

## MCA - HOUSING AND INFRASTRUCTURE BOARD

### MINUTES OF THE MEETING HELD ON:

TUESDAY, 7 DECEMBER 2021 AT 1.00 PM

### VIRTUAL MEETING



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#### Present:

Councillor Terry Fox (Co-Chair)  
Gemma Smith (Co-Chair)  
Damian Allen  
Councillor Tim Cheetham  
Michael Faulks  
Councillor Glyn Jones  
Martin Swales  
Councillor Dominic Beck (Reserve)

Sheffield City Council  
Private Sector LEP Board Member  
Doncaster MBC  
Barnsley MBC  
Private Sector LEP Board Member  
Doncaster MBC  
MCA Executive Team  
Rotherham MBC

#### In Attendance:

Colin Blackburn  
Carl Howard  
Sue Sykes  
Ryan Shepherd  
Becky Guthrie  
Carl Moore

MCA Executive Team  
MCA Executive Team  
MCA Executive Team  
MCA Executive Team  
MCA Executive Team  
Homes England

#### Apologies:

Councillor Paul Wood  
Councillor Amy Brookes  
Gareth Sutton

Sheffield CC  
Rotherham MBC  
MCA Executive Team

#### 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

Members declared interests in respect of Item 6 regarding schemes in their own council areas.

#### 3 Urgent items / Announcements

None.

4      **Public Questions on Key Decisions**

None.

5      **Minutes of Previous Meeting held on 26 October 2021**

RESOLVED – That the minutes of the meeting held on 26 October 2021 be agreed as a true record.

6      **Programme Approvals**

C Howard presented a paper which requested approval to continue developing three projects for Gainshare funding, subject to the conditions set out in the Assurance Panel Summaries. The paper also requested two project changes for BHF (Brownfield Housing Fund) schemes.

Full details of the schemes and risks identified were included in Appendices A, B and C.

In relation to the Lundwood Flood Alleviation Scheme (FAS), the Board noted that the applicant had not been able to put forward an Economic Case for the project. The Board was informed that this would need to be discussed and agreed with the MCA Executive prior to the submission of the Outline Business Case.

In relation to the Heart of the City 2 (block A) project, M Faulks highlighted that the Outline Business Case did not include any walking and cycling initiatives.

In response, C Howard said that this project was specifically the refurbishment of the building block as infrastructure, but not aimed at the surrounding area. There were other projects being developed around the public realm in this area where walking and cycling is being considered. He agreed in the Full Business Case the project could improve the links to explain what is happening in the surrounding area regarding walking and cycling which is being dealt with through the Transforming Cities submission.

RESOLVED – That the Board approve:-

- i) Progression of “Lundwood Flood Alleviation Scheme (FAS)” project to proceed to OBC (Outline Business Case) for Gainshare Funding to BMBC (Barnsley Metropolitan Borough Council) subject to the conditions set out in the Assurance Summary attached at Appendix A
- ii) Progression of “Snail Yard” project to proceed to OBC for Gainshare Funding to RMBC (Rotherham Metropolitan Borough Council) subject to the conditions set out in the Assurance Summary attached at Appendix B.
- iii) Progression of “Heart of the City 2 (block A)” project to MCA to proceed to FBC (Full Business Case) for Gainshare Funding for SCC (Sheffield City Council) subject to the conditions set out in the Assurance Summary attached at Appendix C.

- iv) Approval of two changes for “West Bar” and “Goldthorpe” which are requesting changes to their approved BHF projects.

Delegated authority 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 1 – 4 covered above.

7

## **Final Draft South Yorkshire Flood Catchment Plan**

C Blackburn presented a report which provided the Board with the final draft South Yorkshire Flood Catchment Plan.

The final draft South Yorkshire Flood Catchment Plan, attached at Appendix A, outlined the actions to be undertaken to reduce flood risk, mitigate climate change and support climate resilient communities across South Yorkshire.

The Board was asked to provide any final comments, prior to the Catchment Plan being submitted to the MCA Board for approval on 24 January 2022.

The Board noted that the Catchment Plan would be officially launched at an event scheduled for Friday 28 January 2022. The event would be held in Doncaster and hosted by Mayor Ros Jones. Mayor Dan Jarvis would be the keynote speaker for the event. The Environment Agency’s Chairperson and community representatives affected by flooding would also be invited to the event.

