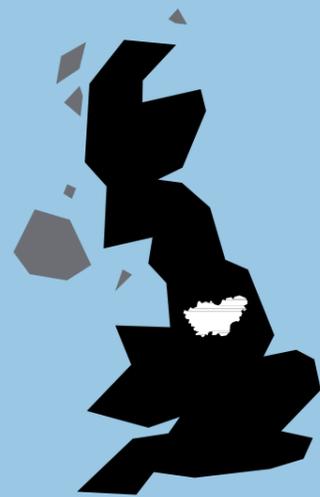




Brownfield Housing Fund – Rolling Open Call Prospectus

February 2024



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West Bar Development, Sheffield City Council and urbo

Background

In June 2020, the Government launched ‘A New Deal for Britain’ which was set as the first step in the strategy to rebuild Britain following Covid-19 and fuel economic recovery across the UK.

As part of this strategy, £53m of capital has been allocated to the South Yorkshire Mayoral Combined Authority (SYMCA) for supporting the development of housing schemes, to be started on brownfield land up to March 2025.

SYMCA has now allocated this funding pot, pending the necessary business case and assurance processes with an output target of 3,300 new homes to be ‘unlocked’ and ‘started on site by 2025

This funding builds upon the previous Housing Fund enabling SYMCA to 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 launch of a rolling Brownfield Housing Fund Open Call 2024 will provide an opportunity to forward Expressions of Interest (EOI)s in the event of any future BHF allocation from the Government. This open call will enable SYMCA to develop a pipeline of deliverable schemes in the event of future BHF or similar allocations from the Government

In summary:



£53m total funding



3,300 target of new homes to be ‘unlocked’ and ‘started on site’ by March 2025

SYMCA will prioritise open call schemes based on how well they deliver against the principles, set out in our [Strategic Economic Plan](#), of Stronger, Greener, Fairer. The inherent risks and overall deliverability of the scheme will also be evaluated.

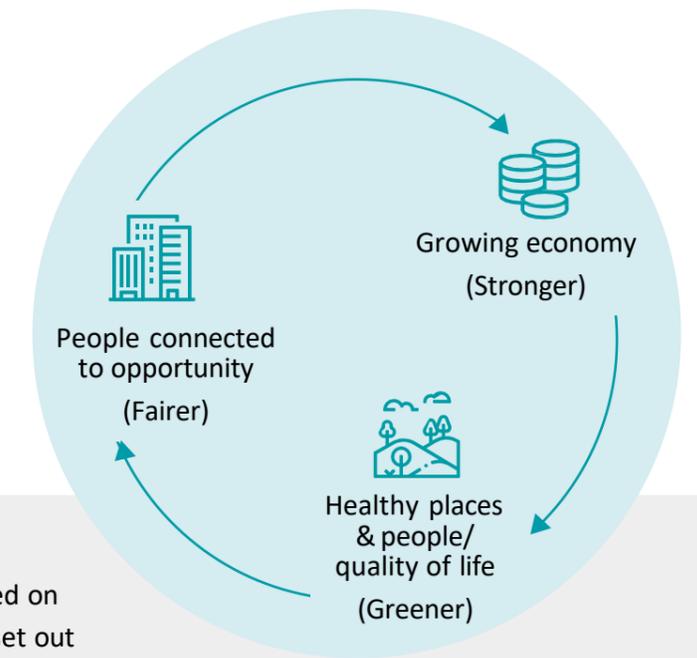
All schemes will be assessed in accordance with the <https://southyorkshire-ca.gov.uk/getmedia/cffd4e88-a3db-442a-977a-32c555186ac0/Draft-Assurance-Framework-2023-v3.pdf> to ensure due diligence and value for money.

More details on how schemes will be evaluated and assessed can be found in later sections.

The main purpose of the Open Call is to identify new schemes eligible for future BHF funding and longer term development opportunities.

Schemes that offer elements of innovation that raise the quality and standards of homes across South Yorkshire are particularly welcome.

Therefore, even if you do not have a scheme that would meet the BHF criteria, we would still like to hear from you about potential future housing opportunities.



Brownfield Housing Fund

What is the purpose of the Brownfield Housing Fund?

The purpose of the current brownfield housing fund is to 'unlock' housing development on brownfield sites to enable new homes to achieve a start on site by March 2025.

