

Appraisal Panel Summary

Scheme Details

Project Name	SY Housing Fund (Brownfield)		
Grant Recipient	Varies by project		
SCR Executive Board	Housing & Infrastructure	MCA Funding	£40,300,000 capital £841,000 revenue
% MCA Allocation	Varies by project	Total Scheme Cost	Varies by project

Appraisal Summary

Project Description

The Housing Fund (Brownfield) programme is building upon the work of the existing Housing Fund and ensure the MCA and LEP can support the delivery of a greater number of new homes to be developed on brownfield land to meet local needs which would otherwise not be brought forward by the market. Government have allocated £40.3m capital and £841k revenue to the MCA to 'unlock' a total of at least 2500 homes over the next 5 years.

Local Authorities have been working to create a pipeline of eligible capital projects and the MCA have so far approved 4 schemes as 'Early Delivery' projects, with 1 scheme pending approval at the June 2021 Housing and Infrastructure Board.

The 'Remaining Programme' accounts for last 4 years of the Housing Fund (Brownfield) (2021-2025), split into Phases 2 (2021/22) & 3 (up to 2022-25).

'Remaining Programme' Pipeline Schemes - Phase 2 – 21/22					
Scheme	Sponsor	Capital £		Units	
Cannon Brewery	SCC	2,254,750		405	
Attercliffe		1,870,000		750	
Park Hill 4		5,617,722		95	
Norfolk Park 10		1,483,174		120	
Shirecliffe 2		1,029,237		42	
Small Sites 21/22	RMBC	420,416		29	
Eastwood		1,749,000		46	
Goldthorpe Mrkt Phase 1	BMBC	144,000		9	
Goldthorpe Mrkt Phase 1a		112,000		7	
DMBC Small Sites	DMBC	890,000		42	
Former Nightingale School		1,570,000		60	
Adwick		1,200,000		60	
Phase 1 CBP		495,000		33	
		21/22 Totals	18,835,299		1,698

'Remaining Programme' Pipeline Schemes - Phase 3 – 22/25					
Scheme	Sponsor	Capital £		Units	
Abbey Stainless	SCC			500	
Park Hill P5	SCC			112	
Claywood	SCC			50	
Snail Hill	RMBC			24	
Canklow	RMBC			45	
Forge Island	RMBC			70	
Ship Hill	RMBC			40	

Riverside North	RMBC			120	
Riverside South	RMBC			44	
Town Residential Project	BMBC			50	
Goldthorpe Pre-1919 redevelopment	BMBC			20	
Berneslai Close	BMBC			9	
BMBC garage infill sites	BMBC			30	
Courthouse - The Seam	BMBC			100	
Minster Quarter	DMBC			190	
Town Centre - St Sep, Wharfe Road	DMBC			350	
Main & Service Towns	DMBC			140	
22-25 Totals		43,158,826			1,894

Funding of each of the above schemes will be dependent on them meeting the basic MHCLG criteria for funding (including achieving a minimum BCR of 1), and on producing sufficiently robust business cases which demonstrate good strategic fit and deliverability within the timeframe of the Fund.

Strategic Case

Many of the key locations in the Sheffield City Region are brownfield sites, with associated costs of land remediation and essential infrastructure requirements, which impact on scheme viability and prevent schemes from moving into delivery. The Government's launch on the 30th June 2020 of 'A New Deal for Britain' recognises the part that redevelopment of brownfield sites can play in delivering housing needs. It is a key part of the Government's Strategy to rebuild Britain following Covid-19 and support the economic recovery across the UK.

In order to achieve the aspirations in the Strategic Economic Plan, the Fund will prioritise projects that include:

- Enhanced energy efficiency measures.
- Renewable energy measures.
- Modern methods of construction.

Individual schemes will be required to demonstrate how they will support skills development and job creation amongst local residents and how the local supply chain can benefit from the investment. Many of the schemes that the fund supports will include affordable and social housing.

Value for Money

A high-level Value for Money assessment has been undertaken for the Phase 2 projects, as summarised below. It has not been possible to assess Value for Money for Phase 3, as these projects are still in an early stage of development and the information required not available.

