

REPORT OF: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT SERVICES MANAGER

TO: EXECUTIVE

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HOUSING ZONE – BID FOR CAPACITY FUNDING

PURPOSE OF REPORT

To inform members that the bid submitted to the Homes and Communities Agency for a Pennine Lancashire Housing Zone has been approved. To seek approval to bid for capacity funding to support the development of sites included in the bid.

RECOMMENDATION

To note the successful bid for Housing Zone status and approve the submission of a bid for capacity funding.

REASONS FOR RECOMMENDATIONS

To maximise the benefits of obtaining Housing Zone status.

BACKGROUND

The aim of the Housing Zone programme is to bring forward brownfield sites for housing development. In September 2014 a proposal was submitted to the Homes and Communities Agency (HCA) under the Housing Zone programme, for brownfield sites across Pennine Lancashire (PL). Initially there were 4 parts to the bid but in the clarification process undertaken by HCA in February 2015 it was suggested the bids be combined into one Pennine Lancashire bid. Unfortunately it was announced in March 2015 that the bid had not been successful. However in recognition of the work undertaken by the Pennine Lancashire Authorities HCA encouraged the Councils, to work with Atlas (an advisory organisation for large planning applications) and Local Partnerships (a joint venture between HM Treasury and the Local Government Association), in order to refine their proposal. This was funded through HCA. The

concerns raised in evaluating the original bid centred on the low level of prices achieved for new homes and the costs of preparing land ready for market leading to viability challenges and risks. On the 11 November 2016 the Department for Communities and Local Government announce a new £18m fund to speed up house building on larger sites and the creation of 6 new Housing Zones including the Pennine Lancashire zone.

HOUSING ZONE DESIGNATION

The Housing Zone designation will enable PL authorities to prioritise and accelerate housing particularly on brownfield land. The designation will allow closer working with HCA and is a key criterion for accessing the £18m capacity funding. It will also give priority when accessing other HCA programmes such as the Home Building Fund.

Due to the scale and in some cases complexity of these sites, local capacity to design, manage and implement these improvements can be a barrier. This capacity funding offers support in the form of grant funding to Local Authorities and HCA managed consultancy support. This funding can be used to tackle a range of barriers, including:

- Funding to create additional capacity in Local Authorities to manage applications for large developments;
- Access to expert planning and technical support and advice to help schemes
- Progress from conception through to planning consent.
- Supporting the development of housing zone bids submitted to DCLG for approval;
- Through Planning Performance Agreements, resources will be made available to Local Planning Authorities to assist them with reviewing and determining large scale public sector sites that are capable of delivering new homes
- Brokerage support is also available from central Government to help resolve barriers that are preventing schemes from moving forward.

However it should be noted that the funding cannot be used for any capital works, legal fees or estate management/holding costs

The deadline for submitting bids for the funding is Friday 9th December

PROPOSED PENDLE BID FOR CAPACITY FUNDING

The work undertaken by Local Partnerships (LP) on the Pennine Lancashire Bid identified issues relating to the viability of the sites put forward and the investment intentions of house builders. LP found a limited number of house builders willing to consider opportunities in Pennine Lancashire and those expressing interest only wanted prime sites. LP advised:

- Selecting sites with the best chance of securing private sector investment irrespective of ownership
- Devise attractive ways of packaging land for disposal which reduces costs and risks to the developers e.g. deferred land payments
- Finding funds and skills to de-risk projects in areas that will otherwise be attractive to house buyers. Pendle Council has already partly addressed this by identifying funding to support housing development through its Brownfield Sites Fund.

The emphasis of our bid for capacity funding needs to focus on prioritising sites that will be attractive to house builders and undertaking work prior to disposal that will reduce risks for developers. The original bid identified Further Clough Head, Nelson as a prime site for development. We are proposing to try to secure capacity funding to develop this site as well as sites at Halifax Road and Bankhouse Road, Nelson. Halifax Road has previously been declared surplus by Executive and there is a separate report to this meeting on Bankhouse Road.

The type of support requested will include:

- Design guidance in relation to site layout and landscape provision
- Where approaches to the site are poor develop a wider public realm improvement scheme to increase the attractiveness of the site
- Technical studies necessary to gain planning approval
- Advice on how best to package the land for disposal to house builders
- Advice on the optimal way of securing repayment of any long term HCA investment funds
- Informal market testing to identify potential partners, so that delivery risks can be managed
- A financial model for the programme in order to quantify the anticipated value of the site, the costs of improving the approaches to the site. This work will then form the basis for future investment asks of the HCA as well as the packaging of a partnership opportunity to take to the market

It is anticipated that the request for funding will be in the region of £60k

IMPLICATIONS

Policy: The bid is in line with the Council policy to increase the number of new houses built in the Borough

Financial: If successful the bid will provide funding to secure the capacity needed to bring brownfield sites forward for development.

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

HCA Large sites and Housing Zones Capacity Fund <https://www.gov.uk/government/publications/large-sites-and-housing-zones-capacity-fund-guidance-for-local-authorities>