

MCA - HOUSING AND INFRASTRUCTURE BOARD

MINUTES OF THE MEETING HELD ON:

TUESDAY, 22 JUNE 2021 AT 10.00 AM

VIRTUAL MEETING



Present:

Gemma Smith (Co-Chair)	Private Sector LEP Board Member
Councillor Glyn Jones	Doncaster MBC
Councillor Amy Brookes	Rotherham MBC
Councillor Tim Cheetham	Barnsley MBC
Councillor Paul Wood	Sheffield CC
Martin Swales	MCA Executive Team

In Attendance:

Colin Blackburn	Assistant Director - Housing, Infrastructure and Planning	MCA Executive Team
Carl Howard	Senior Programme Manager	MCA Executive Team
Becky Guthrie	Senior Programme Manager	MCA Executive Team
Richard Sulley	Net Zero Project Director	MCA Executive
Laurie Thomas	Senior Programme Manager	MCA Executive Team
Helen Batt	Helen Batt	
Michael Snaith	Arcadis	
Tom Hawley	Homes England	
Andrew Shirt (Minute Taker)		

Apologies:

Councillor Terry Fox	Sheffield City Council
Tanwer Khan	Private Sector LEP Board Member
Damian Allen	Doncaster MBC

1 Welcome and Apologies

The Co-Chair, Gemma Smith welcomed everyone to the June meeting.

The Chair gave a warm welcome to new Board Members: Councillor Amy Brookes, representing Rotherham MBC, Councillor Paul Wood, representing Sheffield City Council and to the new Co-Chair, Councillor Terry Fox, who had recently been elected as Leader of Sheffield City Council. Councillor Fox had submitted his apologies for today's meeting, but would be attending the September Board meeting.

Martin Swales, Interim Director of Transport, Housing & Infrastructure for the MCA was also welcomed to his first meeting of the Board.

The Chair also placed on record her thanks to Councillor Bob Johnson and Councillor Julie Grocutt for the support they had given whilst being members of the Housing and Infrastructure Board.

Apologies for absence were noted as above.

2 Declarations of Interest by individual Members in relation to any item of business on the agenda

Councillor Jones declared an interest in matters to be considered at agenda Item 10 'Infrastructure Project Pipeline - Gainshare Schemes' by virtue of Doncaster MBC being a recipient of Gainshare funding.

3 Urgent items / Announcements

None.

4 Public Questions on Key Decisions

None.

5 Minutes of Previous Meeting

It was agreed that the minutes of the previous meetings of the Housing and Infrastructure Board held on 4th March 2021 are an accurate record and may be signed by the representative of the Head of Paid Service.

C Blackburn provided an update on the actions arising from the Board meeting held on 4th March 2021, and were noted as follows:-

- The Doncaster Town Centre – Quality Street (GBF) endorsed by the Board at the previous meeting, had been approved by the MCA for award of a £5.5m grant from the Getting Building Fund.

Two actions arising from the discussion on the emerging South Yorkshire Digital Infrastructure Strategy would be covered on today's agenda at Item 8 'Draft Digital Infrastructure Strategy'.

6 Net Zero Work Programme - Introduction to Project Director

The Chair gave a warm welcome to Richard Sulley, Net Zero Project Director for the MCA.

Richard Sulley informed the Board that he had been in post from 1st April 2021 and his role was to organise, mobilise and operationalise the existing Net Zero Programme to deliver on the pledges that had been made to be net zero by 2040.

Over the next few months R Sulley would be attending Board meetings and presenting more substantive reports on how it was intended to deliver on the pledges.

The Chair thanked R Sulley for his attendance at today's meeting.

7 **Housing Fund (Brownfield) Revised Programme SBC and MHCLG Pipeline**

For the benefit of new Board Members, C Blackburn provided an overview of the Housing Fund (Brownfield) programme.

The Board was reminded that, as part of the Government's 'Get Britain Building Fund', the MCA had been allocated £40.3m of capital funding and £841k revenue funding in 2020, for supporting the acceleration and development of housing schemes on brownfield land (up to end March 2025).

The funding criteria had set out that the brownfield programme must enable the delivery of a minimum of 2,500 homes by end March 2025, with start on sites by this timescale.

