

18 July 2018

To: Members of the Sheffield City Region Combined Authority Overview and Scrutiny Committee

Appropriate Officers

NOTICE OF MEETING

You are hereby summoned to a meeting of the Sheffield City Region Combined Authority Overview and Scrutiny Committee, to be held at Barnsley Town Hall, Church Street, Barnsley, S70 2TA at 2.00 pm on Thursday 26 July 2018 for the purpose of transacting the business set out in the agenda.



Diana Terris
Clerk to the Combined Authority

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This matter is being dealt with by:

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Member Distribution

Councillors:

P Baker (Sheffield CC), Z Naz (Sheffield CC), J Ennis (Barnsley MBC), C Furness (Derbyshire Dales), P Innes (Chesterfield BC), A Jones (Doncaster MBC), S Mohammed (Sheffield CC), G Morley (North East Derbyshire DC), S Peake (Bolsover DC), K Richardson (Barnsley MBC), I Saunders (Sheffield City Council), J Shephard (Bassetlaw DC), P Short (Rotherham MBC), B Steele (Rotherham MBC) and A White (Doncaster MBC)

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OVERVIEW AND SCRUTINY COMMITTEE

2.00 PM, 26 JULY 2018

Barnsley Town Hall
Regent Street
Barnsley
S70 2TA

AGENDA

	Item	Page
1	Appointment of Chair/Vice Chair	
2	Welcome and Apologies	
3	Voting Rights for Non-Constituent Members	
4	Urgent Items / Announcements	
5	Items to be Considered in the Absence of Public and Press	
6	Declarations of Interest by any Members	
7	Reports from and Questions by Members	
8	Questions from Members of the Public	
9	Minutes of the Previous Meeting held on 26 April 2018 and Matters Arising / Actions	1 - 8
Items for Discussion		
10	Housing Investment Fund	9 - 18
11	Revised OSC Terms of Reference	19 - 30
12	Forward Plan of Key Decisions	
13	OSC Work Plan	
Date of next meeting: 25 October 2018 at 1.00 pm in Barnsley Town Hall		

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OVERVIEW AND SCRUTINY COMMITTEE

26 APRIL 2018

BMBC COUNCIL CHAMBER - BARNESLEY TOWN HALL

PRESENT Councillor J Shephard (Chair)

Councillors: Z Naz, C Furness, P Innes, W Johnson, A Jones and I Saunders

Observers: Councillors: K Sarvent

Officers: R Adams, F Boden, M Gladstone, C Marriott, M McCarthy and C Tyler

Apologies for absence were received from Councillors S Mohammed, G Morley, S Peake, P Short, B Steele and A White

1 WELCOME AND APOLOGIES

Members' apologies were noted as above.

2 VOTING RIGHTS FOR NON-CONSTITUENT MEMBERS

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

It was noted the matters to be considered at item 10 only concerned the Constituent districts but the item is an update for noting and no vote is anticipated.

3 URGENT ITEMS/ANNOUNCEMENTS

None.

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

None.

5 DECLARATIONS OF INTEREST

None.

6 REPORTS FROM AND QUESTIONS BY MEMBERS

Cllr Jones asked suggested an 'actions report' should be presented as part of the meeting to help Members identify progress made against outstanding actions amidst the minutes and additional information provided.

It was confirmed this would be incorporated into future 'matters arising reports' to provide this information to Members (**Action: R Adams / C Marriott**).

7 QUESTIONS FROM MEMBERS OF THE PUBLIC

None.

8 MINUTES OF THE PREVIOUS MEETING HELD ON 25 JANUARY 2018

RESOLVED, that the minutes of the meeting held on 25th January are agreed to be a true and accurate record.

9 MATTERS ARISING REPORT

A report was presented to provide Members with an update on matters arising from the previous meeting on 25 January 2018.

As requested at the previous meeting, Members were provided with a full list of all schemes funding by the Local Growth Fund.

Cllr Furness questioned the amount of funding allocated to the Peak Resort scheme and sought an assurance this scheme was definitely going ahead. R Adams used this as an opportunity to remind Members of the salient stages of the scheme assurance framework process and noted that this, like all schemes, are subject to periodic reviews and where applicable the conditions of award are assigned to help manage any identified risks.

It was confirmed a more detailed presentation on any LGF funded scheme could be provided to the Committee as requested. Cllr Furness requested a presentation be provided on the Peak Resort project (**Action: R Adams, C Marriott to schedule into the Committee's Work Plan**)

Cllr Jones welcomed the provision of the information and suggested a workshop could be convened for Committee Members to learn more about the processes a representative scheme goes through from initial inception to contract and award (**Action: C Marriott to work up this proposal**).

Cllr Furness reminded Members it had previously been agreed to look at whether the Committee could undertake 'site visits' to learn more about major schemes **(Action C Marriott to work up this proposal)**.

10 SUPERFAST SOUTH YORKSHIRE BROADBAND PROGRAMME

A report was presented to provide Members with an update on the progress achieved by the Superfast South Yorkshire (SFSY) Project.

Members were reminded that in September 2014, Barnsley MBC (on behalf of the four South Yorkshire authorities), entered into a contract with BT worth £21.93m to deploy broadband services across the region, primarily to locations where broadband deployment is not commercially viable. The contract will provide 97.9% coverage of superfast broadband, covering over 102,000 residential and business premises.

