

SHEFFIELD CITY REGION HOUSING INVESTMENT BOARD

31 MAY 2018

Present

Mayor Ros Jones CBE, Doncaster MBC (Chair)

Board Members

Martin McKervey, LEP

Huw Bowen, Chesterfield BC

Rob Pearson, Homes England

Officers

Michael Hellewell, SCR Executive Team

Chris Collins-McKeown, SCR Executive Team

Felix Kumi-Ampofo, SCR Executive Team

Simon Tompkins, SCC / SCR Executive Team

Craig Tyler, South Yorkshire Joint Authorities

Apologies for absence were received from Board Members: Owen Michaelson (LEP), Mike Thomas (SCC / SCR Executive Team) and Colin Blackburn (SCR Executive Team)

1 **WELCOME AND INTRODUCTIONS**

The Chair welcomed everyone to the meeting.

2 **APOLOGIES**

Members' apologies were noted as above.

3 **DECLARATIONS AND REGISTERS OF INTEREST**

As Leader of the sponsoring Authority, Mayor Jones declared an interest in the matters to be discussed at item 7 (Scheme recommendation for approval: Leach Lane, Mexborough, Doncaster) and took no part in the discussion in respect of this scheme.

4 **DRAFT MINUTES OF THE PREVIOUS MEETING – 3RD MAY 18**

The minutes of the previous meeting held on 3rd May 2018 were agreed to be a true and accurate record.

All actions were noted to be complete with the following exception:

Action: Rob to provide Chris with additional contact details for colleagues in Homes England who will be able to provide additional knowledge and assistance with land value uplift matters

5 **UPDATED TERMS OF REFERENCE (FOR AGREEMENT)**

The Board was presented with the revised, proposed Terms of Reference (ToR).

It was suggested there are some inconsistencies in respect of references alluding to the relationship between the Board, other strategic bodies (CA, LEP, HIEB) and the role of the Senior Finance Manager which potentially complicate the understanding of whether HIB truly makes decisions or whether it makes recommendations that permit decisions to be taken by the Senior Finance Manager.

Action: Michael to revise the wording to make the relationships clearer, particularly in respect of the role of the Senior Finance Manager

It was suggested the ToR needs to confirm what courses of action may be taken by the Senior Finance Manager should a majority consensus not be achieved by the HIB membership.

The members gave theoretical consideration to the Board's fundamental rationale, discussing whether this is essentially to perform a scrutinising role, or a true decision making role.

It was acknowledged the Board's capability to truly scrutinise decisions is somewhat limited by the amount of information made available to it and there is therefore a need to quantify how it should best utilise the expertise and advice provided to it by external, knowledgeable advisors who (it was agreed) may be party to additional information not necessarily admissible at HIB meetings.

It was noted the Board's expectation will be that expert advisors will have shared as much information as they are able to do (given the membership of Board and considering issues such as commercial sensitivities), to help the Board ensure its decisions are as well informed as can be.

It was agreed the Board will also be somewhat dependant on the advice and guidance of the SCR Assurance Team (who draw on external expertise where required, for example in relation to State Aid or to analyse the financial standing of private sector applicants) who will have undertaken considerable due diligence in respect of all potential schemes prior to being received by the Board as recommendations.

It was noted potential schemes are assessed against a HF Full Business Case Supporting Information Checklist which will be shared with the Board to support future discussions/ recommendations.

Action: Chris to provide the FBC Checklist for each scheme approval as part of the Private Pack circulated

Bearing these points in mind, it was agreed the Board's role is essentially to scrutiny schemes AND make informed judgements and decisions, based on the provision of the best available advice, for the Senior Finance Manager to then sign off and take forward, recognising the Board can't be held wholly responsible for any failures to recoup loan investments should these be due to unforeseen reasons.

It was acknowledged the Board must operate within the confines of, and accordant with, the SCRs Assurance Framework (which is endorsed by Government), whilst considering that information provided by Officers will have been assessed in line with prevailing Government guidance.

Action: Michael to capture the Board's comments in the final iteration of the ToR

6 **SCHEME UPDATE/PIPELINE AND DECISION SCHEDULE**

The Board was provided with the scheme pipeline update and decision schedule.

This provided information regarding the 2 schemes approved for the receipt of funding, the 8 schemes currently progressing to Full Business Case, and the further 8 schemes currently in the pipeline.

The Board was assured that immediate action is taken when it is known a scheme can't deliver against its agreed profile and advised of what changes to the programme have also been made in this respect.

It was confirmed loan interest rates will have been determined by the contracts team (based on the receipt of expert advice) prior to a recommendation to award a loan being presented to HIB, and it therefore won't be the responsibility for HIB to determine or set interest rates.

It was confirmed a rankings protocol helps determine which schemes in the reserve list/pipeline will receive prioritised consideration should a scheme be unable to proceed through FBC within the agreed timescale.

It was noted up to 7 schemes could be presented to the next HIB meeting, although this is unlikely and some schemes are more likely to be presented to future meetings.

Action: Michael, Chris, Craig to determine a schedule for additional HIB meetings, based on the expected timings of investment decisions

7 **SCHEME RECOMMENDED FOR FINANCIAL APPROVAL: LEACH LANE, MEXBOROUGH, DONCASTER**

A report was received to provide details of the Leach Lane Scheme, and to request the Board's consideration of this scheme.

Members were advised of the main matters for consideration.

RESOLVED, that the Board:

1. Notes the information presented in this report and supporting annexes and agrees to the progression of the Leach Lane Scheme to Full Approval and Award of Contract at a cost of £350,020 subject to the conditions set out in the Appraisal Panel Summary.
2. Endorses the SCR MCA / LEP Senior Finance Manager (on behalf of the Chief Finance/ s73 Officer and the SCR Statutory Officers Group) to carry out their role in respect of this scheme, in line with the delegated authority received from the MCA.

8 **REPORTING OF INVESTMENT DECISIONS TO THE HOUSING AND INFRASTRUCTURE EXECUTIVE BOARD AND THE COMBINED AUTHORITY**

It was confirmed the Board's decisions in respect of Item 7 will be reported to the forthcoming meetings of the Combined Authority (11th June) and the Housing and Infrastructure Executive Board (29th June).

Associated communications in respect of these and the other decisions taken by the Board will be undertaken.

9 **ANY OTHER BUSINESS**

No further matters noted.

CHAIR