

REPORT OF: **HOUSING, HEALTH AND ECONOMIC DEVELOPMENT
SERVICES MANAGER**

TO: **SPECIAL BUDGET EXECUTIVE**

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BROWNFIELD SITES FUND

PURPOSE OF REPORT

To provide an update on progress with bringing forward brownfield sites for development

RECOMMENDATIONS

To note the progress with bringing forward brownfield sites for development

REASONS FOR RECOMMENDATIONS

To ensure that Members are kept informed

ISSUE

1. The Capital Programme includes £1.5m to assist with bringing forward brownfield sites for development.
2. A report was taken to the Executive in September 2015 proposing how the Brownfield Sites Fund should be used. It was agreed that the Fund should be used in a way that is appropriate to an individual site and that the Executive should give individual funding approvals. The Executive asked for further update reports to be submitted.
3. A Notice of Motion was submitted to Council in October 2015 about the Brownfield Sites Fund and it was agreed:
 - (a) that in view of the limited size of its brownfield fund, it is desirable if possible, to use it to match-fund any government funding made available for Pendle in order to maximise its impact;

- (b) that it would be unwise to allocate any of the Council's brownfield fund until the Government has announced the arrangements for allocation and use of its own proposed funding for brownfield housing sites and whether any of it is made available to Pendle;
- (c) that work on bringing forward brownfield housing sites in Pendle should continue to take place as a priority.

Current Funding Position

- 4. For some months we have received indications from the Homes and Communities Agency (HCA) that there would be a brownfield sites fund and they expected an announcement in the Spending Review and Autumn Statement 2015.
- 5. In the Spending Review it was announced that the government will double the housing budget from 2018-19 to deliver at least 400,000 affordable homes including 200,000 Starter Homes. The government subsequently announced on 4th January that they were creating a £1.2bn Starter Home fund to prepare brownfield sites for new homes. The definition of a Starter Home is one that would be sold to first time buyers under 40 and would be sold at a maximum of 80% of market value. The £1.2bn is intended to fast-track the creation of at least 30,000 new Starter Homes and up to 30,000 market homes on 500 new sites by 2020, helping to deliver the commitment to create 200,000 Starter Homes. There is still no detail about how this scheme will operate but it is apparent that Starter Homes are a key priority for the Government and it is where they wish to target brownfield funding.
- 6. A pilot scheme for Starter Homes funding was announced by HCA in 2015 where £10m was available nationally to bring forward brownfield sites that were not currently designated for housing. We developed a bid for this funding but the conclusion we reached was that the money we would get from this grant, which could only be used for remediation, would not be enough to offset the need for the properties to be sold at a maximum of 80% of market value. HCA have indicated that the new Starter Homes fund is likely to be more flexible than the pilot programme.

Priority Sites

- 7. Through PEARL we are currently working to bring forward several brownfield sites for development, both within Pendle's ownership and in private ownership. This is so that we are in a good position to bid for funding when the criteria for Starter Homes funding is known, if this is the best option for the site. There may still be a need to use some of our own Brownfield Sites Fund as well on these sites.

Clitheroe Road, Brierfield

- 8. This is a former HMR clearance site and work is due to start on site in February, subject to final approval of the Builders Finance Fund loan application to the HCA. This site will not require any additional funding.
- 9. The sites below that are being looked at may require funding to make them viable. Progress on these is set out below:

Bright Street, Colne

10. This is a former HMR clearance site in Pendle's ownership. PEARL have been working with Together Housing to see if we can develop a viable scheme with some or all of the properties being affordable. Following the Government's announcement that Registered Providers needed to reduce their rent charges by 1% per annum all Registered Providers have been reassessing their business models. Subsequently we have been informed that unallocated funding from the Affordable Homes Programme 2015-18 is now no longer available. We now need to look again at what housing tenure will be best on this site as affordable rent is unlikely to be possible.

Bankhouse Road, Bradley

11. This is a former HMR clearance site, predominantly in Pendle's ownership but with some outstanding interests still to acquire. We have been working with Together Housing and LCC to see if an Extra Care Housing could be developed. This is now looking unlikely due to uncertainty over future revenue funding from LCC and supported rents.
12. Whilst these discussions have been ongoing we have also been looking at the option of developing a general needs affordable housing scheme on the site which Together Housing had indicated they would be interested in. An indicative layout has been produced, which is being costed, but due to the changes to the Affordable Homes Programme the scheme will need reviewing.

Oak Mill, Colne

13. This site is in private ownership and a previous housing scheme was abandoned a number of years ago after building work was started on the site. Through PEARL we are in discussions with the owners of the site and they have indicated that they are willing to work with PEARL to bring forward the site for development. An outline appraisal has been produced and an architect has been appointed to draw up a scheme.

Brook Shed, Earby

14. The site is in private ownership. It was previously marketed to housing developers but no developer interest was established. The owners have indicated that they are willing to work with PEARL to bring forward the site for development. An outline appraisal has been produced and an architect has been appointed to draw up a scheme.

Conclusion

15. There is still uncertainty about how the Government funding towards bringing forward brownfield sites will operate. In the meantime we have been making progress on a number of sites to be in a better position to bid for the funding, if appropriate, when the criteria are known. A further report will be brought to the Executive when the position is clearer.

IMPLICATIONS

Policy: None directly arising from this report

Financial: The 2015/16 Capital Programme includes £1.5m of funding for Brownfield Sites and additional funding may be available through the Homes and Communities Agency.

Legal: None directly arising from this report

Risk Management: None directly arising from this report

Health and Safety: None directly arising from this report

Sustainability: None directly arising from this report

Community Safety: None directly arising from this report

Equality and Diversity: None directly arising from this report

APPENDICES

None

LIST OF BACKGROUND PAPERS

Report to Executive on Brownfield sites – September 2015