It was further noted the original contract was increased in February 2016 to £28m following injection of an additional £2.4m of SCRIF funding to provide ultrafast coverage at Enterprise Zones and Business Parks, with speeds of up to 330Mbps being made available.

Members were informed the programme is currently deploying the 10th of its 12 scheduled delivery phases.

Regarding future projects, Members were informed that based on recent work undertaken to ascertain the number of business premises that are unable to access speeds above 24Mbps, the SFSY partners have agreed to progress an additional procurement exercise to further extend fibre broadband coverage for businesses across South Yorkshire. An OJEU compliant procurement exercise is therefore seeking to secure a private sector partner to deliver this programme and the outcome of this process it anticipated to be known by early summer 2018.

Cllr Furness asked whether the Derbyshire Dales district is covered by the scheme. It was noted the project principally covers South Yorkshire, but a similar scheme (Digital Derbyshire) does cover the Derbyshire Dales.

It was confirmed coverage currently covers 95% of the county and the project remains on track to meet its objective. However, it was acknowledged the principal delivery partner (BT Openreach) is approximately 3 months behind the expected delivery profile, and payments have been re-profiled accordingly. Reasons for why delivery might have been delayed, such as the discovery of unexpected sub-surface complexities, were noted.

Cllr Jones questioned BT Openreach's commitment to the project and whether the additional OJEU procurement exercise was intended to help identify an alternate delivery partner. M Gladstone advised Members that his professional judgement is that BT Openreach are taking the project seriously and noted that as they operate effectively as a monopoly, they remain under the close scrutiny of not just the SCR but also the Government.

Cllr Jones questioned why residents and businesses were not getting the speeds promised by the Internet Service Providers. M Gladstone reminded Members the SFSY project is providing the necessary 'to-cabinet' infrastructure but this is essentially separate to the commercial 'cabinet to premises' services provided by the commercial sector with whom businesses and residential premises have contracts to receive notional broadband speeds. Members were therefore reminded that any service dispute needs to be raised with the commercial internet service provider.

Cllr Saunders requested a report on the SCR district's collated superfast broadband's capability (**Action: C Marriott to scope out**).

It was acknowledged there are varying estimates of what minimum line speeds might be considered 'appropriate' in the future.

Members requested further information regarding what areas are still to be provided with access to superfast broadband (**Action: C Marriott and officers to provide**).

Cllr Saunders indicated there were maybe some discrepancies in reports on SFSY provided to various past Committees and requested these be investigated. Cllr Saunders also proposed a single item meeting be convened to address these discrepancies if founded (**Action: C Marriott and officers to investigate this matter further, to provide Members with a further update as appropriate and offer advice on whether an additional meeting is required**).

RESOLVED, that Members note the content of the report.

11 UPDATE ON MAYORAL ELECTION

With the Sheffield City Region Mayoral election just one week away, Members were presented with an update on the timetable of events and the measures in place to conduct the election.

The report also reminded Members of the powers the Mayor will assume on taking office.

Members were reminded the setting of a mayoral budget and mayoral salary remain predicated on the requirement to achieve consensus on these issues by the Combined Authority Constituent Members.

RESOLVED, that Members note the content of the presentation.

12 SCR OVERVIEW & SCRUTINY COMMITTEE DRAFT TERMS OF REFERENCE

Members were presented with the revised Committee Terms of Reference and advised of the changes made to the previous version.

It was requested the wording at paragraph 2.1 '*The terms of reference for the Overview and Scrutiny Committee and its work programme will be subject to an annual review by the Combined Authority*' be checked against relevant statutory guidance to ensure compliance. It was confirmed the wording is taken from the Combined Authorities' Order 2016.

Regarding the proposal that '*The Committee will meet on a quarterly basis with additional meetings called as and when required*'. Members requested additional dates be pencilled into the meetings schedule (to give the Committee some pre-determined opportunities to meet monthly if required), which may be removed from the diary as required. It was acknowledged the inclusion of additional dates might lead to an unintended consequence with diary congestion to address (**Action: C Marriott to lead discussion on this matter at the planned OSC Members' Workshop scheduled for June 2018**).

Cllr Furness suggested these could be used as pre-determined call-in dates and help manage Members' ability to attend.

Members questioned whether the requirement for three Members to trigger a call-in in excessive and if a two Member threshold might be more appropriate. Varying opinions on this matter was considered.

Cllr Furness suggested Members might be minded to review why the Combined Authority currently doesn't webcast its meetings.

13 ACHIEVING QUORACY

A report was received inviting Members to formally review the Committee's governance arrangements in respect of helping achieve the required quoracy threshold of two thirds of Members to be present at meetings by the introduction of a Scheme of Substitute Arrangements ("the Scheme") and other innovations.

As discussed at previous meetings, It was proposed that Scheme of Substitution would help achieve quoracy by permitting an ordinary OSC Member to delegate his or her representation to a fellow Member, providing the substitute is of the same representative of the same Local Authority and of the same political group (thus maintain a requirement for the OSC to remain politically proportionate).

Further details were provided in respect of how this Scheme might operate in practice.

It was acknowledged it is effectively the Councils who would appoint substitute Members, rather than the standing Members themselves, and agreed this will be written into the draft Scheme.

RESOLVED, that the Committee:

1. Endorses the proposed OSC Scheme of Substitute Arrangements and agrees this be submitted to the SCR Combined Authority for ratification.