At the January 2021 meeting of the Board, the Board had endorsed the proposed Strategic Business Case which enabled the early deliverable schemes to enter the pipeline. This followed endorsement by the Board of the Housing Fund (Brownfield) Prospectus which set out the purpose of the Fund and the MCA processes for project sponsors to follow.

In January 2021, the Board also had allocated £567k of revenue funding to help support and accelerate business case development of the early deliverable schemes.

At the March 2021 Board meeting, four Phase 1 schemes (West Bar, Malthouses, Porter Brook and Small Sites in Rotherham) had been presented and approved by the Board. Contracts were currently being draw-up.

As part of the Phase 1 package of schemes, the Allen Street scheme would be considered separately on today's agenda.

Since January 2021, work had taken place to develop the Phase 2 schemes for delivery in 2021/22. In addition, work had also taken place to develop the longer term pipeline of schemes.

As part of MHCLG's requirements, the MCA is required to submit an indicative pipeline of all the schemes within the programme in June.

The table contained in the report at paragraph 2.6 set out the current status of the Phase 2 schemes. Of these, four schemes (Park Hill 4, Norfolk Park 10, Shirecliffe 2 and Phase 1 Council Build Programme in Doncaster) were being submitted to the Board for acceptance onto the Programme SBC pipeline, which if approved by the Board would allow the schemes to be progressed to the Outline Business Case (OBC) stage as soon as possible.

The proposed Phase 3 schemes for funding and delivery later in the programme from 2022-25 were set out in the table in paragraph 2.11. The table includes a proposed further twelve schemes to add onto the pipeline, noting that some of these schemes were at the very early stages of

development.

The Board noted that a total of £40.3m of capital funding was available in the programme. Taking account of all the schemes in Phases 1, 2 and 3, there was now an over-programme position, currently at a £65m 'ask'. It was highlighted that, due to the uncertainty with some of the schemes and their timescales, a number of schemes may fall out of the programme and other schemes could potentially come forward over the next four years.

In relation to the revenue allocation for 2020-22, paragraph 2.15 set out a proposed reprofiling of the revenue allocations between years to reflect the current situation with scheme's development.

Paragraph 3 of the report presented the Board with three options for their consideration together with the risks and mitigations for each option.

Following discussion, the Board recommended that 'Option 1' be progressed at this time, as follows:

'To continue to work with Local Authorities partners and their selected 'sponsored' scheme promoters on the prioritised pipeline, submitting this as the current known Programme to MHCLG, and updating the Housing and Infrastructure Board via the Programme SBC and subsequent business case submissions'.

The Chair noted that Phase 2 proposals totalled £18.8m, however, £17m needed to be spent in 2021/22. If a large scheme fell out of the programme there would be a risk and a challenge to spend to this level.

The Chair asked for clarification when Phase 2 schemes would need to be in a viable position to make progress with their scheme.

C Blackburn replied that the MCA Executive was currently working with all the local authorities to meet the end of July deadline for OBC submissions.

It was acknowledged that the timescales were challenging. To assist local authorities to complete their scheme OBCs, the MCA Executive had commissioned an expert consultant for the local authorities to draw down.

If the July deadline was achieved, the OBC's would be presented for approval at the Board's October meeting. The OBCs would then need to be worked-up to full Business Cases which would be presented at the earliest, to the January 2022 Board meeting for consideration and approval.

If the July deadline was not achieved there could be significant risk to the programme meeting the end of March 2022 spend deadline, which could have implications for securing MHCLG funding in future years of the programme.

The Chair asked if there would be an opportunity to invite an 'open call' for schemes during the summer period, if schemes missed the July deadline.

C Blackburn replied that this option was available for the Board to consider.

However, he noted that schemes would need to go through the full due diligence process involving SBC, OBC and FBC which would mean that they would not be ready until after March 2022. If actioned, an open call would therefore only be to support the pipeline in the 2022-25 period.

Councillor Cheetham queried if the timetable for submitting Phase 2 Business Cases was achievable. Furthermore, he queried if the MCA's governance structure and scheduled Board meetings were fit for purpose to achieve the deadlines set.

The Chair acknowledged Councillor Cheetham's concerns and requested that a separate meeting be arranged with herself, Councillor Fox, Martin Swales and C Blackburn to discuss whether further meetings should be arranged to consider scheme business cases as soon as they are ready to be considered.