		Present Value Benefits (PVB)	Present Value Costs (PVC)	Net Present Value (NPV)	Benefit Cost Ratio (BCR)
SCC	Cannon Brewery	£17,120,528	£2,246,136	£14,874,392	7.62
SCC	Attercliffe - Waterside	£33,395,864	£1,842,947	£31,552,918	18.12
SCC	Park Hill 4	£4,610,285	£5,445,708	-£835,423	0.85
SCC	Norfolk Park 10	£4,027,179	£1,466,835	£2,560,344	2.75
SCC	Shirecliffe 2	£1,370,512	£1,029,237	£341,275	1.33
RMBC	Small Sites 21/22	£684,602	£420,416	£264,186	1.63
RMBC	Eastwood	£1,516,992	£1,763,667	-£246,675	0.86
BMBC	Goldthorpe Market Phase 1	£420,475	£139,130	£281,344	3.02
BMBC	Goldthorpe Hotel	£270,810	£100,000	£170,810	2.71

BMBC	Goldthorpe Market Phase 1a	£351,055	£112,000	£239,055	3.13
DMBC	DMBC Small Sites	£137,746	£862,101	-£724,356	0.16
DMBC	Former Nightingale School	£4,396,491	£1,517,754	£2,878,737	2.90
DMBC	Adwick	£4,882,562	£1,160,097	£3,722,465	4.21
DMBC	Phase 1 Council Build Programme	£96,291	£495,000	-£398,709	0.19

SCC	£60,524,369	£12,030,863	£48,493,506	5.03
RMBC	£2,201,594	£2,184,083	£17,511	1.01
BMBC	£1,042,340	£351,130	£691,209	2.97
DMBC	£9,513,089	£4,034,952	£5,478,137	2.36
Overall	£73,281,391	£18,601,028	£54,680,364	3.94

Risk

Top 5 key risks as identified in the business case:

1. Failure of schemes invited to proceed to the next stage in Phase 2 (2021/2022) to produce a compliant OBC/ FBC in line with MCA assurance milestones. (Medium)
2. Pipeline schemes not meeting the minimum BCR of 1 and dropping out of the programme. (High)
3. Not achieving the in FY spend profile in line with current MHCLG allocations. This mainly relates to Phase 2 (21/22) schemes (High)
4. Capacity within partner organisations to produce compliant business cases within the timeframe. (High)
5. Capacity of the SCR Team to work with applicants to support them through the FBC process. Workload would be further stretched should an open call be made. (Medium)

Delivery

The MCA will be responsible for the management and delivery of the overall programme. Phase 2 schemes are expected to be brought forward through the assurance process of OBC followed by final FBC for Board approval by end of March 2022. Phase 3 schemes are less defined at this early stage and the MCA will continue to work with scheme promoters to accelerate these schemes wherever possible. The MHCLG agreement stipulates the Brownfield Housing Fund allocated to the MCA should 'unlock' delivery of 2,500 to 3,500 homes by March 2025.

The Housing Fund (Brownfield) remains open to Local Authority schemes, or Local Authority endorsed strategic JV or private sector schemes, until such time as the Housing and Infrastructure Board take a decision to open it up wider.

Legal

Scheme promoters will need to confirm Subsidy Control eligibility as part of business case development.

Recommendation and Conditions

Recommendation	
Payment Basis	
Conditions of Award (including clawback clauses)	
<ol style="list-style-type: none"> 1. Once the information is available, this SBC should be amended to include suitable affordable targets and details on the type and tenure of housing the MCA is seeking to unlock through this investment 2. Programme SBC should be resubmitted to the Appraisal Panel every time the pipeline is reviewed. The panel should also be updated regularly on the progress of the programme. 	

For revenue funding request

3. Funding for revenue costs can be processed and released once a funding agreement is signed. Prior to this, key project development milestones need to be agreed with a clear appreciation of how exposure can be mitigated if a capital project does not materialise at the end of the process.

For capital funding request

4. Milestones for business case submission to be agreed and monitored. If there is slippage such that project cannot be approved this financial year, the MCA reserves the right the review assurance process for each of the early schemes.
5. Confirmation that all project approvals, procurement, statutory permissions and funds will be in place prior to FBC submission.
6. Programme SBC to be reviewed regularly in line with expectations of Housing and Infrastructure board.
7. Requirement to capture wider benefits (quantifiable or otherwise) and present these clearly in scheme business cases. The MCA's FLUTE model is available for promoters to use, if needed.
8. For schemes in the pipeline that currently have a BCR below 1, an FBC cannot be submitted until this is no longer the case.

Record of Recommendation, Endorsement and Approval

South Yorkshire Housing Fund (Brownfield)

Appraisal Panel Recommendation		Board Endorsement		MCA Approval	
Date of Meeting		Date of Meeting		Date of Meeting	
Head of Paid Service or Delegate	Ruth Adams Deputy CEX	Endorsing Officer (Board Chair)		Approving Officer (Chair)	
Signature		Signature		Signature	
Date		Date		Date	
S73 Officer or Delegate	Simon Tompkins Finance Manager	Statutory Finance Officer Approval Name: Signature: Date:			
Signature					
Date					
Monitoring Officer or Delegate	Steve Davenport SCR CA Solicitor				
Signature					
Date					