

OVERVIEW AND SCRUTINY COMMITTEE

26 JULY 2018

18 REGENT STREET, BARNSELEY, S70 2HG

PRESENT Councillor C Furness (Chair)

Councillors: J Ennis, P Innes, A Jones, S Mohammed, Z Naz,
I Saunders, J Shephard, B Steele and A White

Observers: Councillors: K Sarvent

Officers: R Adams, C Blackburn, C Marriott, M McCarthy and C Tyler

Apologies for absence were received from Councillors P Baker,
G Morley, S Peake, K Richardson and P Short

1 APPOINTMENT OF CHAIR/VICE CHAIR

RESOLVED:

1. That Cllr Chris Furness be appointed as Chair of the SCR Overview and Scrutiny Committee for the forthcoming year
2. That Cllr Allan Jones be appointed Vice Chair of the SCR Overview and Scrutiny Committee for the forthcoming year

2 WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies for absence were noted as above.

3 VOTING RIGHTS FOR NON-CONSTITUENT MEMBERS

It was confirmed there were no agenda items for which the non-Constituent members should not have full voting rights.

4 URGENT ITEMS / ANNOUNCEMENTS

None.

5 ITEMS TO BE CONSIDERED IN THE ABSENCE OF PUBLIC AND PRESS

None.

6 DECLARATIONS OF INTEREST BY ANY MEMBERS

None.

7 REPORTS FROM AND QUESTIONS BY MEMBERS

None received.

8 QUESTIONS FROM MEMBERS OF THE PUBLIC

None received.

9 MINUTES OF THE PREVIOUS MEETING HELD ON 26 APRIL 2018 AND MATTERS ARISING / ACTIONS

RESOLVED, that the minutes of the previous meeting held on 28th April are agreed to be an accurate record of the meeting.

10 HOUSING INVESTMENT FUND

A report was received to provide an update on progress with the operation of the Sheffield City Region Pilot Housing Fund (HF) and investment decisions made to date.

The report also sought to respond to the questions made on specific matters at the previous meeting and subsequently.

Members were informed the £10m PILOT Housing Fund (HF) was launched on 27th September 2017, as an initiative supporting the delivery of the SCR's ambitious (70k) new housing target, through unlocking stalled housing schemes and accelerating housing development. Expressions of Interest (EoI) were invited from public and private sector housing providers/ developers and a high level of interest was received.

It was noted early active engagement with 29 potential applicants resulted in 20 Eols being submitted, with schemes received from a range of applicants including Housing Associations, the private sector, Local Authorities and other Partnerships.

Following the EoI stage, 10 schemes have been invited to progress to the Full Business Case (FBC) development phase with one of these schemes replacing two original schemes that were subsequently withdrawn through the due diligence stage. These schemes have the potential to deliver over 1,200 homes (c30% affordable) for a total LGF funding 'ask' of £9.7m. It is estimated that c50% of the funding could be recovered (based on EoIs/FBCs).

Of the 10 FBC schemes, 4 have received funding approval. Full funding approval was achieved for the first scheme within 4 months of receiving the EoI, with the first three schemes within 6 months. The remaining 6 schemes are progressing through the due diligence stage with a view to seeking funding approval by the end of November.

It was noted that to date, c£1.86m of financial support from the SCR HF has been approved (in the form of both loans and grants). This will unlock 123 new homes.

A further 8 schemes are currently in the Housing Fund pipeline ('Pipeline Schemes'), with the potential to deliver a further 3,100 homes for a total LGF funding 'ask' of c£15.4m.

Members were informed of the fluidity of the pipeline process, noting where schemes have been withdrawn and replaced, with decisions taken in relation to standard appraisal processes, supported by independent experts where required.

Members were also informed of the resources and processes in place within the SCR Executive Team to support Project Sponsors to develop their housing schemes; the adoption of 'ethical walls' to ensure independent assessment of projects for investment by the SCR; and the contracting and monitoring processes in place to ensure scheme outcomes are delivered and any funding conditions of award are adhered to. Members were made aware that contracts include 'clawback' mechanisms which could be invoked in the event of non-delivery.

