

16th July 2020

Getting SCR Building

Purpose of Report

This report provides an update on the recent announcements for devolved funding to support major employment and housing development in the SCR.

Thematic Priority

This report relates to the following Strategic Economic Plan priorities:

- Secure investment in infrastructure where it will do most to support growth.
- Facilitate and proactively support growth amongst existing firms.

Freedom of Information

The paper will be available under the Combined Authority Publication Scheme.

Recommendations

The Board is asked to:

- Note the Government's funding allocation to the MCA for infrastructure of £33.6m and £40m for housing developments;
- Comment on and support the proposed Major Capital Schemes set out in Annex 1 for the capital spend; and
- Comment on and support the proposals for accelerating the delivery of the infrastructure and housing schemes as set out in the conditions of the funding allocation.

1. Introduction

- 1.1 On the 30th June 2020, the Government launched 'A New Deal for Britain' which it set out as the first steps in stimulating the economy following Covid 19 pandemic.
- 1.2 As part of this strategy, £73.6m of funding has been allocated to the MCA for supporting immediately deliverable infrastructure schemes and to support the development of housing schemes on brownfield land. This report sets out the actions being taken to meet this challenge and accelerate delivery of these schemes across the SCR.

2 Proposal and Justification

- 2.1 Sheffield City Region Mayoral Combined Authority (MCA) has been awarded £33.6m for a prioritised programme of Major Capital Schemes that are 'shovel ready,' along with a further

£40m from the Government's Brownfield Fund for a programme of housing schemes on brownfield sites over the next 5 years.

Major Capital Schemes

- 2.2** Prior to the Government's announcement, the MCA and the LEP oversaw the collation and prioritisation of major infrastructure capital schemes that were 'shovel ready' and could be delivered within 18 months. This was undertaken in a very short timescale to meet Government deadlines and involved the prioritisation of a long list of over 80 schemes.
- 2.3** A prioritised list of schemes, as seen in Annex 1, with a funding ask of £31m was submitted to Government. The schemes are a range of employment, skills, digital, public realm, regeneration, and active travel infrastructure schemes, and all but one is located with the Infrastructure Place Package Growth Areas which are identified in the draft (new) Strategic Economic Plan.
- 2.4** Whilst the total funding ask was £31m, the MCA will receive £33.6m in total. Following consultation with the Mayor, it is proposed that this additional £2.6m is prioritised for a pan-South Yorkshire project which would both benefit all authorities and contribute towards wider SCR priorities such as environmental sustainability. For example, this could include a South Yorkshire wide electric vehicle (EV) charging infrastructure project being prioritised for this additional funding following the work undertaken by Arup for the MCA earlier this year. This would aim to install up to 230 Fast Chargers and Rapid Chargers in urban centres and other key strategic locations across the SCR. Further discussions would need to take place with MHCLG to confirm the final agreed list of projects.
- 2.5** The LEP Board is asked to comment on and support the programme of priority schemes set out in Annex 1.

Brownfield Housing Programme

- 2.6** The £40m devolved funding for housing, as part of the Government's Brownfield Housing Programme announced in the Budget, will enable an expansion of the MCA and LEP Housing Fund, and ensure the MCA and LEP can support the delivery of a greater number of new homes to meet local needs which would otherwise not be brought forward by the market. The funding is for housing on brownfield land and as the National Planning Policy Framework defines brownfield land (previously developed land) as 'land which is or was occupied by a permanent structure,' this means that the conversion of existing premises to housing falls under this definition.
- 2.7** Further guidance is awaited from Government on the operational agreement to access the funds at which point the MCA will need to enter in an agreement with Government over key outputs and outcomes, including the delivery of a minimum number of new homes. This is expected to be between 2,500 and 3,500.
- 2.8** A draft Housing Programme for the city region has been previously prepared in liaison with local authority Housing Directors, housing associations and Homes England, subject to funding becoming available. Subject to the decisions of the MCA, the Housing Board will be asked to lead on engaging with partners to update and refine the list of schemes to create a 5-year housing programme that will be the basis of the pipeline of projects to be delivered by this Fund.

Next Steps

- 2.9** A report will go to the MCA on the 27th July 2020 seeking acceptance of this funding and also proposing the process by which we will seek to accelerate bringing forward business

cases for both the capital schemes and housing schemes over the next 18 months and support their development.

3. Consideration of alternative approaches

3.1 None considered.

4. Implications

4.1 Financial

The £33.6m is being devolved to the SCR as Section 31 grant which allows flexibility in how the LEP/MCA spends the funding. The FBC process will follow the SEP Assurance Framework to ensure proper due diligence and value for money.

The funding for the Major Capital Schemes and any early deliverable brownfield housing schemes will need to be committed by 31 December 2021. The remaining housing funding will need to be committed by 31 March 2025.

Updates on project delivery will be reported to future LEP Board meetings as part of the Programme Delivery report and will be overseen by the relevant thematic boards.

4.2 Legal

Prior to accepting the grants, the MCA will ensure that the conditions are acceptable, and will subsequently put in place arrangements to comply with the grant conditions. The legal implications of acceptance of grant will be fully considered by the S73 officer in conjunction with a representative of the Monitoring Officer.

4.3 Risk Management

Risk management is built into the MCA due diligence processes and project and programme risk are regularly reviewed, and mitigating actions taken if necessary.

4.4 Equality, Diversity and Social Inclusion

None arising from this report. The delivery of infrastructure and housing capital schemes will stimulate economic growth in SCR and therefore contribute to both the economic recovery and improve social inclusion.

5. Communication

5.1 The funding announcement has already been publicised but as individual schemes are delivered there will opportunities for positive communications.

6. Appendices/Annexes

Annex 1 – Proposed Major Capital Schemes Programme

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ. Other sources and references: N/A.