

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

**TO:** EXECUTIVE

**DATE:** 17<sup>th</sup> NOVEMBER, 2016

**Report Author:** Julie Whittaker  
**Tel. No:** (01282) 661038  
**E-mail:** julie.whittaker@pendle.gov.uk

## **BROWNFIELD SITES FUND**

### **PURPOSE OF REPORT**

To provide an update on progress with the use of the Brownfield Sites Fund, to propose that it is used to bring forward development for employment use as well as housing and to propose that funding available through S.106 agreements be added into the Fund.

### **RECOMMENDATIONS**

1. To note the progress with the use of the Brownfield Sites Fund
2. To agree that the Fund can be used to bring forward employment sites as well as housing sites with the level of funding being decided on a case by case basis
4. To agree that all applications for funding are decided by the Gearing up for Growth Grants Panel
5. To agree that £53,935 funding from relevant s106 agreements be added into the Fund

### **REASON FOR RECOMMENDATIONS**

To ensure that Members are kept informed and that the Fund is dealt with in a consistent way

### **ISSUE**

1. The Capital Programme includes £1.5m to assist with bringing forward brownfield sites for development, in particular housing sites. The Executive agreed on 17th September 2015 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.

## **Grant Fund**

2. On 30<sup>th</sup> June 2016 it was agreed by Executive that £500k of the Fund should be used to establish a Grants Fund which would provide grants of upto £10k per house for upto a maximum of 10 houses (i.e a maximum of £100k for any site). This fund has been targeted at a number of smaller sites in the Pendle.
3. We have written to the owners of 28 brownfield sites that have planning permission, but where no houses have yet been built. The sites range in size from 2 to 28 houses. The owners of 12 of these sites have contacted us requesting an application pack be sent out to them. Two applications have been received to date and are being assessed before being taken to the Grants Panel. A further 8 site owners have indicated that they are interested in submitting an application but they need to do some further work first to, for example, secure development finance, gain full planning permission or they wish to amend their scheme first.

## **Main Fund**

4. Through PEARL we are currently working to bring forward several brownfield sites for development, both within Pendle's ownership and in private ownership. Each one is appraised to assess viability and opportunities sought to secure any external loan or grant funding that is available to deliver the scheme, where this is required. For example, we have secured a loan through the Homes and Communities Agency (HCA) Builders Finance Fund for the development of Clitheroe Road, Brierfield.
5. HCA have recently announced a new Home Building Fund. This will bring together a range of existing funds and provide loan funding to private sector organisations for site preparation, infrastructure and development costs of building housing. We will look at opportunities to use this new fund where possible for PEARL schemes (the Council could not apply as it is only for private sector organisations). Despite earlier indications from HCA there has never been a specific fund established by them to bring forward brownfield sites, unless these are for Starter Homes (a report to Executive in August set out our bid into this fund). Therefore where there is still a gap between costs and values our Brownfield Sites Fund will need to be considered.

## **Use of the fund for employment development**

6. Through our Business Support Team we engage with many local businesses who are looking to expand or develop new employment floorspace. Where a developer wishes to develop new employment space as a speculative development, rather than for their own expansion, it is difficult to fund them through the business support programmes available through Pendle and Growth Lancashire. This is because the job creation will be longer term and is not directly within their control. We do however have a need for additional modern floorspace to be created and wish to support developers with this.

7. Developing new employment floorspace on brownfield sites has a number of similar problems to developing housing, such as increased costs due to the need to demolish existing buildings and deal with contamination and reduced viability due to abnormal infrastructure costs. The Brownfield Sites Fund has so far been targeted at housing but it is proposed that, to help meet the objective of our Jobs & Growth Strategy of bringing forward suitable employment sites, it should also be used to bring forward new employment floorspace. In line with housing developments under the Main Fund it is proposed that each site would be looked at on a case by case basis and funding would only be provided for sites which are not viable, or marginally viable, without it.

### **Decision making**

8. It has previously been agreed by Executive that applications into the Grants Fund be decided by the Gearing up for Growth Grants Panel but that individual proposals to use the Main Fund be reported to the Executive for approval. In order to ensure a consistent approach, and to make decisions quickly where required, it is proposed that all funding applications are decided by the Grants Panel and then reported back to Executive.

### **Use of s106 funding**

9. Through s.106 agreements £53,935 is available for bringing forward brownfield sites. This is made up of £34,735 from Corporation Street, Colne and £19,200 from Grove Street, Earby. This funding is available for use anywhere in the borough and it is proposed that it be added into the Brownfield Sites Fund to allow a consistent use of funding.

## **IMPLICATIONS**

**Policy:** None directly arising from this report

**Financial:** Funding for the Brownfield Sites Fund is within the approved Capital Programme for 2016/17. The s106 funding has been paid to the Council

**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**

Reports to Executive on Brownfield Sites Fund:  
17<sup>th</sup> September, 2015 9<sup>th</sup> February, 2016 30<sup>th</sup> June, 2016