

SCR - HOUSING AND INFRASTRUCTURE BOARD

MINUTES OF THE MEETING HELD ON:

THURSDAY, 22 OCTOBER 2020 AT 1.00 PM

VIRTUAL MEETING



Present:

Gemma Smith (Co-Chair)	Private Sector LEP Board Member
Councillor Glyn Jones	Doncaster MBC
Councillor Dominic Beck	Rotherham MBC
Councillor Bob Johnson	Sheffield City Council
Tanwer Khan	Private Sector LEP Board Member
Damian Allen	Doncaster MBC
Mark Lynam	MCA Executive Team

In Attendance:

Colin Blackburn	Assistant Director - Housing, Infrastructure and Planning	MCA Executive Team
Carl Howard	Senior Programme Manager	MCA Executive Team
Laurie Thomas		MCA Executive Team
Tom Hawley		Homes England
Carl Moore		Homes England
Richard Burnham		BMBC
Andrew Shirt		Minute Taker

Apologies:

Councillor Julie Dore (Co-Chair)

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

None.

3 Urgent items / Announcements

None.

4 Public Questions on Key Decisions

None.

5 **Minutes of Previous Meetings**

It was agreed that the minutes of the previous meetings of the SCR Housing Board and SCR Infrastructure Board held on 3rd September 2020 are an accurate record and may be signed by the representative of the Head of Paid Service.

6 **Terms of Reference & Meeting Arrangements**

M Lynam introduced the report which detailed the governance arrangements for the Housing and Infrastructure Board, approved by the Mayoral Combined Authority on 21st September 2020 and the Local Enterprise Partnership on 10th September 2020. Appendix A to the report set out the Terms of Reference for the Housing and Infrastructure Board and summarised the key changes and arrangements.

Members noted that the principle role of the Housing and Infrastructure Board is to:

- Shape future policy development and priorities on issues related to housing and infrastructure.
- Develop new housing and infrastructure programmes.
- Monitor programme delivery and performance on housing and infrastructure.

Paragraphs 2.2 and 2.3 of the report summarised the Board's delegations and transparency arrangements. Both of which remained unchanged from those previous arrangements in place.

It has been agreed that the Joint Assets Board would be a formal advisory board to the Housing and Infrastructure Board.

Members noted that the Board would continue to meet on (at least) an 8-week cycle aligned to the 8-week MCA meeting schedule. This remained unchanged from the arrangements previously in place. Additional meetings, dependent on business need, could be agreed with Co-Chairs and will observe publication requirements for papers, minutes and key decisions.

The Board may also determine to have informal intermediate meetings where discussion is required mid-cycle.

The next meeting of the Board was currently scheduled for 7th January 2021 ahead of the MCA meeting on 25th January 2021.

RESOLVED – That Board Members:-

1. Noted the approved governance arrangements and identify any issues.
2. Noted the schedule of Housing and Infrastructure Board meetings.

SCR Brownfield Housing Fund

C Blackburn introduced a report which updated the Board on progress with the Housing Fund (Brownfield). The report requested approval of the revised programme Prospectus.

Members were reminded that, over the next 5 years £40.3m capital and £841k revenue funding had been devolved to the MCA from the Government's Brownfield Housing Programme. The Housing Board on 3rd September agreed that funding should be managed in a two phased approach in response to the Government's requirement that the allocation of £6m for 2020/21 be defrayed by the end of March 2021.

In relation to the 'Early Delivery' SBC, Local Authorities had been invited to submit Gateway Forms outlining the projects that could be accelerated to spend prior to March 2021 and begin the delivery of housing units within the first two years of the programme. These schemes were currently being considered and the details would inform the development of a Housing Fund (Brownfield) Programme Strategic Business Case (SBC) for 'Early Delivery'.

The 'Early Delivery' SBC was being completed and appraised, with the intention to be considered by the Appraisal Panel shortly.

Should this Panel take place prior to the MCA meeting paper deadline for the 16th November MCA Meeting, it was proposed that a further Exceptional meeting of this Board be convened in early November to consider the SBC, which if endorsed, would be taken to the MCA on the 16th November for approval.

With regards to the Competitive Fund, MCAs / LEPs had been invited in early September to submit early deliverable major schemes for funding from a top-sliced £40m from Government's Brownfield Housing Fund. The MCAs four schemes with a funding requirement in 2020/21 were submitted to the Competitive Fund and noted in paragraph 2.6 of the report.