2. Endorses the introduction of video conferencing and more direct reporting on members' attendance as additional means of achieving quoracy
3. Notes the intention not to review the size or composition of the Committee's membership (other than the usual exercise following each round of local government elections).

14 FORWARD PLAN OF KEY DECISIONS

Members were presented with the Forward Plan of Key Decision being taken by the Combined Authority and thus subject to being called-in by the Scrutiny Committee.

It was noted this Forward Plan now contains decisions which are taken at the Business Investment Fund and the Housing Investment Board meetings as they have delegated authority to make decisions (under £2m in value) on behalf of the Combined Authority.

Members considered what might be their primary means of communication with the Scrutiny Officer in respect of receiving updates to the Forward Plan and thus facilitate the Committee's ability to call-in or request more information about decisions. It was agreed these communications would be best undertaken by email (**Action: C Marriott to continue to provide Members with the updated Forward Plan of Key Combined Authority decisions by email**).

15 OSC WORK PLAN

Members were presented with the updated Committee work programme.

It was agreed that the work plan would be discussed in more detail at the OSC Member Workshop in June 2018.

It was noted the revised Terms of Reference would be presented for final consideration and agreement at the next meeting.

CHAIR

Actions update from the SCR Overview and Scrutiny Meeting held on 26th April 2018

Action Owner	Action	Update	Status
Craig Tyler / Christine Marriott	To provide an 'actions report' update for each meeting to help ensure all actions are followed up	The actions report will be presented at each subsequent OSC meeting.	CLOSED
Christine Marriott	To receive a presentation on the Peak Resort project at a future meeting	This will be added to the Committee work Programme once an appropriate date has been agreed with officers and the project sponsor	OPEN
Christine Marriott	To convene a workshop for Members to learn more about the processes a representative LGF scheme goes through from initial inception to contract and award	This will be added to the Committee work Programme once an appropriate date has been agreed with officers. This will take up one of the 'informal' meeting slots	OPEN
Christine Marriott	To convene 'site visits' for Committee Members to witness SCR-funded schemes at first hand	This will be added to the Committee work Programme once an appropriate date has been agreed with officers. These will take up some of the 'informal' meeting slots	OPEN
Christine Marriott	<p>Actions related to Superfast Broadband provision</p> <ul style="list-style-type: none"> To receive more information on the SCR districts' collated superfast broadband's capability To receive further information regarding what areas are still to be provided with access to superfast broadband To investigate suggestions of 'discrepancies' in reports on SFSY provided to various past Committees 	<p>Following the previous meeting, further work was undertaken with the lead project officers to address the questions raised at the meeting. This has been subsequently shared verbally and by email with those Members raising the issues.</p> <p>Suggested 'discrepancies' were identified as differences in project update positions due to the passage of time.</p> <p>At a recent OSC Members' agenda setting workshop. Members suggested there may be</p>	CLOSED

		merit in the OSC conveying a bespoke task and finish group to look at the Superfast project in more detail is the information provided is still considered unsatisfactory.	
Craig Tyler	To embed the OSC's new policy and capability in respect of substitute Members (as a means of achieving quoracy)	All district Democratic Services Teams have been informed of the substitutes policy and all are in the process of taking appropriate reports to their next Full Council meetings	OPEN
Christine Marriott	To continue to provide Members with the updated Forward Plan of Key Combined Authority decisions by email	This process has been embedded in the Member support policy	CLOSED

26th July 2018

OVERVIEW & SCRUTINY COMMITTEE

SCR HOUSING FUND: UPDATE

Key Decision? Yes No

If this is a Key Decision, please state which category ...

Expenditure/Saving of +£250k Affects two or more districts

Strategic Priority (tick all relevant boxes)

Business and Innovation Place Research and Innovation
 Skills Transport

Purpose of Report

To provide an update on progress with the operation of the Sheffield City Region Pilot Housing Fund (HF) and investment decisions made to date. It also sets out responses to several specific questions raised by Scrutiny Board Members both at the meeting on the 25th January 2018 and subsequently.

Freedom of Information and Schedule 12A of the Local Government Act 1972

The paper will be available under the Combined Authority Publication Scheme. Information on individual schemes has been anonymised in the report to protect commercially sensitive information.

Recommendations

Overview and Scrutiny Committee are asked to:

- Review the current progress and performance of the Housing Fund and input their views prior to the development of a Full Business Case to seek further Local Growth Funding to support the expansion of the Housing Fund.

1. Introduction

- 1.1 Sheffield City Region (SCR) needs to build more homes of all types and tenure; 70,000 new homes are required by 2024 to support economic growth¹.
- 1.2 In March 2017 the Combined Authority (CA) established a Pilot SCR Housing Fund (HF) of up to £10m from Local Enterprise Partnership (LEP) Local Growth Fund (LGF)². The

¹ SCR Strategic Economic Plan (SEP): <https://sheffieldcityregion.org.uk/explore/our-strategic-economic-plan/>

² Minutes of the SCR CA meeting held on Wednesday 22nd March 2017:

<http://meetings.southyorks.gov.uk/ieListDocuments.aspx?CId=366&MId=3393&Ver=4&zTS=B>

HF has a clear aim of contributing to housing growth in the SCR through enabling/ unlocking sites and accelerating the delivery of new homes. It is intended as a 'fund of last resort' targeted at schemes which would not go ahead without LEP support.

