

REPORT OF: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT
SERVICES MANAGER

TO: POLICY AND RESOURCES COMMITTEE

DATES: 24th July 2018

Contact Details: Judith Stockton
Tel. No: 01282 661040
E-mail: judith.stockton@pendle.gov.uk

BROWNFIELD SITES FUND REVIEW

PURPOSE OF REPORT

To review the Pendle Brownfield Sites Fund. To provide an update regarding the current status of the fund and to make recommendations regarding its future use.

RECOMMENDATIONS

1. That the remaining site owners who have expressed an interest in the scheme are given a deadline of 31st August 2018 by which they need to submit an application.
2. That the Council no longer run the Brownfield Sites Grant Fund.
3. That the remaining funding from the Grant Fund and the Main Fund is set aside to support the redevelopment of targeted, strategic brownfield sites.

REASONS FOR THE RECOMMENDATIONS

1. To encourage applications to be submitted within a reasonable timeframe.
2. To enable the funding from the Grant Fund to be used in a more targeted way.
3. To enable sites to be brought forward for redevelopment in negotiation with the owner.

ISSUE

Background

The Pendle Brownfield Sites Fund was launched in summer 2016. Originally available to support brownfield sites being brought forward for housing; the fund has two elements:

1. Brownfield Sites Grant Fund (£500,000): Maximum £10k available for up to 10 houses per site (therefore maximum grant available per site is £100k),
2. Brownfield Sites Main Fund (£1mill + £53,935 S106 money) for larger schemes. Grants to be awarded under the State Aid de minimus rules / be State Aid compliant.

In February 2017, the Executive agreed that the Brownfield Sites Main Fund could be used to bring forward sites for employment use as well as housing.

Interest in the Fund

Following the launch of the fund in 2016, the Council wrote to the owners of 30 brownfield sites which had planning permission in place for 2 or more dwellings and who hadn't made a start on site. 11 owners responded expressing an interest in the fund and further details were sent to them. Reminder letters were sent to all those who didn't respond to the initial letter and a further 3 replied requesting further information. 2 of the 30 site owners responded saying it wouldn't be feasible to bring their sites forward, or they wouldn't want to at this time, even with the grant.

A number of those who expressed an interest in the scheme had issues to deal with (e.g. planning amendments/conditions, securing development finance, other legal matters, etc) before they could think about moving their site forward and submitting a funding application. Despite giving them time to do this, there appears to have been little progress made by the majority in addressing these issues and coming forward with an application. Ultimately, a deadline of the 31st January 2018 was given for submitting applications.

The owners of 14 of the 30 sites never expressed any interest in the scheme.

Applications received

Since the fund was launched, 6 applications have been submitted and discussed by the Grants Panel; 1 site for employment use and the rest for housing. 3 applications have been approved and 3 declined.

1 further application for a housing site has been submitted but hasn't yet been to the Panel due to a land ownership issue affecting the deliverability of the scheme. The site owner is currently trying to resolve this issue.

Discussions have taken place with 2 other brownfield site owners (end use employment) who have indicated they will submit an application, though nothing has been received to date.

The applications which have been approved will support the redevelopment of the following sites: the former joinery works off Bank Street in Barnoldswick, the former Oak Mill site in Colne and part of the old Reedyford Mill site in Nelson (Pendle Court Phase 2). Together, these schemes will deliver 37 new homes and create approximately 1 ha of new employment land.

The 3 applications which have been declined were done so primarily on the basis of the financial details submitted as part of the application. For example, in some cases the costs were high and in others the level of profit that would have been achieved with our funding was unacceptably high.

Commitment of funding

The table below shows the level of funding that has been committed/spent to date across the two funds:

	Funding available	Funding Committed	Funding spent*	Uncommitted funding
Brownfield Sites Grant Fund	£500,000	£50,000	£0	£450,000
Brownfield Sites Main Fund	£1,053,935	£420,800	£16,500**	£616,635

* In most cases, funding will not be claimed until the developments are complete.

** Exec Nov 2017 agreed to fund a contribution to making good the road at May Tree Close from this fund.

Future Use of the Brownfield Sites Fund

It is fair to say that interest in the fund hasn't been as great as expected and, of the applications received, only half were deemed suitable for support.

It is recommended that the 3 remaining site owners who have expressed an interest in the fund are given a deadline of 31st August 2018 by which they need to submit an application, and that the Council then no longer run the grant scheme.

There are a number of strategic brownfield sites within the borough which the Council are keen to see redeveloped. It is recommended that the remaining funding is set aside to support the redevelopment of these sites. The sites will be brought forward in negotiation with the owner, or could be acquired for redevelopment by the Council or PEARL. Any applications/proposals for the funding will be discussed by the Grants Panel.

IMPLICATIONS

Policy: The use of the fund for housing and employment sites helps to support the delivery of the Council's jobs and growth strategy and Strategic Objective 1 of the Council's Core Strategy.

Financial: Funding for the Brownfield Sites Fund is within the approved Capital Programme for 2018/19.

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: The Brownfield Sites funding will continue to support the redevelopment and re-use of brownfield sites within Pendle. The re-use of previously developed land provides a desirable and sustainable approach to accommodating future growth in the borough.

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 the Council's Executive regarding the Brownfield Sites Fund:

17th September 2015

9th February 2016

30th June 2016

17th November 2016

8th February 2017

24th August 2017