It was noted that a decision by MHCLG had not yet been taken on these schemes, but an announcement was expected in November.

If these schemes were not agreed by Government, Local Authorities would be invited to consider moving them into the Housing Fund (Brownfield) pipeline subject to funding availability. Local Authorities may need to prioritise which of their schemes could be delivered in 2020/21 and 2021/22 in order to remain within the overall programme allocation for the financial years.

Members noted the revised 'Full Programme (to end March 2025) – Prospectus', which set out the ambitions for the full housing programme over a 5 year period and proposed assessment criteria for the Fund.

To date, discussions on pipeline schemes had been focussed on local authorities, with some early discussions with Housing Associations. It was proposed to continue discussions with HAs on potential further pipeline

schemes, and to bring back proposals at the next Board meeting regarding consideration of a potential 'Open Call' for wider stakeholder proposals.

The programme SBC would be updated and periodically presented to the Board for decision on acceptance of schemes on to the programme as new pipeline schemes are proposed.

Councillor Beck questioned the appropriateness of an 'Open Call' and asked if the Prospectus would be revised during the five year period.

C Blackburn provided context to a potential 'Open Call' and said that the report was not asking the Board for decision at today's meeting in relation to the 'Open Call' and reference to the Open Call in the Prospectus would be clarified. The Prospectus was for the full duration of the five year period, which may be subject to reviews during this period. A discussion would take place at the next Board meeting regarding the 'Open Call'. **ACTION: C Blackburn.**

In response to a query from D Allen, regarding Homes England co-investment and layering of funds, C Moore confirmed that the Affordable Housing Grant could be used in addition to the Housing Fund (Brownfield) programme funds.

Councillor Johnson wished to confirm agreement in principle, that, if schemes were not successful through the competitive route, then they would automatically be considered under the devolved element.

C Blackburn confirmed that this was the proposal.

Councillor Johnson asked if the local authorities could be provided with an advanced copy of the grants Terms and Conditions at the earliest opportunity.

This request was acknowledged and would be provided, when formal Terms and Conditions had been confirmed.

In relation to the Housing Fund (Brownfield) Prospectus, the Board asked if the paragraph in relation to 'The inclusion of an MMC target within the Housing Fund is under consideration' could be revised. **ACTION: C Blackburn.**

RESOLVED – That the Board:-

1. Endorsed the Housing Fund (Brownfield) Prospectus in Appendix 1 and recommend approval to the MCA, subject to the above amendment.
2. Noted the process being undertaken to both identify the potential early deliverable housing schemes, and development of the Programme Strategic Business Case (SBC).
3. Agreed to hold an Exceptional Meeting to consider the Housing Fund (Brownfield) Programme SBC, if possible, in advance of the MCA meeting in November.

SCR Housing Review: Response And Next Steps

C Blackburn introduced the report presenting proposed responses to the recently completed Housing Review, as well as several next steps, for discussion and endorsement by the Board.

The Board was reminded that the Sheffield City Region (SCR) Housing Review was completed by ResPublica in June 2020, and the results of this work were discussed both at the SCR Housing Board at its meeting in July and with individual local authorities.

The Review had identified a number of strategic issues in SCR and a series of six “propositions” for addressing these. It also sets out a broader case for further devolution of funding to better target public investment to meet local needs and opportunities as part of the wider response to Covid-19.

The report sets out the proposed responses to the consultant’s recommendations, which had been developed in liaison with the four local authority Housing Directors.

An overview of each of the six “propositions” listed below was provided and noted by the Board.

- Proposition 1: Densifying Urban Areas
- Proposition 2: Housing Investment Fund
- Proposition 3: Private Rental Schemes
- Proposition 4: Design and the Right to Beauty
- Proposition 5: Spatial Planning
- Proposition 6: Net Zero Homes and Renewal

In relation to Proposition 1, D Allen said that there should be an emphasis on maximising densification in new urban developments as well as in existing areas..

G Smith said that public transport hubs were key when considering urban areas and requests this be strengthened within the responses to Proposition 1.

In relation to Proposition 2, R Burnham said that Barnsley MBC would support the proposal for further devolution of funding to the MCA, but that further detailed proposals would need to be investigated further.

In relation to Proposition 3, Councillor Beck said that Rotherham MBC had reservations about a blanket approach to any Selective Licencing schemes and/or rent control schemes.

Councillor Jones said that Doncaster MBC’s Selective Licencing Scheme was very successful. However, this came at a considerable cost to the local authority. He asked if there had been any consideration around funding initial start-up schemes.