ACTION: C Blackburn

T Hawley commented that a challenge with delivering the Housing Fund (Brownfield) programme was local authority resources. He was conscious that local authority colleagues were increasingly stretched due to the number of capital funding opportunities currently available. It was often the same individuals writing bids and delivering capital schemes for different programmes, and therefore, resource pressures available across the region were a significant risk. Furthermore, it could equally be a risk to further investment and projects that may be supported by Homes England in the region due to these potential schemes relying upon the same individuals.

T Hawley said he would be interested to understand the advice which had been given with regards to pursuing 'Option 1' over 'Option 2' as presented in the report, particularly in relation to Subsidy Control.

M Swales thanked T Hawley for his observations and agreed to provide comments outside of today's meeting. **ACTION: M Swales**

RESOLVED – That the Housing and Infrastructure Board:-

1. Approved the Revised Programme Strategic Business Case for the South Yorkshire Housing Fund (Brownfield) and accepted the additional schemes onto the pipeline as set out Paragraphs 2.6 and 2.11.
2. Approved the updated revenue spend profile for the Phase 2 schemes as set out in Paragraph 2.15.
3. Agreed that Phase 1, 2 and 3 schemes be submitted to MHCLG as the current known five year Housing Fund (Brownfield) Programme, noting the over programming approach being proposed and the risks associated with the 'Remaining Programme' schemes at this stage.

8 **Draft Digital Infrastructure Strategy**

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revenue funding in 2020, for supporting the acceleration and development of housing schemes on brownfield land (up to end March 2025).

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The Chair acknowledged Councillor Cheetham's concerns and requested that a separate meeting be arranged with herself, Councillor Fox, Martin Swales and C Blackburn to discuss whether further meetings should be arranged to consider scheme business cases as soon as they are ready to be considered.
ACTION: C Blackburn

T Hawley commented that a challenge with delivering the Housing Fund (Brownfield) programme was local authority resources. He was conscious that local authority colleagues were increasingly stretched due to the number of capital funding opportunities currently available. It was often the same individuals writing bids and delivering capital schemes for different programmes, and therefore, resource pressures available across the region were a significant risk. Furthermore, it could equally be a risk to further investment and projects that may be supported by Homes England in the region due to these potential schemes relying upon the same individuals.

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M Swales thanked T Hawley for his observations and agreed to provide comments outside of today's meeting. ACTION: M Swales

RESOLVED – That the Housing and Infrastructure Board:-

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9

Programme Approvals

C Howard introduced a report which requested the Board's approval of a BHF (Brownfield Housing Fund) scheme for the Allen Street brownfield housing scheme subject to the conditions set out in the Assurance Summary and to give approval for delegated authority.

On 22nd of December 2020, the MCA received confirmation of £40.34m BHF award with the aim of creating more homes by bringing more brownfield land into development.

The Fund aimed to ease viability issues that brownfield projects face alongside wider interventions aimed at economic development.

In March 2021, the first four BHF projects with a total value of £2.539m were approved for funding at the Housing and Infrastructure Board.

The report on today's agenda presented the fifth project for a decision which, if approved, will take the total amount granted to £3.085m.

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 BHF grant of £0.546m requested by Sheffield City Council for acquiring the leasehold interest in a site to bring forward development of 120 new homes to the market. The total project costs were £1.093m with match funding coming from the Council's own resources. The project costs included the purchase and demolition. Subsequent to the project activity it was hoped that the cleared site would be developed for up to an eight storey residential block.

The scheme aligned well with several local and regional policies, namely supporting the housing targets for Sheffield and the wider area.

The assessment had concluded that a value for money assessment based on information provided by Sheffield City Council would mean that the project was deliverable for a cost-benefit ratio of around 1:1.1, which means that for every £1 public investment there may be £1.10 worth of benefits derived.

This would meet the minimum standard set for the Brownfield Housing Fund.

The assessment did highlight that there was a level of uncertainty around whether further public funds may be needed to deliver the full scheme, which may affect any value for money calculation. However, if wider benefits such as improvement to the local area, are taken into account then this could improve the overall position.

The Board considered and approved the project for award of a £0.546m grant from the BHF.

