SYMCA established a Brownfield Housing Fund (BHF) programme with £51.4m being available for brownfield housing schemes. The funding is to unlock the development of at least 3,300 new homes by the end of March 2025.

In October 2022, SYMCA held an Open Call inviting further schemes, some of which were added onto the programme pipeline. The programme is now closed with a reserve pipeline which we can call upon if the schemes in the main programme do not proceed to delivery within the programme timescale.

However, this paper is seeking approval to carry out a further Open Call for brownfield housing schemes which will then remain open. This will help mitigate the risk of schemes in the current programme not achieving deliverability by the end of March 2025 deadline and SYMCA and South Yorkshire missing out on available BHF funding. This would also enable a robust

ongoing pipeline of brownfield housing sites to be further developed which may be eligible for either the current or any future housing funding allocation post-March 2025.

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

This funding will support the development of much needed additional housing in the region, including meeting the demand for affordable housing options including social housing, affordable rent and shared ownership.

The current approvals and pipeline proposals are projected to deliver at least 3,300 housing units, with approximately a third projected to be affordable housing.

The Fund will enable the delivery of housing by unlocking unused brownfield sites and prioritises the key growth areas in the region as identified in the Strategic Economic Plan.

The Fund also prioritises those homes with good design quality, and which promote sustainability through zero carbon features and active travel.

Recommendation

The MCA Board is asked to:

1. Agree to a rolling open call process to ensure the development of a robust pipeline of brownfield sites for both the current programme and any future housing funded programme.
2. Allow additional pipeline projects onto the current programme following the MCA Assurance Process, with initial schemes being:
 - Canon Brewery Phase 2
 - The Hive
 - Laurel Works
 - Rotherham Priority Sites
 - Newstead Older Persons Independent Living

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

N/A

1. Background

1.1 The BHF programme value available for brownfield housing schemes is £51.4m and currently 18 schemes with a funding ask totalling £34m have approval / in principle approval, which will deliver 2,800 new homes. See Appendix A for details.

1.2 In addition, Appendix B shows 11 schemes in the Active Pipeline with a funding ask totalling c£21m, which are projected to provide a further 1,025 units. These include those schemes listed in para 2.3 that are seeking approval to move out of a reserve list into the Active Pipeline. The reserve list includes a further 20 plus schemes that were placed in reserve following the previous Open Call in 2022 as they were considered unlikely to be deliverable by the end of March 2025.

- 1.3 However, it is proposed to move the schemes set out in para 2.3 into the Active Pipeline now as their delivery potential has changed, to seek to ensure that the BHF programme meets its delivery targets by the end of March 2025 deadline; as well as continuing to work with scheme sponsors to see whether further schemes can also be accelerated, which could also be considered for the Active Pipeline should they be considered necessary to meet delivery targets.

2. Key Issues

- 2.1 Although the programme pipeline will be overprogrammed by approximately £4m, taking account of the additional pipeline scheme proposals in para 2.3, funding being drawn down from approved schemes is currently behind schedule and there is a risk that some of the schemes may not be deliverable within the current programme deadline. To be eligible for the BHF, the schemes have to be both started on site and have spent their BHF allocation by the end of March 2025.

- 2.2 The reserve list of schemes has over 20 schemes, but not all these have been fully tested at this stage for deliverability.

- 2.3 The following schemes were originally allocated to the reserve list but since then, further work and evidence has indicated that they may have the potential to deliver within the programme timescales and they are supported by the relevant Local Authority. Therefore, the MCAs Programme Management Board has recommended that they be elevated into the Programme Active Pipeline, as indicated in Appendices A and B.

- Canon Brewery Phase 2
- The Hive
- Laurel Works
- Rotherham Priority Sites
- Newstead Older Persons Independent Living

- 2.4 The proposal to re-open the Open Call and keep it open will allow further schemes to be considered for adding to the Active Pipeline, in addition to the existing reserve list of schemes should suitable deliverable schemes be identified.

- 2.5 Discussions with our Local Authorities have confirmed that all Council sponsored schemes that can be delivered by the end of March 2025 are already being progressed; therefore, no deliverable local authority schemes would be impacted by adding further new schemes into the existing programme pipeline.

3. Options Considered and Recommended Proposal

3.1 Option 1

To do nothing and maintain the existing pipeline and reserve list of schemes.

3.2 Option 1 Risks and Mitigations

The key risks are:

- Although the current programme is oversubscribed there are risks that some of these schemes will not come to fruition within the programme timescale due to viability and delivery issues. Officers are working closely with project sponsors to seek to ensure deliverability.
- As the BHF is currently in an underspend position there is a risk of under-delivery of outputs by the end of March 2025.

Proposals to mitigate these risks are to:

- Re-open the BHF Open Call on a rolling basis to maximise the potential to spend and deliver against current BHF programme, and to prepare a longer-term rolling future pipeline
- Move deliverable schemes from the reserve pipeline into the main programme Active Pipeline.
- Explore ways of speeding up the business case development process, for example, going straight from Strategic Business Case to Full Business Case, particularly for the smaller schemes.

3.3 Option 2

To reopen the Open Call and keep it open. The proposal would be to invite new schemes to be submitted via the SYMCA website with SYMCA officers available to discuss potential schemes with developers and other scheme sponsors. The Open Call would remain open until further notice.

Eligible and deliverable schemes would be added onto the Programme Active Pipeline in accordance with SYMCA Governance arrangements.

3.4 Preferred Option

Option 2

4. Consultation on Proposal

4.1 The proposals have been reported to and considered by the MCA Programme Management Board in August 2023 prior to recommendation to the MCA Board.

4.2 The Portfolio Lead for Housing and Infrastructure has also considered and supported the Open Call proposal.

5. Timetable and Accountability for Implementing this Decision

5.1 The Open Call would be launched on the MCA website immediately following the MCA Board decision.

6. Financial and Procurement Implications and Advice

6.1 The programme value available for new schemes is £51.4m, £34m of which has already been approved / has in principle approval, with the remaining funding currently allocated to the remaining Phase 3 Active Pipeline schemes.

6.2 Any future funding decision will be taken in accordance with the MCA's financial procedures.

7. Legal Implications and Advice

7.1 The decision to commence with a further Open Call will be considered for approval by the MCA Board in accordance with SYMCA's Constitution.

7.2 Following such a decision, the BHF Programme Strategic Business Case will be updated accordingly, including with any additional agreed pipeline projects.

8. Human Resources Implications and Advice

8.1 The Open Call will be facilitated within existing MCA resources. Initial enquires will be channelled through the Growth Hub email address for increased efficiency and consistency.

9. Equality and Diversity Implications and Advice

9.1 Proposed sites in the current pipeline and reserve list include affordable housing options. Future assessment of additional sites proposed to be added to the pipeline will seek to encourage greater affordable housing options and specialist housing where appropriate.

10. Climate Change Implications and Advice

10.1 Schemes will be prioritised where they demonstrate zero carbon and sustainability features.

11. Information and Communication Technology Implications and Advice

11.1 The Open Call will be promoted via the SYMCA website.

12. Communications and Marketing Implications and Advice

12.1 As well as utilising the SYMCA website, the Open Call process will be promoted verbally through key partners and partnership forums.

List of Appendices Included

A BHF Approved Schemes

B BHF Active Pipeline Schemes

Background Papers

None