

REPORT OF: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT SERVICES MANAGER and PLANNING, BUILDING CONTROL AND LICENSING SERVICES MANAGER

TO: EXECUTIVE

DATE: 30th JUNE, 2016

Report Author: Dorothy Morris/Neil Watson
Tel. No: (01282) 661681 / 661706
E-mail: dorothy.morris@pendle.gov.uk

BROWNFIELD SITES

PURPOSE OF REPORT

To define how the Brownfield Sites Fund grants scheme will operate in Pendle and to inform the Executive of Progress on the Brownfield Register

RECOMMENDATIONS

- (1) To agree the procedure for accessing funding from the Councils Brownfield Sites Fund as set out in this report.
- (2) To note progress made in developing a Brownfield Sites Register for Pendle.

REASONS FOR RECOMMENDATIONS

- (1) To ensure that the fund is used in a consistent and effective way.
- (2) To ensure the Council complies with the Government requirement to keep a Register of Brownfield Sites.

Issue 1 Brownfield Sites Fund

1. The Council has established a Brownfield Sites Fund to assist the development of brownfield sites within Pendle. There is £1.5m within the approved Capital Programme for the Fund.
2. The re-use of brownfield land will help remediate land contaminated by previous uses and reduce environmental harm by minimising the use of greenfield sites for development. The re-use of previously developed land provides a desirable and sustainable approach to accommodating future growth in the borough particularly as sites

are often located close to existing services and facilities. This can help to increase the likelihood of people choosing more sustainable modes of transport such as walking, cycling or public transport, thereby helping to reduce carbon emissions and the negative effects of climate change. However the National Planning Practice Guidance (NPPG) indicates that brownfield land is often more expensive to develop and advises that measures should be taken to improve the viability of brownfield sites.

3. There are a number of reasons why brownfield sites are more expensive to develop. These can include:
 - Costs due to the need to demolish existing buildings and deal with contamination
 - Reduced viability due to abnormal costs and low house prices
 - Unrealistic expectations of owners about land values
 - The site is in more than one ownership
 - Lack of developer interest due to location or level of risk
 - Lack of ability to gain development finance

In many cases it will be a combination of factors that prevent development taking place.

4. In 2015 the Council commissioned and adopted a viability assessment for the housing sites in the Borough. The assessment concluded that the majority of brownfield sites were considered not viable or on the margin of viability. Two significant issues were identified, firstly the cost of remediation including demolition, removal of waste and dealing with contamination. It was estimated that the average cost of dealing with remediation could be £100,000 per acre. Secondly there is a viability gap over and above the remediation costs. This means that each house built would need an uplift of £9,618 to break even
5. The Councils Core Planning Strategy states that the delivery of new housing will require the use of both brownfield and greenfield land. Policy SDP2 outlines the Councils approach to site selection and the use of land. In order to aid regeneration, particularly within inner urban areas, the redevelopment of brownfield sites will be encouraged. However, it is acknowledged that the financial viability of developing such sites can be challenging.
6. The Council wants to actively support development on brownfield sites and in order to expedite their development it has set aside funding to assist in making the sites viable. The available funding will not be sufficient to assist all the sites in the Borough and the Council needs to get the best value for its investment and maximise the number of sites and the number of houses built. The Council is keen to support a variety of sites both large and small

Proposed Grant Scheme

7. In line with the findings of the viability assessment, It is proposed, to offer developers a grant of up to £10,000 per house built. The maximum number of properties supported in this way will be 50% of the total number of plots on site up to a maximum of 10. A total of £500k will be made available out of the £1.5m funding for such grants. It will be

allocated on a first come first served basis, subject to meeting the criteria below.

Eligible Sites

8. Sites likely to qualify for assistance will be:
 - Brownfield sites (previously developed land) located within defined settlements in the Borough of Pendle
 - Sites where development is not viable or marginal (a viability appraisal will be required for each development)
 - Preference will be given to prominent sites that are having a negative effect on the neighbourhood.
 - Sites should be sustainable i.e. close to existing services and facilities
 - The grant aided development should be deliverable within 2 years.

Grant Criteria

9. In order to qualify for assistance applicants will need to fill in an application form and satisfy the Council that:
 - They are the owners of the site. A copy of the deed should be provided to establish this.
 - Detailed plans are available showing the layout and house types to be developed.
 - An independently assessed development appraisal is undertaken to establish the viability of the site
 - A funding package is in place to undertake the development which can include the grant
 - Planning approval is in place. Copies of approvals to be provided.(Outline or detailed)
 - Evidence of previous experience of successfully developing housing sites.
 - A start on site can be made within 6 months of the offer of grant. (subject to planning permission)
 - The grant aided properties can be built within 2 years.