2. The Current SCR HF Programme

- 2.1** The SCR HF was launched on 27.09.2017. Expressions of Interest (EoI) were invited from public and private sector housing providers/ developers, with a deadline of 15.11.17. There have been high levels of interest in the HF:
- Active engagement with 29 potential applicants at EoI Stage;
 - Received 20 EoIs³ (a conversion rate of c70%), seeking c£25m+;
 - Schemes from a range applicant - including Housing Associations, Private Sector, Local Authorities and Partnerships.
- 2.2** Following the EoI stage, 10 schemes have been invited to progress to the Full Business Case (FBC) development phase. 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 FBC schemes:
- 3 schemes have received funding approval (**see Section 2.3**);
 - 7 schemes are progressing to FBC development (**Annex A** provides an indication of when these schemes are likely to come forward for appraisal/ funding approval).
- 2.3** To date, c£1.23m of financial support from the SCR HF has been approved (in the form of both loans and grants). This is forecast to unlock 98 new homes – see **Annex B** for details. The HF schemes approved to date have also received support from Homes England, but with SCR funds proving essential to making the schemes deliverable. A further 8 schemes are currently in our pipeline ('Pipeline Schemes'), these have a potential to deliver over 3,100 homes for a total LGF funding 'ask' of c£15.4m

3. Responses to specific questions raised by the OSC

- 3.1** At the previous meeting Members highlighted several issues they wished to explore in further detail. The responses to each of these is set out below.
- 3.2 How are HF schemes assessed and evaluated?**
The HF was designed/ developed and continues to operate in line with National Guidance. As the SCR HF draws upon LEP LGF funding; appraisal and assurance is required to comply with the requirements of the SCR Assurance Framework. To ensure that HF investment can be made in a timely and effective way, the Housing Investment Board (referred to in the OSC report of January 2018) has now been established. The first meeting was on 3rd May 2018. **Annex C** provides a summary of the process that all schemes go through prior to consideration by the HIB.
- 3.3 How is the HF contributing to the targets in the Strategic Economic Plan?**
As part of the process set out in **Annex C**, schemes are assessed in terms of their contribution to wider economic objectives/ measures. Examples include:
- Construction jobs supported (including where employees were previously unemployed);
 - Apprenticeships supported;
 - Construction contract spend;

³ Due to the high quality of applications received and not necessarily because of any significant shortcomings in the submissions, two schemes were not invited to proceed either as FBC or pipeline schemes.

- **Hectares of contaminated land reclaimed.**
Annex D sets out more information on what is considered to make a good scheme.

3.4 How many schemes are in rural areas?

The table at **Annex E** provides details of the location (by Local Authority area) for each of the scheme categories detailed in **Section 2**.

3.5 How do we ensure schemes support both local and SCR priorities around transport, skills and affordable housing?

As part of the Strategic Case, schemes are required to demonstrate how they contribute to SCR SEP. The HF also requires applicants to explain how the scheme is compliant with statutory plans and processes, including planning policy, economic/ housing growth strategies, transport needs assessment and provision of education. Schemes will not receive financial support from the SCR without endorsement from the relevant Local/ Planning Authority. Where this is not in place in advance of a funding decision it forms a requirement of the contract/ funding agreement.

- ### 3.6
- Schemes should, as a minimum, meet the policy requirement in relation to affordable housing. Two of the three schemes approved to date have exceeded this requirement, delivering 100% affordable housing on the site.

4. Proposal and Justification - Building on the Success of the SCR Housing Fund

4.1 The SCR Housing and Infrastructure Executive Board (HIEB) (29.06.18), agreed that the Pilot phase of the SCR HF had demonstrated a strong demand for a flexible, responsive and locally administered fund to support additional housing development. The Board supported the proposal to seek additional LGF funds to grow the SCR HF, in order to:

- Allow the majority (if not all) of the schemes in our 'pipeline' to be invited to move to the FBC development phase;
- Provide some funding flexibility to consider additional new housing schemes subject to an appropriate process.

Work is progressing on developing the FBC for submission in the Autumn 2018.

5. Consideration of alternative approaches

5.1 **Do nothing (no further funds to support the HF)** – SCR would continue to rely on national housing investment programmes which are often significantly over-subscribed and do not address the type/ scale of issues present in SCR/ northern areas.

Do something at a smaller scale (a nominal additional allocation) - The SCR HF would have a reduced impact. Some pipeline schemes, many of which have been assessed positively through initial appraisal, would remain unfunded.

Do More (operate a significantly larger SCR HF) – Ability to fund good schemes which have been assessed positively through initial appraisal, as well as to consider opening the HF to significantly more new schemes. This is not possible within the current parameters of available LGF and other resources, and would require significant additional devolved funding to implement.

6. Implications

6.1 Financial

The 'Financial Case' is considered on a scheme-by-scheme basis forming an important part of the assessment, appraisal and due diligence process. This includes testing the case for the type of funding support requested (e.g. loan or grant).

SCR Executive Officers will continue to engage with Government Departments/ Agencies to align national funding streams alongside the SCR Housing Fund, avoiding duplication and maximising the monies available for SCR projects.

6.2 Legal

Legal factors (including State Aid implications) are considered on a scheme-by-scheme basis and form an important part of the assessment, appraisal and due diligence process. Standard SCR Contracts are issued to schemes which gain funding approval. There are no legal issues directly resulting from this report.