C Blackburn agreed to make reference in the report that, local authorities were progressing Selective Licencing Schemes and that they had a value at a local

level. However, it was not necessarily an area where MCA funding support would be prioritised. Any propositions in the future would be considered around the criteria of the SEP. He agreed to add a factual point in the report. **ACTION: C Blackburn.**

In relation to Proposition 4, R Burnham said that Barnsley MBC support the proposition, but needed to understand how this would work with the existing design guides and also existing Design Review Panel.

In relation to Proposition 6, R Burnham said that Barnsley MBC strongly support the proposition and suggested that it should have more prominence in the report.

Councillor Jones referred to Proposition 6 and said that one of Doncaster MBC's Licencing Schemes content was around the private rented housing stock condition. Work had been undertaken to impose upon landlords to improve housing stock.

C Blackburn replied that data obtained from Housing Stock Surveys were critical to understanding the housing retro fit needs and priorities. He agreed to discuss further with the local authority Housing Directors to examine how this would fit with and contribute to the retro fitting agenda for the future. **ACTION: C Blackburn.**

Councillor Johnson asked if there could be a stronger reference in the report to the strategic role local authorities undertake in relation to the wider economic and regeneration. **ACTION: C Blackburn.**

It was highlighted that, there was a risk that the MCA adopts a "pick and mix" approach to housing - progressing individual initiatives that are important but remain poorly connected to local initiatives and lack overall strategic coherence.

As such, it was proposed that alongside further work to develop the individual agreed propositions identified in the Review, local authorities and the MCA should work together to prepare a joint Housing Strategy to provide a strategy to housing across SCR.

It was recommended that the Mayor meets with Leaders to consider the proposed responses in the report and the direction and scope of the Housing Strategy prior to being reported to the MCA for decision.

RESOLVED – That the Board:-

1. Endorsed the proposed responses to the Housing Review and next steps, subject to the suggested amendments.
2. Recommended the proposed responses, as amended, to the MCA, requesting that the Mayor and Leaders meet to consider the implications of these responses, prior to seeking approval by the MCA.

SCR Digital Infrastructure Strategy Update

C Blackburn gave a presentation summarising the early findings of the SCR Digital Infrastructure Strategy commission and sought endorsement for the recommended next stages leading to the delivery of the draft Strategy.

The Board was reminded that, in January 2020, the Infrastructure Board approved a proposal to commission the preparation of a Sheffield City Region (SCR) Digital Infrastructure Strategy. Following a procurement exercise Arcadis were appointed and commenced work in June 2020.

The principle objectives of the commission were set out in paragraph 2.1 of the report and noted by the Board.

The Board noted that Arcadis had undertaken over 70 interviews with stakeholders to obtain the views of both the industry and wider stakeholders on how the MCA, LEP and partners could best support the digital infrastructure needs for a growing economy. These included discussions with the four South Yorkshire Local Authorities; public bodies such as the NHS and Police and Fire Services, as well as digital infrastructure providers and other private sector companies.

A summary of the interim findings were recently presented to the Superfast South Yorkshire Board, which comprises officers from all four local authorities, and which is acting as a 'Sounding Board' for the preparation of the Strategy. The Board was supportive of the key findings and would continue to be engaged in the development of the Strategy.

The presentation at Appendix 1 to the report outlined the key findings to date and set out the approach to the next phase of the commission.

The Board noted the next phase of work which included:

- Compiling the evidence base and analysis / mapping.
- Mapping public assets and overlaying with industry roll-out plans and other data sources.
- Continuing discussions with industry and other stakeholders on early interventions.
- Engagement with DCMS.
- Drafting of the Strategy document.

It was intended that a draft strategy would be ready for engagement with partners and stakeholders by the end of the year for consideration by this Board at its next meeting on the 7th January 2021.

On behalf of Barnsley MBC, R Burnham provided the following comments:

- There is a need for clear recognition of the importance of digital by establishing a dedicated SCR Digital Board with a clear and visible Digital Leader from the LEP Board.
- Recognise the need to adequately resource this area moving forward and give consideration as to how existing resource, (i.e. Superfast South Yorkshire Team), could be used to meet that need.

- We should not wait for the strategy to be developed and adopted before we deliver some of the innovative opportunities arising from this work and we should actively seek to accelerate where possible.
- The timescales identified within the report are welcomed. However, it is critical that momentum and the direction of travel is sustained on this work in terms of pushing forward with adoption.