The SYMCA has a target of unlocking 3,300 homes by March 2025 for our total BHF allocation of £53m. The intervention rate necessary to achieve this target is c£11.5k-£16k per home unlocked, ; this intervention rate will be considered when assessing future schemes but higher intervention rates should not prevent scheme promoters from applying. Other key factors like the overall Value for Money of the scheme will also be assessed.

Who can bid for funding?

Funding is available to a wide range of public and private sector partners across the housing sector (subject to the production of a compliant Business Case, as well as Value for Money and Subsidy Control considerations), including:

- Local Authorities within South Yorkshire
- Housing Associations/Registered Providers
- Private Sector Developers (subject to Subsidy Control compliance), including SMEs
- Any other Housing Developers (i.e third sector / community cooperatives)



Nightingale School Housing Redevelopment Project, Doncaster Council



What type of investments/ schemes can the Housing Fund (Brownfield) support?

The Fund will support a range of financial interventions that enable the development of housing (which would otherwise not happen), on brownfield land.

Eligible capital expenditure could be;

- Off-site infrastructure
- Neighbourhood infrastructure (including public realm, place-making interventions) which enhance assets
- Site Remediation and demolition to prepare sites for housing
- On site infrastructure
- Direct delivery of new homes
- Site acquisition and land assembly
- Capacity to support any of the capital delivery activity detailed above where it is directly attributable to the creation or maintenance of a capital asset



Doncaster Council's successful grant bid for £1.57m of Brownfield Housing Fund for the redevelopment of the former Nightingale School site will be used alongside HRA and Homes England funding to bridge a viability gap. Without this funding Doncaster Council would have been unable to deliver the project.

Nightingale School Housing Redevelopment Project / Doncaster Council

To achieve the aspirations in the Strategic Economic Plan, the Fund will particularly prioritise projects that include:

- Enhanced energy efficiency standards;
- Decarbonised heat measures;
- Modern Methods of Construction;
- Adaptable and accessible properties to support local needs.

The MCA will determine the most appropriate investment type and will consider various options including 100% loans (with flexible and bespoke terms), part-recoverable funds, non-recoverable funds (grant), and other bespoke solutions to meet the requirements of individual schemes.

Compatibility with Other Funding

The MCA encourages co-funding of schemes where the opportunity exists. MCA investments should always add the maximum value and this should be clearly proven and evidenced by the applicant.

Early discussion with other funding bodies is needed to ascertain compatibility. If there is a query about a particular type/source of funding, please contact the MCA to discuss.

Fund Assessment Criteria

What does a 'good' scheme look like?

Every scheme must:

- be on brownfield land and should have an evidenced rationale for taxpayer intervention. Projects with the highest additionality will be prioritised;
- be 'unlocked' with units started by 31 March 2025;
- achieve a minimum Benefit Cost Ratio (BCR) of 1. SYMCA will support promoters to calculate BCR to comply with HM Treasury Green Book assessment principles.



'Good' schemes would:

- Contribute strongly towards each of the MCA's strategic policy objectives ([growth, inclusion and sustainability](#)). This must be evidenced, and applications will be assessed and prioritised on this basis. Location is key and priority will be given to schemes which support housing growth in the key Growth Areas (see list below). Housing within existing urban centres or with good sustainable travel links will be preferred.
- Consider all risks, and mitigating actions identified (including an early assessment of Subsidiary Control implications)
- Be deliverable. Applicants to demonstrate they have the plan, capacity and expertise to deliver the proposed scheme on time.
- Be inclusive. Schemes would deliver affordable housing in-line with planning policy, result in reasonably priced homes, and offer a range of options which are commensurate with the local earnings and the vision for the area.
- Address a market failure. Applicants will demonstrate how public subsidy is required to bring forward sites which the housing market would not otherwise be developed.
- Align with the ambitions of other relevant investment funds, for example the Town Deal Fund, High Street Fund, the Transforming Cities Fund and the City Region Sustainable Transport Settlement.
- Be supported locally. Evidence of compliance/ alignment with planning policy, local authority growth strategies (economic and housing), and objectively assessed housing need will have to be clearly set out
- Be sustainable/ be working towards net zero. The SYMCA and all Local Authority areas have net zero carbon targets – housing plays a large role in this. Applications should evidence that everything possible has been done to achieve net zero on new developments.