6.3 Risk Management

Risks are considered on a scheme-by-scheme basis forming an important part of the assessment, appraisal and due diligence process. A full analysis of risks is carried out as part of the development of the FBC.

6.4 Equality, Diversity and Social Inclusion

Housing is a central factor contributing to increased levels of inclusion across SCR. Early evidence from the SEP refresh cites that the diversity of the housing offer in the SCR as fundamental to both the growth and inclusion agendas. Schemes supported by the SCR HF will provide a range of housing types and tenures, including affordable homes for rent and shared ownership.

7. Communications

7.1 To date the HF has received positive media attention at a local, City Region and national level across a range of media outlets (e.g. press, sector publications, social media). Of note is the positive feedback received in relation to the speed of decision-making and the innovative approach taken by SCR. As schemes begin to deliver activity on the ground and as HF supported homes become ready for occupation, there will be further communication opportunities.

8. Appendices/Annexes

- 8.1** ***Annex A:*** FBC Scheme Status & Decision Schedule
Annex B: HF Schemes Approved to date
Annex C: Summary of the Appraisal/ Assurance Process
Annex D: What does a good scheme look like? (Source: SCR HF Prospectus)
Annex E: Schemes Status/ Applicant Type by Local Authority Area

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Background papers used in the preparation of this report are available for inspection at:
Sheffield City Region Combined Authority Offices, 11 Broad Street West, Sheffield, S1 2BQ.

Other sources and references:

Overview and Scrutiny Committee Report (25th January 2018): SCR Housing Fund

<http://meetings.southyorks.gov.uk/ieListDocuments.aspx?CId=383&MId=3698&Ver=4&zTS=B>

Annex A

Full Business Case Scheme Status & Decision Schedule (as at 10th July 2018)

Project Name	Local Authority Area	Status/Comments	No. of Units	Total LGF Funding (£)	Grant/ Loan	FBC Due	FBC Received	Target Appraisal Panel Date	Target Funding Decision (HIB)	Notification of Investment Decision
Former Park Gardeners Club (001)	Sheffield	Approved by MCA 09/03/18	38	517,060	Grant	30.03.18	28.01.18	01.03.18	09.03.18	HIEB: 29.03.18
Nanny Marr Road Ph2 (006)	Barnsley	Approved by HIB 03/05/18	35	367,500	Grant	30.03.18	30.03.18	19.04.18	03.05.18	HIEB: 11.05.18 MCA: 11.06.18
Leach Lane, Mexborough (002)	Doncaster	Approved by HIB 31/05/18	25	350,020	Grant & Loan	30.03.18	30.03.18	16.05.18	31.05.18	HIEB: 29.06.18 MCA: 30.07.18
Project 004	Chesterfield	Outstanding issues/ questions for clarification	350	1,793,588	Grant & Loan	30.03.18	30.03.18	09.08.18	24.08.18	HIEB: Tbc MCA: 30.07.18
Project 005	Chesterfield	Some clarification responses received, due diligence ongoing	203	1,550,000	Grant & Loan	30.03.18	30.03.18	09.08.18	24.08.18	HIEB: Tbc MCA: Tbc
Project 007	Sheffield	Outstanding issues/ questions for clarification	53	750,000	Grant	30.04.18	30.04.18	09.08.18	24.08.18	HIEB: Tbc MCA: Tbc
Project 008	Sheffield	Outstanding issues/ questions for clarification	98	1,000,000	Loan	18.05.18	18.05.18	09.08.18	24.08.18	HIEB: Tbc MCA: Tbc
Project 009	Barnsley	Outstanding issues/ questions for clarification	25	632,000	Grant & Loan	18.05.18	18.05.18	28.06.18	25.07.18	HIEB: Tbc CA: 30.07.18
Project 010	Rotherham	Outstanding issues/ questions for clarification	16	720,000	Grant	18.05.18	18.05.18	05.09.18	Sept - date Tbc	HIEB: Tbc MCA: Tbc
Project 015	Bassetlaw	Invited to progress to FBC/ due diligence	400	2,000,000	Grant & Loan	17.08.18		20.09.18	Oct - date Tbc	HIEB: Tbc MCA: Tbc
TOTAL			1,243	9,680,168						

Annex B

SCR Housing Fund: Schemes Approved

Three schemes approved to date...

Former Park Gardeners Club (Sheffield)

- Delivery Partners: The Guinness Partnership
- Grant of £517k to unlock a stalled site
- 38 affordable flats for rent

Nanny Marr Road (Darfield, Barnsley)

- Delivery Partners: Together Housing Group
- Grant of £367k for vital site remediation
- 35 homes for rent/ shared ownership

Leach Lane (Mexborough, Doncaster)

- Delivery Partners: Fenwood Estates
- SCR funding of £350k (50:50 grant/ loan) for vital site remediation
- 25 homes targeted at first time buyers



Sheffield
City Region

Currently approved schemes: key metrics...

- First scheme approved at the Combined Authority on 9th March:
Less than 4 months since initial application (Eol).
- A further two schemes approved by the
Housing Investment Board in May.
- Approval of **c£1.23m of financial support from SCR**
(both loan and grants) to unlock/ accelerate
the delivery of **98 new homes**.
- **Based on the three approved schemes:**
 - Cost per home (SCR investment): **c£12,550**
 - Recoverability rate: **c15%**
 - Private sector investment unlocked: **£5.3m**
 - Homes England investment: **c£5.2m**

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Annex C

Summary of the SCR Housing Fund Appraisal/ Assurance Process

Set out below is a summary of the process that all schemes go through prior to consideration by the HIB.

