

SCR HOUSING INVESTMENT BOARD

3 MAY 2018

SCR OFFICES, BROAD STREET WEST, SHEFFIELD

No.	Item	Action
1	<p><u>Welcome and Apologies</u></p> <p>Present:</p> <p><u>Board Members</u> Martin McKervey (LEP) – In the Chair Huw Bowen (Chesterfield BC) Rob Pearson (Homes England) Mike Thomas (SCR CA / Executive Team)</p> <p><u>In Attendance</u> Colin Blackburn, SCR Executive Team Michael Hellewell, SCR Executive Team Chris Collins-McKeown, SCR Executive Team Felix Kumi-Ampofo, SCR Executive Team Andrew Shirt, Joint Authorities Governance Unit</p> <p>Apologies were received from Board Members Mayor Jones (Doncaster MBC) and Owen Michaelson (Harworth Estates)</p>	
3	<p><u>Declarations of Interest</u></p> <p>Rob declared an interest in relation to agenda item 8, due to the applicant organisation seeking funding from Homes England.</p> <p>Rob also declared an interest in a scheme (former Park Gardeners Club site, Sheffield), due to this being a joint investment with Homes England.</p> <p>It was noted that, in relation to forthcoming activity, Board Members may be required to make a declaration of interest.</p>	
4	<p><u>Background to the Housing Fund</u></p> <p>Michael provided the Board with a presentation to outline the background, purpose and progress to date relating to the SCR Housing Fund.</p>	

	<p>Board Members were reminded that, in March 2017 a SCR Pilot Housing Fund (HF) of up to £10m was agreed by the Combined Authority. The Fund would contribute to housing growth in the SCR through enabling / unlocking sites and accelerating activity. Funding would be available to public and private sector partners.</p> <p>It was highlighted that all schemes would undergo rigorous assessment compliant with the SCR's Assurance Framework / Government guidance, tested against the principles of the Fund and subject to robust due diligence.</p> <p>Following the launch of the Housing Fund prospectus on 27 September 2017, the SCR had actively engaged with 29 potential applicants at Expression of Interest stage.</p> <p>Ten schemes had been invited to develop a Full Business Case as part of the 'first wave'. One scheme (former Park Gardeners Club site, Sheffield) had received accelerated funding approval at the Combined Authority held on 9th March 2018 for £517,000 grant funding to unlock a stalled site. This was a joint investment with Homes England delivering 38 affordable homes for rent with completion by June 2019.</p> <p>Nine schemes were progressing to Full Business Case and eight schemes were in the SCR pipeline.</p> <p>It was noted that a lessons learnt report reflecting on the pilot Housing Fund would be presented at the HIEB/CA in summer 2018.</p> <p>RESOLVED – That Members of the Housing Investment Board noted the presentation.</p>	
5	<p><u>Role of the Board and Terms of Reference</u></p> <p>A report was presented setting out the Role of the Board and its draft Terms of Reference. Board Members were asked to provide any feedback on the draft Terms of Reference.</p> <p>Following consideration of the draft Terms of Reference, Board Members felt that the wording needed to be revised to clarify the process in the event that the HIB could not reach consensus and the investment decision needing to be deferred to the LEP for a final recommendation.</p> <p>ACTION: Michael to obtain governance/ legal advice on the above point and a revised draft be presented to the Board at the next meeting.</p> <p>In relation to redacted information contained within the agenda papers, Rob felt that Board Members needed to receive all</p>	MH