It was noted a lessons learnt report had recently been produced and the findings of which would help strengthen HF processes going forward.

Members were informed of intentions to work up a business case for an extension to the current £10m allocation, to be taken to CA and LEP for consideration on due course.

The Chair questioned the relationship between the SCR's ambition for 70k new houses by 2024 and the Local Authorities' Local Plan timeframes which run to 2034 and asked whether these ought to be aligned. It was noted the SCR target is set out in the SCR Strategic Economic Plan, which has a range of thematic ambitions set against the 2024 timeframe. It was suggested that whilst these have different time horizons, the SEP and Local Plans have similar trajectories for future growth. It was noted annual completions across the SCR has risen steadily over the last few years and it is anticipated the 7k annual net housing delivery target may be surpassed in 2017/18 (figures to be confirmed).

Cllr Jones highlighted the need to embrace innovation and alternate construction methods as a means of achieving the 70k target and questioned whether this figure

could be met when £10m of HF funding will only deliver 1,200 new houses. R Adams noted the HF is only part of the various complex funding arrangements in place for the house building sector, noting this funding is being specifically used to unlock key sites that would otherwise not be deemed readily viable by commercial house builders. It was further noted the SCR seeks to influence the right 'mix' of housing being built through various engagements with Partners and will use its powers of clawback to remove funding should a developer not deliver what they agreed to do, e.g. in respect of affordable housing.

Cllr Steele noted the role played by the districts' Planning Board's and processes in determining what may get built where.

Cllr Shephard sought a further explanation of the new housing figures included in the reports appendices, noting apparent discrepancies. This was provided by C Blackburn who explained the figures are either indicative or confirmed, dependent on where the schemes are in terms of their progression through the business case development process. As such, there is the propensity for some figures to be revised through the due diligence process.

Cllr Shephard asked what was being done to promote innovation in housing. C Blackburn provided a verbal overview of the various initiatives known to officers and under consideration, including modular and off-site building, and methods to improve the green credentials of new buildings to increase energy efficiency and sustainability of homes.

Cllr Jones noted that rainwater harvesting technology is used in Belgium and asked whether the SCR should promote similar initiatives. C Blackburn confirmed all these 'green credential' measures are encouraged in the housing schemes being proposed. The Chair asked whether the SCR has a single, agreed definition of 'affordability'. C Blackburn acknowledged there is no single definition, and different definitions are used by different bodies depending on local needs and circumstances. However, consideration is being given to whether a single consistent definition could be applied across the SCR.

Cllr Jones asked whether more can be done to speed up the approvals process for new housing sites. C Blackburn confirmed this matter remains under continual consideration and where possible, further streamlining of processes will be introduced to help speed up the approvals' process.

Members requested a follow up report be received in 6 months' time to provide feedback on how the HF schemes have progressed.

RESOLVED, that the current progress and performance of the Housing Fund is noted, and Members support the development of a Full Business Case to seek further Local Growth Funding to support the expansion of the Housing Fund.

RESOLVED, that a further update be given on the continued progress of the SCR Housing Fund in six months.

Members were presented with the revised terms of Reference, updated as per the comments received at the previous meeting.

Members questioned whether the section pertaining to chairing arrangements was appropriate given the decisions taken by the CA in respect of having an 'appropriate' Chair, rather than an 'independent' Chair.

It was agreed this section should be revised to reflect the current situation (**Action: C Marriott / C Tyler to amend this section of the ToR**)

RESOLVED, that Members approve the Terms of Reference and request the above amendment be made in relation to chairing arrangements.

12 FORWARD PLAN OF KEY DECISIONS

Members were reminded they are now in regular receipt of updates regarding all decisions taken by, or under delegation of, the CA, as means to generate future items for consideration and call-in where required.

13 OSC WORK PLAN

Members were reminded of the opportunity to engage in the Committee's agenda determination workshops, held periodically and convened by the Scrutiny Officer. It was noted the details of the workshops would be circulated in due course.

Members were also encouraged to continue to provide suggestions for future agenda items to the Scrutiny Officer.

CHAIR