

REPORT OF: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT
SERVICES MANAGER

TO: POLICY AND RESOURCE COMMITTEE

DATES: 27th NOVEMBER, 2018

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BROWNFIELD SITES FUND REVIEW

PURPOSE OF REPORT

To update members regarding the current position with the Pendle Brownfield Sites Fund and to propose how the fund should be targeted/spent in the future.

RECOMMENDATIONS

- (1) That members note the current position regarding funding commitment and spend.
- (2) That £20,000 of the fund is allocated to support the development of a masterplan for Nelson town centre, providing match funding for a bid to the One Public Estate (OPE) programme.
- (3) That members agree how the remaining funding should be targeted in the future with specific proposals being brought back to this Committee for agreement.

REASON FOR THE RECOMMENDATIONS

To agree how the remaining Brownfield Sites Funding should be targeted and spent.

ISSUE

Background

1. In July 2018, an update report regarding the Pendle Brownfield Sites Fund was presented to this Committee, together with recommendations for its future use.

At that meeting Committee resolved:

- i. That the 3 remaining site owners who had expressed an interest in the fund were given a deadline of 31st August 2018 by which to submit an application; and
- ii. That a future report be submitted on innovative ways of spending the remaining funding.

Current position regarding commitment and spend

2. In relation to point one, two of the three site owners submitted funding applications. These were considered at the Grants Panel meeting in October, though no decisions have been made pending further information. The third site owner was not in a position to submit a bid, but has written to say they are keen to do so in the future.
3. The table below shows the level of funding that has been committed and spent to date across the Brownfield Sites Grant Fund and Main Fund.

	Funding available	Funding Committed	Committed funding spent*	Uncommitted funding	Applications pending decision
Brownfield Sites Grant Fund	£500,000	£50,000	£0	£450,000	£60,000
Brownfield Sites Main Fund	£1,053,935	£437,300	£16,500**	£616,635	£36,299
TOTAL	£1,553,935	£487,300	£16,500**	£1,066,635	£96,299

* 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.

4. The approved schemes will result in the following outputs:

Number of new homes	37
Employment floorspace created	56,000 sq ft
Area of brownfield land brought back into use	4.49 acres
Private sector investment	£9.5mill

Future Use of the Brownfield Sites Fund

5. As stated in the previous report to this Committee, interest in the fund hasn't been as great as expected and, of the applications received; only half have been deemed suitable for support.
6. One of the key points which the fund has highlighted is the issue of realism around land values. In some of the applications that have been considered, it was evident that the fund would merely have been used to inflate land values so was not a good use of public money.
7. Ultimately, the key purpose of the fund is to facilitate the delivery of new housing and employment space on brownfield sites in Pendle. To achieve this going forward, it is proposed that the remaining funding should be targeted in the following ways:
 - i. **Supporting the development of a masterplan for Nelson Town Centre.** Nelson town centre faces a number of challenges and opportunities brought about by the changing economic climate, the changing nature of retail and how people shop, and a lack of demand for office space, amongst other factors. There are a number of long term vacant and underutilised buildings and sites within Nelson, and the development of a masterplan would enable us to consider all of these challenges and opportunities in a comprehensive way.

The previous Nelson Masterplan undertaken by Building Design Partnership (BDP) was completed in July 2006. The majority of the key projects which the Council had control over in this plan have been completed, with the remaining uncompleted projects having a reliance on private sector investment and a strong retail economy.

Allocating some of the Brownfield Sites Funding to the production of a masterplan would provide match funding for a bid into the One Public Estate (OPE) programme. This would allow additional feasibility work to be done as part of the masterplan particularly around the potential for creating new residential opportunities in and around the town centre, as the focus of the OPE round 7 programme is on the delivery of new homes. Our proposed bid into OPE7 would be for £30,000 and we propose that £20,000 of the Brownfield Sites Fund is used as match funding at this stage. If the bid is not successful then more of the Brownfield Sites Fund may be needed.

Having a masterplan in place would also support a bid into the Future High Streets Fund, a new £675m fund that was announced in the Budget on 29th October. The details of this Fund are due to be announced later in the year with applications due to be submitted in Spring 2019.

- ii. **Targeting funding at prominent vacant buildings across the borough to bring them back into use.** Some work would need to be done to understand whether the regeneration of the buildings would be viable with a grant.
 - iii. **Council acquisition of brownfield sites/vacant buildings** which are then developed through the Council's new joint venture partnership with Barnfield and Together Housing (Pearl Together). The value of the land/building would be the Council's contribution into the development project.
 - iv. **Supporting the provision of self/custom build opportunities.** This could be on privately owned sites where a viability gap can be demonstrated or on suitable brownfield sites that could be acquired by the Council for this purpose.
8. By taking this approach, all of the remaining funding will become part of the Brownfield Sites Main Fund. Details of specific projects will be brought back to this Committee for agreement. Any funding awards would still need to be compliant with State Aid regulations.

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 and Policy and Resources Committee regarding the Brownfield Sites Fund:

17th September 2015

9th February 2016

30th June 2016

17th November 2016

8th February 2017

24th August 2017

24th July 2018