In order to deliver the implementation of the Catchment Plan, the Board noted that the Environment Agency and other partners were currently in the process of considering how they could support a project budget to help implementation of the Catchment Plan.

C Blackburn reported that there was the potential to match fund the Environment Agency’s contribution with an amount of the previously committed but unallocated MCA Gainshare funding.

The Board welcomed the news and requested that proposals be prepared to help support the implementation of the Catchment Plan.

The Board thanked C Blackburn, the MCA Housing and Infrastructure team and the wider partnership for developing a robust Flood Catchment Plan.

**RESOLVED – That the Board:-**

- i) Considered and endorsed the final draft South Yorkshire Flood Catchment Plan.
- ii) Recommended that the MCA Board approve the final draft South Yorkshire Flood Catchment Plan.
- iii) Request that proposals be prepared for the use of an amount of the previously committed but unallocated MCA Gainshare funding (for flood

resilience and mitigation) to support implementation of the South Yorkshire Flood Catchment Plan.

## **8 Draft Digital Infrastructure Strategy Delivery Plan**

A paper was presented informing Members that the South Yorkshire Digital Infrastructure Strategy had been approved by the Mayoral Combined Authority on the 20 September 2021, alongside a request that the Housing and Infrastructure Board prepares a Delivery Plan.

Taking on board feedback from Board Members on the scope and content, a draft Delivery Plan to implement the Strategy had been prepared and was attached at Appendix A to the report.

The draft Delivery Plan provided background context, details of how the Strategy would be delivered including proposed actions and interventions, and how success would be measured.

In addition, there were a range of activities included in the draft Delivery Plan that set out to implement the Strategy and deliver the ambitions of the Strategic Economic Plan.

Members noted that resources would need to be secured to take forward implementation of the Strategy. The Superfast South Yorkshire programme clawback offered a potential capital funding over the next 5 years which could support most, but not all activities. Revenue funding would be required to deliver some actions set out in the Delivery Plan.

The use of the clawback funds and other funding for implementing the Delivery Plan would need to be considered by the MCA as part of the usual MCA Business Planning and budget setting process for 2022/23. The opportunity for funding and other resource support from Partners also needed to be explored.

The Board's views were requested on the proposals to inform the finalisation of the Delivery Plan.

The Board welcomed the report and emphasised that there was an urgency to secure funds to implement the Delivery Plan.

C Blackburn acknowledged the Board's comments and agreed to provide a progress update at the next HIB meeting.

**RESOLVED – That the Board:-**

- i) Considered and commented on the draft Delivery Plan to implement the South Yorkshire Digital Infrastructure Strategy.
- ii) Noted that the resourcing of the Delivery Plan by the MCA would be confirmed as part of the annual Business Planning and Budget setting process for 2022/23.

## **9 Strategic Housing Issues Update**

C Blackburn introduced a paper to provide the Board with an update on strategic housing issues in South Yorkshire and to discuss potential future collaborative priority actions.

Members were reminded that a Housing Review was undertaken by the consultant ResPublica in 2020, and the draft recommendations were considered by the Board in October 2020.

The review had identified a range of strategic housing issues in South Yorkshire, which still remain relevant today and were captured broadly under the six key headings:

- Place-making
- Densification
- Affordability
- Quality of Homes
- Housing Retrofit
- Innovative Finance Mechanisms

Although the COVID-19 pandemic had impacted on delivery over the previous 18 months, progress had been made in several areas, with opportunities to explore further collaboration on key strategic housing issues.

The views of the Board were invited on priorities for potential future collaborative action.

Key points arising from Members' questions and discussion are summarised below:

- The Board welcomed the opportunities to collaborate but queried if the correct level of resources were currently available to support the delivery of housing and related place priorities.
- The housing industry were currently awaiting the Standard Assessment Procedure (SAP) to be updated and were also awaiting changes to Part L and Part F of the Building Regulations for new dwellings.
- In relation to the Future Homes Standards: changes to Part L, it was understood that, once the changes were implemented, there could be increased costs to build new homes of between £4-10k per home (depending on the size of house being built). It was felt that this would have an impact on land value, future land viability and possibly affect the number of affordable homes being available.

In response, B Guthrie said that it may be beneficial for the Board to task the local authority Heads of Planning to look at possible solutions and provide a report back to the Board.

