

27th 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, and requests that the MCA agrees to accept the funding and supports the proposals for accelerating delivery of the infrastructure and housing schemes.

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:

- Approve acceptance of the £33.6m Getting Building Fund and grant allocation to deliver the proposed programme outlined in Annex 1 to this report.
- Approve acceptance of the £40m Brownfield Fund grant allocation to deliver a programme of housing schemes on brownfield land for 2020-25, subject to agreement on the terms and conditions set out in section 2.6.
- Approve a new approach to enable earlier release of scheme development costs (as set out in section 2.8) to accelerate the development and delivery of the infrastructure schemes over the next 18 months.
- Delegate authority to the S73 Officer in conjunction with the Head of Paid Service and Monitoring Officer to accept the grants of £73.6m subject to their acceptance of the terms of the agreements when these are received.

1. Introduction

- 1.1 On the 30th June 2020, the Government launched 'A New Deal for Britain' which is set as the first steps in the strategy to rebuild Britain following Covid 19 and fuel economic recovery across the UK
- 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 Infrastructure Schemes from the Government's 'Getting Building Fund' 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 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 aligned 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.

Brownfield Housing Programme

- 2.5 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/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.

- 2.6** At the time of writing the terms of the funding is not clear and no contractual obligations will be entered with MHCLG until the such terms and conditions have been clarified and agreed by the MCA.
- 2.7** It is proposed that The Housing Board will oversee the development of a five year programme of housing schemes consistent with the MCA Assurance Framework and governance arrangements, with investment decisions made by the SCR Housing Board and the MCA in accordance with delegations. An initial task of the SCR Housing Board will be to consider options for the design of the housing programme, for recommendation to the MCA for approval.

Delivery

- 2.8** All schemes will need to be subject to approval through the MCAs Assurance Framework processes and the relevant thematic boards before funding is released. However, for the Major Capital Schemes there will be a need to accelerate business case development and scheme delivery. As such it is proposed to proceed directly to Full Business Case (FBC) and enable early release of capital funding to support business case development and preparatory work.

3. Consideration of alternative approaches

- 3.1** None considered.

4. Implications

4.1 Financial

Subject to the MCA agreeing to accepting the £73.6m funding proposed to be devolved to the MCA, the funding will be received as Section 31 grant which allows flexibility in how the LEP/MCA spends the funding. The FBC process will follow the MCA 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 (to be determined) will need to be committed by January 2022. The remaining housing funding will need to be committed by 31 March 2025.

Updates on project delivery will be reported to future MCA meetings as part of the Programme Delivery report.

4.2 Legal

Subject to the grant conditions being acceptable, arrangements to comply with the grant conditions will subsequently be put in place. 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's due diligence processes and project and programme risks 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.