	<p>information in order to make appropriate decisions. He queried why the information had been redacted.</p> <p>Chris provided a response, adding that, if there were any variables to a scheme these would be presented to Board Members at the meeting.</p> <p>It was agreed that legal advice would be obtained regarding future provision of confidential information to Board Members.</p> <p>ACTION: Michel to obtain legal advice.</p> <p>RESOLVED – That Housing Investment Board:-</p> <p>i) Noted its Role and draft Terms of Reference.</p> <p>ii) Requested to review its Terms of Reference after the third meeting of the Board.</p>	MH
6	<p><u>Scheme Update / Pipeline and Decision Schedule</u></p> <p>A presentation was delivered to provide Board Members with a scheme update, schemes in the pipeline and a decision schedule which had been reported at the HIEB on 29th March.</p> <p>The Board noted that there had been some slippage within the first wave of the programme. One scheme had received accelerated funding approval. Nine schemes were progressing to Full Business Case and eight schemes were in the SCR pipeline.</p> <p>Following assessment of the Full Business Case/ due diligence and consideration by the Appraisal Panel, Board Members would be asked to consider and endorse one investment scheme recommendation (Nanny Marr Road – Barnsley MBC).</p> <p>RESOLVED – That the Housing Investment Board noted the presentation and decision schedule.</p>	
7	<p><u>Investment Principles: Land Value Uplift</u></p> <p>A report was presented to seek the views of the Board regarding land value uplift which is generated from the use of SCR LGF monies.</p> <p>Board Members were reminded that funding was available to address specific market conditions which act as a barrier to growth. One of the key barriers to development was the cost of site remediation. The views of the Board were requested on a point of policy relating to the consideration of land value uplift.</p> <p>A worked example and a series of questions were set out within the report, requiring Board Members' comments.</p>	

	<p>In addition, a further series of questions were set out within the report asking for Board Members' comments with regards to public sector partners using SCR funds to remediate and de-risk sites and subsequently selling on to private housebuilders.</p> <p>Furthermore, two alternative approaches were set out within the report for Members consideration.</p> <p>Board Members considered the questions and agreed that they would consider requests for land value uplift on a case-by-case basis. There was consensus from Board Members that no public or private sector partner should profit from land value uplift.</p> <p>Rob stated that he would pass on the contact details for colleagues at Homes England who would be able to provide additional knowledge and assistance in this area.</p> <p>ACTION: Rob to provide colleagues contact details on to Chris.</p> <p>RESOLVED – That the Housing Investment Board agreed to consider land value uplift on a case-by-case basis.</p>	RP
8	<p><u>Scheme Recommended for Financial Approval – Nanny Marr Road – Phase 2 (HF Scheme Ref 006)</u></p> <p>A report was presented which provided details of the Nanny Marr Road (Phase 2) Scheme which had progressed through the agreed assurance process for the Sheffield City Region (SCR) Housing Fund (HF). The Scheme was presented to the Board for consideration and funding approval. Local Growth Funds (LGF) of £367,000 would enable the development of 35 new build affordable homes for rent and shared ownership in the Darfield area of Barnsley.</p> <p>The report and supporting annexes provided further detail on the scheme and the applicant (Together Housing Association), with a view to supporting the HIB in reaching an investment decision.</p> <p>RESOLVED – That the Housing Investment Board:-</p> <ul style="list-style-type: none"> i) Reviewed the information presented in the report and supporting annexes and considered the progression of the Nanny Marr Road Scheme to Full Approval and Award of Contract at the cost of £367,000 to the Local Growth Fund (LGF), subject to the conditions set out in the Appraisal Panel Summary. ii) Endorsed the SCR CA Senior Finance Manager (on behalf of the Chief Finance/s73 Officer and the SCR Statutory Officers Group) in carrying out their role in respect of this scheme, in line with the delegated authority received from the CA. 	

9	<p><u>Reporting of Investment Decisions to the Housing and Infrastructure Executive Board and the Combined Authority</u></p> <p>Investment decisions made by the Board would be reported at the Housing and Infrastructure Executive Board on 11 May 2018 and to the Combined Authority on 11 June 2018.</p>	
10	<p><u>Any other Business</u></p> <p>No further matters noted.</p>	
11	<p><u>Date of Next Meeting</u></p> <p>Thursday 31st May 2018, 2:00pm at 11 Broad Street West, Sheffield.</p>	