Grant Procedure

10. Applications for assistance will be made on the Councils application form with supporting information attached. In the first instant the information will be assessed by officers to ensure it is complete and the site is eligible and an independent assessment of viability will be undertaken. Once an application has been processed, the officer will prepare an appraisal form outlining details of the applicant and the proposed development plus a recommendation on the level of assistance. The final decision on the application will be made by an independent panel comprising a member from each political party plus the service head, strategic director and industry expert.
11. Payments will be made on the individual houses once evidence is provided that they have been substantially completed to the satisfaction of Pendle's building control section.

Issue 2 – Brownfield Sites Register

12. As part of the ongoing changes the Government is introducing to the planning system through the Housing and Planning Act 2016, there is an intention to introduce a statutory requirement for every Local Planning Authority to keep what will be known as a Brownfield Sites Register.
13. The concept behind this was introduced prior to the Act gaining Royal assent. Councils were asked to be pilot authorities to test how the register could be developed. Pendle led on a joint bid that included Rossendale and Hyndburn Councils. We were successful and received £10,000 for participating in the pilot.
14. The Housing and Planning Act 2016 has introduced a new section 14A into the Planning and Compulsory Purchase Act 2004 which will give powers to the Secretary of State to require Councils to prepare and keep registers of certain types of land.
15. The details of the subordinate legislation is still being developed but the purpose of the pilot was to help develop a universally used methodology for compiling a brownfield register which in turn would help to guide what the new legislation would require.
16. The overall purpose of having a register is twofold. First it is to simplify nationally a method of developers finding out what developable brownfield land Councils have in their area.
17. Secondly sites that are included on the register will be granted Permission in Principle (PiP) for residential led development. PiP is also being introduced under section 150 of the Housing and Planning Act. Again however all of the detail on how this will work will be subject to as yet unpublished secondary legislation.
18. In order to be eligible for inclusion on the Register land must be defined as being previously developed (“Brownfield”) and must satisfy the development tests set out in the National Planning Policy Framework. This means sites must be immediately available with a realistic prospect of housing development being delivered in five years.
19. Importantly for areas such as Pendle sites must be viable. In effect the viability test will significantly limit the number of sites that are able to be included in Pendle.
20. The pilot has not been concluded. It is due to be completed by CLG by the end of June. The list of sites at Appendix A shows those eligible for inclusion pilot register. It comprises of Brownfield sites that already have planning permission which automatically go onto the list as well as additional ones that do not have planning permission but which satisfy the NPPF criteria for development.

IMPLICATIONS

Policy: None directly arising from this report

Financial: The Capital Programme includes £1.5m of funding for Brownfield Sites. If funding is paid to private companies it would be classed as State Aid so we would need to ensure that it does not breach any European State Aid regulations. It is expected that it would be offered under the De minimis or Regional Aid Exemptions.

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

Appendix A. List of sites to be included on the Brownfield Pilot register

Pendle Brownfield Register - All Sites

SiteReference	SiteName
Additional Sites	
BS084	Brierfield Mills
BS085	Marsden Cottage
BS088	Giles Street
BS089	Bright Street
BS091	Former Reservoir
BS108	Cooper Street
BS155	Land off Bridge Street
BS158	White Grove Garage Site
BS165	Barnsey Shed Site
BS177	Fernbank Mill
Sites With PP	
BS010	Westfield Mill
BS021	Four Oaks
BS022	Land between Veevers Street & Canal Side,
BS023	Land at Former LCC Depot
BS024	Land off May Tree Close
BS026	Marsden Cross, 30 Higher Reedley Road
BS029	Filter House
BS037	Land off Haverholt Close
BS038	Cement Works
BS050	Wardle Storeys Office Building, 1 School Lane
BS052	Wardle Storey Office Building
BS054	Harpers Inn
BS055	Spring Mill
BS058	Spenn Brook Mill
BS061	Marsden Hall Farm
BS068	14-18 Scotland Road and 13-17 Leeds Road
BS071	Salterforth Mill
BS074	Silentnight Holdings Plc
BS075	Herders Inn
BS080	The Sun Inn
BS086	Railway Sidings
BS090	Land to the rear of Fernbank Mill
BS092	Land at Kirkstall Drive
BS094	Land adjacent to 170 Colne Road
BS095	Oak Mill
BS105	Land at Former Garage Site
BS141	Nelson Discount Furniture
BS168	Former Engineering Works
BS176	Reedyford Mill
BS184	Barkerhouse Road Family Support Centre

Sites to be included on the register