1. The SCR Executive Team have developed bespoke documentation for both the Expression of Interest and the Full Business Case stages.
2. The development of these documents was guided by the four main principles of the HF:
 - a. Confirmation that the SCR HF was truly the fund of last resort;
 - b. Confirmation of the sources of other (public and private) funds to be invested;
 - c. Eliciting evidence to confirm additionality and the need for public funding
 - d. securing some form of financial return so the fund can be recycled.
3. Scoring frameworks were designed with suitable and agreed weightings enabling all Eols and FBCs to be independently appraised.
4. The process is guided by HM Treasury's Green Book and prevailing guidance produced by the Ministry of Housing, Communities and Local Government/ Homes England to estimate the Benefit Cost Ratio and Value for Money for each scheme (via the SCR Housing Appraisal Tool)⁴.
5. Each scheme is appraised in line with HM Treasury Green Book Guidance – with applicants providing information to enable schemes to be assessed against five 'cases' (Strategic, Commercial, Economic, Financial and Management).
6. Working across SCR's appraisal, housing, finance and legal teams; further clarification is sought to aid appraisal and decision making.
7. The SCR Appraisal Panel review the output of the Assurance Team, making recommendations which are considered by the HIB and which form the basis of agreed contract conditions for schemes which receive funding approval.

⁴ The SCR Housing Appraisal Tool has been reviewed by experts in central government. It is viewed as in accordance with current national guidance for appraising housing schemes.

Annex D

Extract from the SCR Housing Fund Prospectus (p7)

(available to all potential applicants at the Expression of Interest stage)

WHAT DOES A 'GOOD' SCHEME LOOK LIKE?

A strong submission will clearly demonstrate that:

1. The scheme cannot proceed without support from SCR's Housing Fund and that there are no alternative funds currently available.
2. The scheme is deliverable, and that the timescales are realistic. The scheme must deliver additional new housing units which otherwise would not be delivered and/or accelerate housing delivery.
3. The scheme is supported locally. Applicants will need to evidence that there is Local Authority support for the proposed scheme. In particular, evidence of compliance/ alignment with planning policy, growth strategies (economic and housing) and objectively assessed housing need will need to be clearly set out.
4. The scheme contributes towards the SCR's strategic aims and demonstrates strong links to SCR's ambitions for economic growth, as well as alignment to any wider funding/ interventions (e.g. accessibility, sustainable transport). Location is key and priority will be given to schemes which support housing growth in, or with good links to the 7 identified growth areas and existing urban centres set out in the SCR IIP.
5. The scheme will address housing needs of the neighbourhood. Applicant will need to demonstrate the contribution of the proposed new homes to SCR (and Local Authority) housing targets and provide evidence of market demand (or need) for the scale and type of housing development proposed.
6. The scheme overall represents good value for money, and that all information has been provided to carry out an initial value for money assessment.
7. All risks have been considered, and actions identified to mitigate the risks, including an early assessment of State Aid implications.
8. The Applicant has demonstrated they have the capacity and experience/ expertise to deliver the proposed scheme.
9. There is commitment from the delivery partners to provide funds from other sources (public and/or private). **Typically, the Housing Fund will not 100% fund any scheme.**

Annex E

Scheme Status/ Applicant Type by Local Authority Area

	Engagement at Eol Stage				Eol Submitted				Assessed as 'good schemes' (meet the minimum HF criteria)				Current Status							
	Public Sector	Housing Assoc.	Private Sector	Public/Priv Partnership	Public Sector	Housing Assoc.	Private Sector	Public/Priv Partnership	Public Sector	Housing Assoc.	Private Sector	Public/Priv Partnership	FBC Development				Pipeline			
													Public Sector	Housing Assoc.	Private Sector	Public/Priv Partnership	Public Sector	Housing Assoc.	Private Sector	Public/Priv Partnership
Barnsley	2	1	1		1	1	1		1	1	1		1	1					1	
Bassetlaw			2				1				1				1					
Bolsover			1				1				1								1	
Chesterfield	2				2				2				2							
Derbyshire Dales																				
Doncaster	2		1		2		1		2		1				1		2			
North East Derbyshire																				
Rotherham	2		1		1		1		1		1		1						1	1
Sheffield	2	3	5	2	2	2	3	2	2	2	2	2	2	2	1		1			1
South Yorkshire Wide			1																	
Sheffield City Region Wide			1				1													
	10	4	13	2	6	3	9	2	6	3	7	2	4	3	3	0	3	0	3	2
				29					20								10			8
								1 scheme withdrew as was in pipeline, and decided to sell land				1 scheme withdrew as successful in receiving alternative funding					Application received via SCRIF 'open call' and signposted to HF			Application received via SCRIF 'open call' and signposted to HF

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26 July 2018

OVERVIEW & SCRUTINY COMMITTEE

Revised Terms of Reference for Overview and Scrutiny Council

Key Decision? Yes No

If this is a Key Decision, please state which category ...