The City Council has adopted an overarching strategy of opening up rivers, often hidden underground and or behind overgrown and derelict sites, for them to act as a catalyst for regeneration. The SYMCA funding is helping to realise the considerable potential that this site offers by making a riverside site available for redevelopment. The enhanced setting offered by the pocket park should encourage high quality development in this location, which in turn should help regenerate the wider area.

Porter Brook Naturalisation Project / Sheffield City Council

How would schemes be scored / prioritised

How would schemes be scored / prioritised

1. Strategic Dimensions

(How well does the scheme follow themes set out in the Strategic Economic Plan)

• SEP Core Principle - 'Greener' - examples:

- i. Low carbon credentials of the scheme – embedded/ in-delivery/ in-life
- ii. No gas solutions will be heavily prioritised
- iii. Biodiversity net gain
- iv. How well the scheme is served by existing or planned transport links

Scoring: Points available between 1-10

• SEP Core Principle – 'Fairer' – examples;

- i. Delivering or exceeding affordable housing
- ii. Good mix of type and tenure
- iii. Placemaking
- iv. Inclusive design

Scoring: Points available between 1-10

• SEP Core Principle – 'Stronger' – examples;

- i. Schemes that create vibrant, densified, liveable urban centres
- ii. Enhance built environment to create more attractive and affordable places
- iii. Scale of development unlocked
- iv. Money leveraged from public + private investment (local spend)
- v. Creation of new jobs and apprenticeships

Scoring: Points available between 1-10

Note:

Schemes must score a minimum of 20 points from the 30 available above to proceed – meaning the project (at a minimum) would need to score strongly for at least two of the core principles and not detrimental to any of the core principles.



• SEP Principle – 'Innovation' – examples;

- i. Will this opportunity allow the MCA to be a 'Change Agent'?
- ii. Will this opportunity allow the MCA to enable transformational change?
- iii. Is this scheme piloting a new technology, way of financing, new materials or building methods, etc?

Score: Scheme includes elements of innovation - Yes/No/Maybe

• SEP Principle – 'Focusing on Growth Areas' - Right Thing, Right Place

- i. Priority will be given to schemes in the key Growth Areas from the SEP:
 - o Sheffield and Doncaster city centres
 - o Barnsley, Rotherham, town centres
 - o Advanced Manufacturing Innovation District
 - o Doncaster Unity
 - o Goldthorpe in the Dearne Valley
 - o Gateway East/Doncaster Sheffield Airport
- ii. If schemes don't fall within these Growth Areas, consideration will be given to accessibility by public transport to regional centres and employment zones.

Score: Points available between 1-10

2. Management Dimension

How deliverable is the scheme overall?

• Deliverability – will consider (but not limited to) questions below;

- i. Can the scheme be delivered within the BHF timeframe?
- ii. Is the land in ownership/ exclusivity period?
- iii. How likely is the scheme to pass the Value of Money assessment?
- iv. Is commitment from delivery partners evident – resources available, etc?
- v. Will finance be available?
- vi. Is other funding compatible with BHF?

Score: Points available between 1-5

Note:

Schemes must score a minimum of 3 points to proceed from the 5 available above – meaning the project is (at a minimum) deliverable within BHF timeframes with some identified intervention/ acceleration

MCA Assurance Process

Stage 1 – Mandate/ ‘Open Call’ - Before acceptance to the BHF Programme

All applications will be scored and prioritised based on the principles above to determine eligibility. Prioritised schemes will proceed onto the pipeline. If further BHF funding is we will adopt the following process

Stages 2-4 - Business Case Development - After acceptance to the BHF Programme

Applicants will be supported to develop their schemes to produce high-quality, compliant business cases. Progress through the stages does not guarantee MCA funding but all schemes will be actively supported throughout in the most appropriate way. You can find the <https://southyorkshire-ca.gov.uk/getmedia/cffd4e88-a3db-442a-977a-32c555186ac0/Draft-Assurance-Framework-2023-v3.pdf> on our website under ‘Mayoral Combined Authority Procedures.’ Please familiarise yourself with this before you begin the application process.

All enquiries and questions are welcomed at any stage.