In response B Guthrie suggested that standardisation of arrangements (for example, standard forms of leasing, disposal routes etc.) may need to be developed in South Yorkshire in order to give developers, house builders and

housing associations, the comfort that, if they develop in South Yorkshire, then there are not widely different sets of arrangements across the region.

C Moore added that, in relation to land values, the changes may allow for different ways of working. He suggested that there could be an opportunity for developers, land owners and builders to work in partnership with local authorities to mitigate risks.

- It was queried if the Housing Retrofit heading should be replaced with the heading of 'Sustainability of Housing'.
- It was proposed that there should be a refresh of the Modern Methods of Construction (MMC) in South Yorkshire work and a policy developed around addressing the poor standards of housing stock in South Yorkshire, and there was support for the proposal to review the South Yorkshire Residential Design Guide.
- It was suggested that an MCA led Team should be established to lead on net zero and to develop a consistent approach in relation to sustainability.
- The Board requested that a housing Framework be developed to help identify the collective actions to be undertaken to address the strategic housing issues, including showing the interrelationships and resource needs.

**RESOLVED – That the Board**

- i) noted and commented on the strategic housing issues in South Yorkshire and ongoing and emerging collaborative work in these areas.
- ii) Requested a Housing Framework be prepared to set out the collaborative actions to address Strategic Housing issues.

10

## **Programme Performance Report**

A paper was considered which provided the Board with the latest performance information on Housing and Infrastructure programmes being delivered on behalf of the MCA.

Members were informed that the SYMCA had 40 live capital projects which fell within the remit of the Housing and Infrastructure Board. The projects were funded by four funding streams:

- Brownfield Housing Fund (BHF)
- Getting Britain Building Fund (GBF)
- Gainshare Funding
- Legacy Local Growth Fund (LGF)

The report gave an overview of the performance of programmes and the projects within them and highlighting management actions being taken to mitigate risks.

Members were informed that the expenditure baseline for 21/22 had been initially set at £69.89m with the latest forecasts suggesting outturn expenditure of £23.58m. This level of expenditure would generate a material underspend of £46.31m (65%).

Of this value, £24.15m (52%) related to gainshare funded activity that could be reprofiled without recourse to government. The balance of underspend - £22.16m (48%) – is funded from conditional grant from government, and consents would likely be required to roll-forward the funding to future periods.

A graph at section 2.1 of the report highlighted the forecast full-year expenditure profiles set against the baseline targets.

The GBF and Brownfield baseline target were set by government and required in-year allocations to be fully defrayed within the financial year.

Since the beginning of the year, concerns had growing over the pace of some areas of expenditure.

These issues had previously been reported to the Board and were systemic across partners, largely reflecting pressures arising from the volume of activity and supply chain constraints coalescing around extremely tight deadlines prescribed by government.

Despite those issues, good progress was being made to ensure that the full allocation of GBF funding was defrayed and projects delivered by March 2022.

A graph at section 2.4 of the report showed the milestone status of the projects.

Members noted that, ideally at this stage of the year, the weight of projects would be in FBC processes, or in contract negotiation or delivery.

The graphic indicated a healthy pipeline of projects in progression, but the weight of projects at this early stage development highlighted the increasing likelihood that in-year expenditure targets would be missed.

The pace of delivery was being affected by a number of issues including supply chain pressures which were creating cost inflation and time delays. This issue was exacerbating known risks around internal capacity and the complex nature of delivering viable schemes in challenging Brownfield locations.

The main concern in the short-term was the BHF fund programme where government had set a £20m spend target for 2021/22. The programme had schemes at various stages of development with one in delivery. The current projected contracted value was currently £15.18m.

A graphic at section 2.7 of the report highlighted the milestone status of the Brownfield programme by value, which highlighted the challenge of getting schemes through assurance, contracting, and into delivery by the end of the year.

Members noted that there were currently six schemes that had reached full approval and a further nine in development. The schemes were experiencing barriers to progressing at pace, including lack of cost certainty, detailed design and internal approvals, procurement, and match funding not yet being secured.

Work was ongoing to accelerate Brownfield schemes through the process where possible and mitigate key risks through contract conditions.

RESOLVED – That the Board considered the performance information provided to identify future performance deep-dives or significant areas of risk.

**11 Forward Plan**

The Board considered its Forward Plan.

C Blackburn reported that he would update the Forward Plan to include elements of the Strategic Housing issues discussed at today's meeting.

RESOLVED – That the Board noted the Forward Plan.

**12 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 .....