Expenditure/Saving of +£250k Affects two or more districts

Strategic Priority (tick all relevant boxes)

Business and Innovation Place Research and Innovation
 Skills Transport Cross Cutting

Purpose of Report

To approve the amendments to the SCR Overview and Scrutiny Committee Terms of Reference to reflect the change required following the election of the Mayor and to reflect legislative changes since the last Terms of Reference was approved.

Freedom of Information and Schedule 12A of the Local Government Act 1972

Under the Freedom of Information Act this paper and any appendices is available under the Combined Authority Publication Scheme.

Recommendations

Members are asked to approve the Terms of Reference.

1. Introduction – Key Points and Reason for Report

- 1.1 The SCRCA had a Mayor declared as elected on 4th May 2018 (election on 3rd May). Under legislation the Mayor will become the Chair of the Authority and will have to appoint a Deputy Mayor from the other Members of the Authority. These changes mean that the Authority's Constitution was amended in June 2018.
- 1.2 In addition, The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 was not referenced in the previous Terms of Reference.
- 1.3 The opportunity has been taken to update the Overview and Scrutiny Committee Terms of Reference.

2. Proposal and justification

- 2.1 Amend and update the Terms of Reference; needed to reflect the election of the Mayor and changes in legislation.

2.2 The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 gives Combined Authorities a clear structure and framework in which the scrutiny committees should operate, namely:

- The appointment of Members
- The appointment of the Chair
- Quoracy
- Who can refer matters to the scrutiny committee
- Additional rights of access to documents for members of the scrutiny committee
- Key decisions and the Forward Plan

2.3 The requirements noted in point 2.2 have been incorporated into the revised Terms of Reference.

3. Consideration of alternative approaches

3.1 Do nothing – this is not appropriate as it would not reflect the structure of the Combined Authority or statutory requirements.

4. Implications

4.1 **Financial**
None.

4.2 **Legal**

The Terms of Reference must be changed to comply with The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 and the changes in the Mayoral Combined Authority Constitution.

4.3 **Risk Management – Are there any risks associated with implementing the preferred option? If so, how do you plan to manage these risks?**
None.

4.4 **Equality, Diversity and Social Inclusion ([Equality Act - Public Sector Equality Duty](#))**
The updated Terms of Reference acknowledges the need to have a diverse representation which is reflective of the local communities, including gender and ethnicity.

5. Communications

5.1 None.

6. Appendices/Annexes

Appendix 1 - SCR Overview and Scrutiny Committee Draft Terms of Reference

The following section is a legal requirement

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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: None.

SCR Overview and Scrutiny Committee Draft Terms of Reference

Document Properties

Change Record

Version	Revision	Author	Description	Date
1.0	0	C M Marriott	Initial Draft	February 2018
1.0		C M Marriott	Final Draft	June 2018

Document Approval

Approving Body or Person	Role (review, approve)	Date

1. Aims, Objectives and Priorities

- 1.1 The Authority's Overview and Scrutiny Committee shall have the following terms of reference:
- a. To act as a focus for the monitoring, scrutiny and challenge of the Authority, its committees and Officers and South Yorkshire Passenger Transport Executive (SYLTE);
 - b. To investigate matters of strategic importance to residents and businesses within the Sheffield City Region and to report with recommendations to the Authority or SYLTE;
 - c. To scrutinise the decisions of the Combined Authority, its committees and Officers and the major or strategic decisions of SYLTE and to make recommendations for improvement and/or change;
 - d. To review the performance of the Combined Authority and SYLTE.
- 1.2 The terms of reference for the Overview and Scrutiny Committee and its work programme will be subject to an annual review by the Combined Authority.
- 1.3 The Overview and Scrutiny Committee shall have power to:
- a. invite Members to attend before it to answer questions;
 - b. invite other persons, including members of the public, to attend its meetings;
 - c. review or scrutinise decisions made or other action taken in connection with the discharge of any functions which are the responsibility of the Combined Authority;
 - d. make reports or recommendations to the Combined Authority with respect to the discharge of any functions which are the responsibility of the Combined Authority.
- 1.4 The Overview and Scrutiny Committee's power to review or scrutinise a decision made but not implemented under paragraph 1.3(c) above includes the power to recommend that the decision be reconsidered by the Authority.
- 1.5 Where the Overview and Scrutiny Committee makes a report or recommendation under paragraph 1.3(d) above it may:
- a. publish the report or recommendations;

- b. by notice in writing require the Combined Authority to:
 - i. Consider the report or recommendations;
 - ii. Respond to the Overview and Scrutiny Committee indicating what (if any) action the Authority proposes to take; or
 - iii. If the Overview and Scrutiny Committee has published the report or recommendations under paragraph 1.5(a) above, publish the response.

1.6 The Overview and Scrutiny Committee will receive records of recent discussions made by the Combined Authority and its Executive Boards for consideration.

2. Appointment of Members

2.1 The Combined Authority must appoint such a number of members of each of the constituent councils to the Overview and Scrutiny Committee, so that the members of the committee taken as a whole reflect (so far as reasonably practicable) the balance of political parties for the time being prevailing among members of the constituent councils taken together.

2.2 Within the period of 28 days beginning with the day on which an appointment is made to the Overview and Scrutiny Committee, a notice will be published on the Sheffield City Region Combined Authority website that:

- a. states that it has made an appointment;
- b. identify each member of the committee who has been appointed; and
- c. specifies the period for which the members of the committee have been appointed.