Release of funding for project development

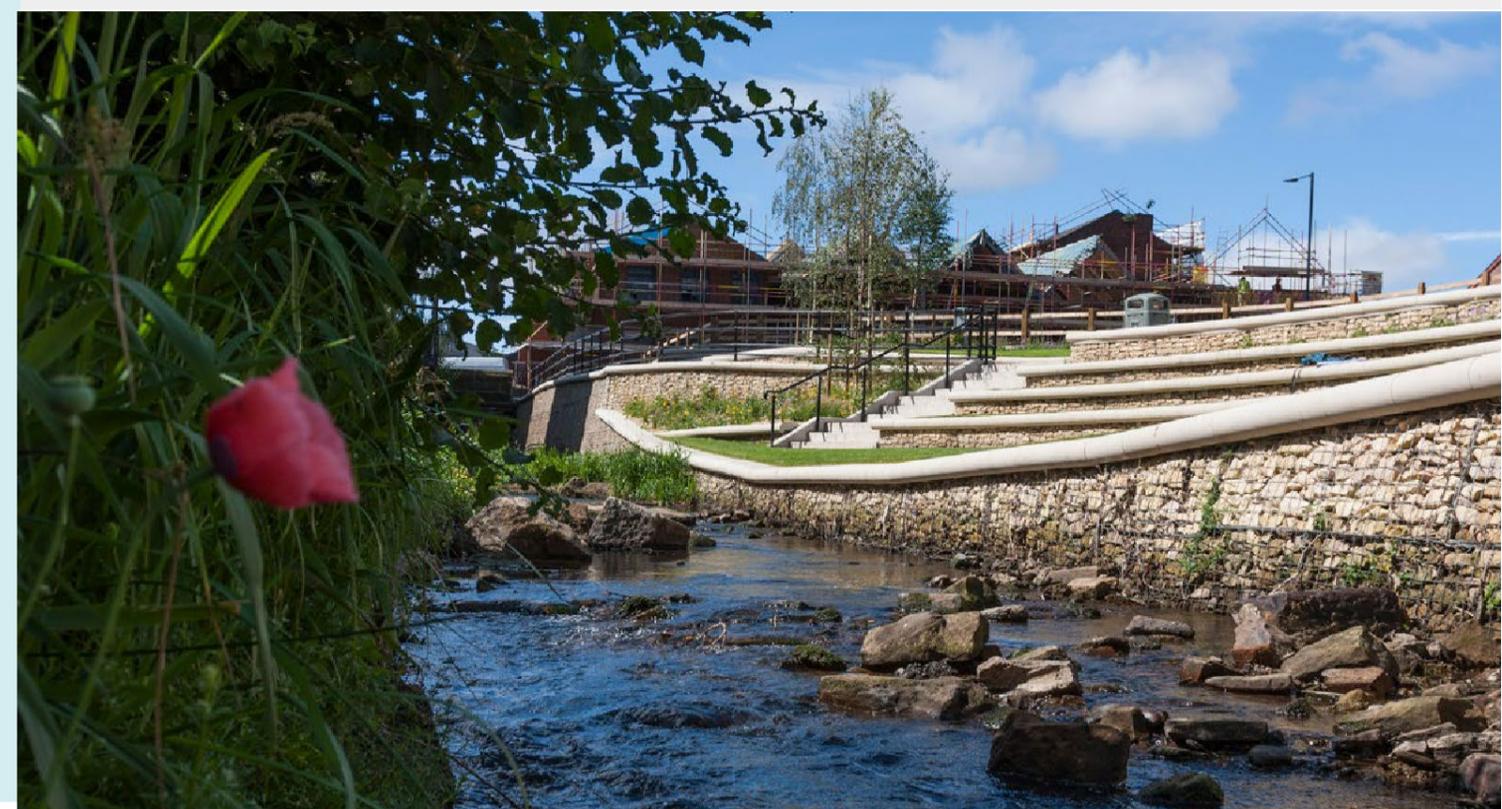
In some circumstances revenue funding may be available to develop schemes – the terms of this funding are project specific and can be discussed with the SYMCA programme manager when making an application. In most instances, clawback on this funding will be applied if the scheme does not go ahead.

Terms and Conditions

For approved schemes, the grant recipient will claim funding either monthly or quarterly in arrears. Progress will be monitored against the agreed contract and delivery arrangements.