RESOLVED – That the Housing and Infrastructure Board considered and approved:-

1. Progression of the "Allen Street" project to full approval and award of £0.546m grant to Sheffield City Council subject to the conditions set out in the Assurance Summary attached at Appendix A.
2. Delegated authority to be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above.

10

Infrastructure Project Pipeline - Gainshare Schemes

L Thomas introduced a report to provide the Board with an update on progress with the Gainshare infrastructure and housing schemes, including an estimated timescale for consideration of Strategic Business Cases by the Board.

The Board noted that the MCA had agreed in March 2021 to the inclusion of a number of potential Gainshare investments for 2021/22 in each of the four South Yorkshire districts. A brief summary of each scheme was set out in Appendix 1 to the report.

Of the twenty infrastructure schemes accepted on to the pipeline, nineteen fall within the remit of the Housing and Infrastructure Board.

Following publication of the report, two schemes had been merged, namely, the Doncaster Natural Flood Management and the Conisbrough and Doncaster Natural Flood Management Tickhill scheme into one scheme named 'Doncaster Natural Flood Management programme.' The Doncaster Housing Retrofit Schemes had also been merged into one scheme. This now brought the total to seventeen schemes.

It was confirmed that all the schemes were in the process of, or had submitted Strategic Business Cases (SBC's).

A summary of the project assurance and decision stages were presented and noted by the Board.

The Board noted that the submitted and assured SBC's would be presented at the next Board meeting scheduled for 13th September 2021.

The Chair requested that the time of the Board meeting scheduled for 13th September 2020 be extended if necessary to allow Members to fully consider all the schemes and also consideration be given as to whether further meetings of the Board were required to consider business cases as and when they are ready to help accelerate scheme funding approvals . **ACTION: C Blackburn**

RESOLVED – That the Housing and Infrastructure Board:-

1. Noted the contents of the report.
2. Commented on the potential issues relating to the scale and timing of the Strategic Business Cases.

11 **South Yorkshire Flood Catchment Plan Update**

C Blackburn introduced a report to provide the Board with an update on ongoing work and emerging workstreams to prepare the South Yorkshire Flood Catchment Plan.

Helen Batt, Flood Risk Manager for South Yorkshire – Environment Agency was introduced and welcomed to the Board.

H Batt provided the Board with a presentation to update Members on the progress made in preparing the South Yorkshire Flood Catchment Plan.

The Board noted that a Steering Group had been established to oversee the preparation of the Plan comprising of senior officers from the MCA Executive, Environment Agency, four South Yorkshire Authorities, and Yorkshire Water. The outputs of the work of the Group are reported to both this Board and the South Yorkshire Flood Risk Partnership which are jointly overseeing the preparation of the Plan.

The aim of the Plan was for it to be a 'living document' to facilitate the

development of an integrated long term strategy for flood risk management and climate resilience. This would enable partners and communities to incorporate emerging data, knowledge and opportunities to continue to build and shape the Plan over time.

Importantly, the programme arising from the Plan would provide a clear programme of well-developed projects to secure the remaining investment that was required to alleviate and mitigate future flooding.

The preparation work was set around four key workstream themes, with one local authority leading on each of one of themes:

1. Responding to the climate emergency.
2. Ensuring investment is prioritised, smart and based on evidence using the best available data and intelligence.
3. Strengthening the use of technology and operational management to build the capacity of Local Authorities and other Risk Management Authorities (RMAs) to work together more effectively on an operational basis.
4. Community engagement and resilience

Work had now commenced to draft the initial Plan, which if ready would be submitted for consideration by this Board in September. It was anticipated that the final Plan would be launched by the end of the year.

M Swales congratulated and thanked colleagues and local authorities for the work which had been undertaken to develop a coordinated response to preparing the Plan.

Councillor Cheetham echoed M Swales' comment. Councillor Cheetham said he welcomed the idea that the Plan would be a 'living document', which introduces more flexibility in relation to joint working and solving specific issues.

The Board thanked H Batt for her presentation.

RESOLVED – That the Housing and Infrastructure Board noted and commented on the workstreams being undertaken to prepare the South Yorkshire Flood Catchment Plan.

12 **Forward Plan**

C Blackburn presented the Board's Forward Plan for Members' information.

RESOLVED – That the Housing and Infrastructure Board noted the contents of the Board's Forward Plan.

13 **Any Other Business**

None.

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