RESOLVED – That the Board:-

1. Noted on the emerging findings of the initial phase of the Strategy development.
2. Endorsed the proposed next steps in preparing the SCR Digital Infrastructure Strategy.

10 **Getting Building Fund Capital Programme Approval Recommendations**

C Howard introduced the a report which requesting a recommendation for MCA approval of three schemes with a total value of £8.18m from the Getting Building Fund (GBF).

On 30th June 2020 the MCA was awarded £33.6m GBF to invest in ‘shovel-ready’ projects that would provide stimulus to local economies. The funds need to be defrayed by 31st March 2022 which allows an 18 month delivery window.

The Appraisal Panel Summary Table attached at Appendix A to the report asked the Board to take a decision whether to support the proposal of a GBF grant of £4m to Sheffield City Council for a Sheffield Heart of the City Breathing Spaces scheme to enhance the city centre by creating three new spaces including a pocket park, a vibrant small square on Carver Street and expansion of the Peace Gardens between the Town Hall and the proposed new hotel on Pinstone Street.

Total costs are £12m with £4m GBF grant alongside Sheffield City Council investing £6m and a further £2m is applied for through Transforming Cities Fund (TCF) funding.

The new spaces adjoin developments in the £480m Heart of the City2 (HoC2) project which aims to increase attractiveness to occupiers and visitors.

The project is integral to the aims and objectives for the wider HoC2 scheme an assessment of the Benefit Cost Ratio (BCR) that could be associated with the full £42 million of public funding required for the wider scheme has been undertaken.

The BCR suggested that the employment associated with the wider scheme would generate £328m in gross GVA over ten years and £127m in net additional benefits. This suggested a NPV of £105m which, for £42 million of public funding, implies a BCR of 2.6:1. Therefore £2.60 of net additional benefits would be generated for every £1 of public funding contributed. This would represent value for money, in line with the benchmarks set by the DCLG 2016 Appraisal Guide.

Conditions include achieving planning permission for the new pocket park and development on Carver Street. The project is also linked with a TCF proposal which aims to secure funding for Rockingham and Pinstone Street. Non delivery of the TCF scheme is likely to reduce value for money associated with HoC2, but will not compromise the case for this GBF funding.

Councillor Johnson asked when the £2m grant from the Transforming Cities Fund (TCF) was likely to be released.

L Thomas said that it was the intention to phase the City Centre scheme in order that work could progress without having to wait for the whole scheme to be ready before bringing forward the £2m element.

The Board considered and recommended the project for approval to the MCA.

The Appraisal Panel Summary Table attached at Appendix B to the report asked the Board to take a decision whether to support the proposal of a GBF grant of £2.18m to Rotherham Metropolitan Borough Council for a Rotherham Town Centre Masterplan scheme.

The scheme aims to undertake public realm improvements and site clearance in Rotherham Town Centre as part of the delivery of the Masterplan. The project involves public realm improvements to Bridgegate, Effingham Street, College Street and Howard Street, as well as the replacement of all existing street furniture and lighting.

The project will also acquire and demolish the Higher Education (HE) hub and Riverside precinct to prepare land for future commercial developments, public realm and community space.

The project requests £2.18m from GBF towards a total scheme cost of £4.05m.

The Board noted that, given the nature of the projects being brought forward (principally demolition and public realm works), there were limited direct employment and GVA impacts that will be generated by the proposed project. However, without this project going ahead, future schemes, including the Rotherham Markets Complex redevelopment and the Forge Island development, would not be able to be brought forward as quickly as desired.

The projects proposed in this application were fundamental in allowing the delivery of future schemes and it could be assumed that the completed schemes would generate significant employment and GVA benefits. Aside from the economic benefits that might be generated in unlocking future schemes, there were a number of further economic benefits that would be generated through the projects included in this application:

- 20 safeguarded construction jobs.
- 6,165sqm of new public realm (through the Town Centre Public Realm Scheme).
- 0.22ha brownfield land remediated.

Based on the evidence above and the potential for the completed schemes which would be unlocked through the proposed projects in this application to generate significant economic benefits for Rotherham Town Centre, overall the project will represent value for money.

Whilst planning permission has been granted for the Riverside precinct site, negotiations are ongoing for both the Riverside and HE Hub site. Any funding agreement would include provisions to ensure grant could not be drawn down on these elements until acquisition is in place.