3. Appointment of the Chair

3.1 The Overview and Scrutiny Committee may appoint an independent person as chair in accordance with The Combined Authorities (Overview and Scrutiny Committees, Access to Information to Audit Committees) Order 2016.

3.2 Where the Mayor is not a member of a registered political party, a person may not be appointed as chair of the Overview and Scrutiny Committee if that person is:

- a. a member of the registered political party which has the most representatives among the members of the constituent councils on the combined authority, or

- b. Where two or more parties have the same number of representatives, a member of any of those parties.

4. Diversity

- 4.1 The SCR is committed to diversity and the Overview and Scrutiny Committee will have regard to ensuring they have diverse representation which is reflective of the local communities, including gender and ethnicity.

5. Quoracy

- 5.1 Two-thirds of the total number of members of the Overview and Scrutiny Committee must be present at a meeting before business may be transacted.

6. Meetings and Transparency

- 6.1 The committee will meet on a quarterly basis with additional meetings called as and when required.
- 6.2 The Overview and Scrutiny Committee meetings will be held in public and webcast live.
- 6.3 Agendas and reports will be available on the Sheffield City Region website at least five clear working days before the meeting to which they relate.
- 6.4 The draft minutes of each meeting will be published on the Sheffield City Region website within 10 clear working days of the meeting taking place. The agreed minutes of each meeting will be published within 10 clear working days after approval at the subsequent meeting.
- 6.5 All meetings will be held at Barnsley Town Hall, Church Street, Barnsley S70 2TA.

7. Voting

- 7.1 Each member of the Overview and Scrutiny Committee appointed from the constituent council is to have one vote and no member is to have a casting vote.
- 7.2 Members of the Overview and Scrutiny Committee who are appointed other than from the constituent councils shall be non-voting members of the committee but may be given voting rights by resolution of the combined authority.
- 7.3 Any questions are to be decided by a simple majority of the members present.

7.4 If a vote is tied on any matter it is deemed not to have been carried.

8. Referral of matters to the Overview and Scrutiny Committee

8.1 The following individuals may refer matters to the SCR Overview and Scrutiny Committee which is relevant to the function of the committee (or sub-committees):

- a. Any member of the SCR Overview and Scrutiny Committee
- b. Any member of the Combined Authority
- c. Any member of a constituent council or non-constituent council of the Combined Authority.

8.2 The Overview and Scrutiny Committee will consider the matters referred and place the matter on their work programme for further discussion.

8.3 If the matter referred is not placed on the committee's work programme the member making the referral will be notified with the decision and the reason why the item will not be discussed further by the committee.

9. Additional rights of access to documents for members of the Overview and Scrutiny Committee

9.1 A member of the Overview and Scrutiny Committee (or sub-committee) is entitled to a copy of any document which:

- a. Is in the possession or under the control of the combined authority or the mayor.
- b. Contains material relating to:
 - i. Any business that has been transacted at a meeting of a decision-making body of the Combined Authority, or
 - ii. Any decision that has been made by an individual member of the Combined Authority.

9.2 a. Members of the Overview and Scrutiny Committee are not entitled to a copy of a document or part of a document which contains exempt or confidential information, unless it is relevant to an action, review or decision that the member is reviewing or scrutinising.

- b. Members of the Overview and Scrutiny Committee are not entitled to a copy of a document or part of a document which contains advice provided by a political adviser.

9.3 Where the Combined Authority or the Mayor determines that a member of an Overview and Scrutiny Committee is not entitled to a copy of a document a written statement setting out its reasons for that decision must be made available to the member.

10. Call In

10.3 Three members of the Overview and Scrutiny Committee (or the Combined Authority) will be required to “call in” a Combined Authority Board decision.

10.2 The Call-In request must be received by the SCR Scrutiny Officer within five working days of the decision being published.

10.4 If a decision has been called in, a meeting will need to be convened to consider the issue and make recommendations.

10.5 The Overview and Scrutiny Committee can put a stop to the implementation of the decision for up to 14 days to allow for the Overview and Scrutiny Committee to meet with Combined Authority Officers and for required information to be presented.

10.6 The Overview and Scrutiny can make the following decisions when considering a Call-In item:

- a. Take no further action and let the decision stand.
- b. Refer the matter back to the Combined Authority with a recommendation that the decision be reconsidered (with reasons) and if agreed, place a stop on the implementation of a decision whilst it is under scrutiny

10.7 The Chair of the OSC may attend the Combined Authority to present the OSC’s findings.

11. Key Decisions and Forward Plan

11.1 Key Decisions must be published on Sheffield City Region Combined Authority’s website 28 days prior to the decision being made.

11.2 Sheffield City Region Combined Authority (SCRCA) define a ‘Key Decision’ as a decision of a decision maker, which in the view of the SCRCA Overview and Scrutiny Committee is likely:

- a. To result in the SCR CA (or Mayor) incurring expenditure in excess of £250k, or the making of significant savings in excess of £250k, having regard to the SCRCA’s budget for the service or function to which the decision relates

- b. To be significant in terms of its effects on persons living or working in an area comprising two or more districts in the area of the SCRCA

11.3 A quarterly plan of Key Decisions will be published on the Sheffield City Region Combined Authority website and updated at least once every 6 weeks.

Background Papers

- The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017
- Sheffield City Region Combined Authority Constitution (2015)
- Sheffield City Region Overview and Scrutiny Call-In Procedure
- Sheffield City Region Key Decision Policy

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