Glossary / Definitions

BHF	Brownfield Housing Fund
BJC	Business Justification Case (for schemes under £1m)
FBC	Full Business Case (for schemes over £1m)
HIB	Housing and Infrastructure Board
MCA	Mayoral Combined Authority
OBC	Outline Business Case
SEP	Strategic Economic Plan
SBC	Strategic Business Case
Start on Site	Housing units considered to have achieved a start on site when foundations are started
SYMCA	South Yorkshire Mayoral Combined Authority
Unlocked	Sites considered to have been unlocked when development begins



Porter Brook Matilda Street Naturalisation Project, Sheffield City Council

FAQs

- **How much can I apply for?**

There is no set limit to the amount that can be applied for but it should be noted that (as mentioned above) within the current BHF programme SYMCA has a target of unlocking 3,300 homes with our total BHF allocation of £53m; and the intervention rate necessary to achieve this target is therefore between c£11.5-£16k per home. This intervention rate will be considered when assessing schemes, but higher intervention rates do not prevent scheme promoters from applying because the overall Value for Money of the scheme will also be considered.
- **When will I have certainty over funding for my scheme?**

When your scheme goes through final approval for the last relevant business case stage (BJC or FBC) money will be ringfenced until contract execution. It is likely that the BHF will be overprogrammed. Scheme promoters will be kept up to date on the continued availability of funding.
- **My organisation would need certainty over BHF before statutory processes and procurement are complete – is that possible?**

As a minimum the SYMCA would expect scheme designs to be finalised and planning comments received and integrated before a BJC/ FBC is submitted. It's understood scheme promoters may not wish to tender without funding confirmation and in this instance, if all other activity has been completed, a BJC/FBC can be submitted based on up to date cost estimates. If the scheme is approved at HIB/MCA, monies will be reserved for a short period for procurement to be finalised. At which point, BJC/FBC's are updated with final costs and returned to HIB/MCA to final approval to release fund and contract.
- **Does acceptance to the BHF pipeline mean money is ringfenced for my scheme?**

No. Acceptance to the pipeline offers no guarantee of funding. It is the opportunity to apply through the MCA assurance process. If future funding becomes available to the SYMCA

- **Is there funding support to develop business cases?**

Revenue funding could be made available to support the acceleration in the development of scheme business cases, but these will be considered on an individual scheme basis once schemes have been accepted on the project pipeline. If accepted, funding between 2% to 14% of the total funding ask could be released early to contribute to site investigations, planning and design fees, estimating development costs, and towards other actions needed to develop a scheme to funding approval. There is space in the business case templates to state what this money would be used for. Should the scheme not go ahead, the terms for its repayment are considered on a scheme by scheme basis and will be set out in a contract after approval is given by the HIB/MCA to proceed.

- **What are the relevant deadlines for delivery?**

There are no deadlines at this stage, but we are interested in schemes which could achieve a start in site by March 2025

- **What land value appraisal methodology is acceptable for BHF applications?**

A RIBA red book valuation is required.

- **What profit level is acceptable for BHF applications?**

A 'reasonable' level of profit is expected and will be assessed on a project-by-project basis

- **Would conversion schemes be considered 'brownfield'?**

Yes, BHF can consider housing conversion schemes of existing buildings, not just new housing schemes on brownfield sites.

- **Can I access support to write my business cases?**

Once accepted to the BHF pipeline, the SYMCA offers support to develop and review your business cases. A high level of guidance and advice will be available for the development of the economic case (value for money/ BCR) section so we can ensure a consistent and compliant methodology is applied.

Contact Details

Where can I find more information and support?

For the most up to date information, please visit our dedicated [Funding and Finance webpage](#).

If you would like help in completing your [Expression of Interest Form](#), have queries about the application process, or want to have an informal chat about your proposed scheme, please contact our Gateway Team (contacts below).

To apply, the Expression of Interest (EoI) Form needs to be filled out and emailed to BHF@southyorkshire-ca.gov.uk

Any queries please email BHF@southyorkshire-ca.gov.uk.





SYMCA details

South Yorkshire Mayoral Combined Authority

11 Broad Street West
Sheffield
South Yorkshire
S1 2BQ

0114 220 3400

enquiries@southyorkshire.ca.gov.uk