The Board considered and recommended the project for approval to the MCA.

The Appraisal Panel Summary Table attached at Appendix C to the report asked the Board to take a decision whether to support the proposal of a GBF grant of £2m to Rotherham Metropolitan Borough Council for delivery of a Century Business Centre Phase II scheme.

The Board noted that the Business Centre Phase II would create around 17,000 sq. ft. of new floor space for office and clean manufacturing “move on” space within B1 use class on an existing business park.

The project aimed to create high quality, publicly owned and operated employment space which will complement the existing space available for growing businesses. MCA funds will be used to fund all elements of the development; excluding prelims and site surveys that have already been paid for from the approved Rotherham MBC budget within the Council’s Capital Programme.

The project requests £2m from GBF alongside a Local Authority contribution of £1.6m.

The project was estimated to generate net additional GVA of approximately £21.8m over 10-year period for the SCR economy. This equates to a return of £11.66 for every £1 of SCR MCA funding. The project delivers 71 net additional jobs (81 gross additional) at a cost per job of £28,138. On this basis the project represents value for money.

The project applies for public money through a state aid route on the basis that the public funding should cover any proposed viability gap. Rotherham MBC have proposed a viability gap of £2m which is the basis of the GBF offer.

The Board considered and recommended the project for approval to the MCA.

RESOLVED – That the Board considered and recommended for approval at the MCA:

1. Sheffield Heart of the City Breathing Spaces proposal for £4m grant to Sheffield City Council subject to the conditions set out in the Appraisal Panel Summary Table.

2. Rotherham Town Centre Masterplan proposal for £2.18m grant to Rotherham Metropolitan Borough Council subject to conditions set out in the Appraisal Panel Summary Table.
3. Century BIC Phase 2 proposal for £2m grant to Rotherham Metropolitan Borough Council subject to the conditions set out in the Appraisal Panel Summary Table.

11

One Public Estate Update

M Lynam introduced report to the update the Board on the emerging proposals for One Public Estate (OPE) and Land Release Fund (LRF) scheme submissions as part of the OPE 8 funding round invitation.

The Board noted that, through previous funding rounds the SCR OPE Partnership had successfully obtained a total of £902,000 in OPE revenue funding and £450,000 in Land Release Fund capital monies.

To date the programme had facilitated the delivery of 71 new homes, £416,500 revenue savings to public bodies and £295,000 capital receipts, with a further £500,000 revenue and £650,000 capital receipts expected before the end of this financial year.

The 8th OPE funding round had been launched, with £10 million revenue funding available. The LRF has £20 million capital funding available to support housing schemes. The Public Assets Development (PAD) Group agreed to develop a potential OPE/LRF programme of schemes to be submitted by the 12th November 2020 submission deadline

The Board noted that discussions were ongoing with OPE partners such as Local Authorities, health service partners and the Police and Fire and Rescue Services, to consider appropriate schemes for both OPE8 and LRF funding.

An outline of the emerging package of schemes was set out in paragraph 2.2 of the report, which could form an OPE8 & LRF bid submission, proposing a total funding request of £936,500; OPE funding and £175,000 LRF funding.

The Board noted that discussions were taking place as to whether a local authority would be best placed to oversee the OPE programme in future years on behalf of the Partnership.

The Board discussed and agreed the scope of the OPE8 bid in relation to the schemes contained within it and agreed to further work being undertaken on the transfer of responsibilities for the OPE programme management in future years to a local authority (yet to be agreed).

RESOLVED – That the Board:-

1. Noted the contents of the report.
2. Agreed in principle to further work being undertaken on the transfer of

responsibilities of the One Public Estate Programme in future years.

3. Endorsed the emerging project long list set out in paragraph 2.2 of the report and agreed for the MCA Executive to agree the final proposed bid submission in liaison with the Board Co-Chairs by the 12th November 2020 submission deadline.

12 **Forward Plan**

A report was presented to summarise the main areas of work that the Board will be leading on over the next year.

The Forward Plan attached at Appendix A to the report indicated when particular reports will be brought to the Board for consideration.

The Forward Plan would be continually updated and be a standing item on future agendas.

Councillor Johnson requested that the Board receives updates at future meetings on the SCR Recovery Action Plan. **ACTION: C Blackburn to add to the Forward Plan.**

RESOLVED – That the Board noted the key areas of focus for the Board and the proposed Forward Plan set out in Appendix A to the report.

13 **Any Other Business**

No further items of business were noted.

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