



Delegated Decision Report

1st December 2020

Subject: NTCA Brownfield Housing Fund Programme Pipeline

Report of: Director of Economic Growth

Portfolio: Housing and Land

Report Summary

In July 2020, the North of Tyne Combined Authority (NTCA) was awarded a £23,853,618 share of the £400m Brownfield Housing Fund. NTCA and Local Authorities have worked closely to develop the pipeline of proposals for the Brownfield Housing Fund. The draft pipeline was considered by the Housing & Land Board and Investment Panel with a recommendation that the schemes which pass the initial gateway assessment are accepted onto the programme. The purpose of this report is to accept the 14 schemes which meet the criteria of the Brownfield Housing Fund onto the North of Tyne Programme whilst further work is undertaken to develop additional schemes

On the 29th September 2020 NTCA Cabinet considered a report on the North of Tyne Brownfield Housing Fund Programme and authorised the Interim Head of Paid Service - in consultation with Investment Panel, the Housing and Land Board and the Mayor to consider and agree the North of Tyne Brownfield Housing Programme.

Recommendations

The Interim Head of Paid Service is recommended to

- i. Agree that the 14 schemes which have made it past the gateway process are accepted onto the North of Tyne Brownfield Housing Fund programme. The schemes are listed in paragraph 1.7.

1. Background Information, Proposals and Timetable for Implementation

- 1.1 In July 2020, the NTCA was awarded a £23,853,618 share of the £400m Brownfield Housing Fund. The funding is intended to support the development of at least 1,500 new homes on brownfield sites across the North of Tyne area. The aim of the fund is to remediate and revitalise brownfield sites across the area for the provision of new homes. The fund can be used on sites with demonstrable market failure, with a benefit cost ratio floor of 1.
- 1.2 As a Mayoral Combined Authority, NTCA will benefit from enhanced financial support and partnership working to deliver on housing priorities across the area. The Brownfield Housing Fund is the first housing allocation for the North of Tyne Combined Authority and an opportunity to leverage further investment in future years if delivery targets are met. Work is currently well underway to develop the first phase of the wider North of Tyne housing pipeline which includes the Brownfield Housing Fund Pipeline; Joint Strategic Sites Pipeline with Homes England; and the Joint Infrastructure Statement. Different funding streams and partnership arrangements will be used to best meet priorities across the area. Taking a long-term strategic approach means NTCA can support future significant economic developments such as the economic corridor that the Northumberland Line will create. This approach allows local partners to better steer and manage housing delivery to best meet the needs of our communities and wider economic ambitions over the longer term.
- 1.3 NTCA Cabinet approved the overall approach to delivery of the Fund in September 2020, and officers have been working alongside housing teams from the Local Authorities to ensure that a balanced and bottom-up pipeline is development, which reflects the different strategic priorities of our three Authorities.
- 1.4 A part of the development of the Brownfield Housing Fund pipeline, the three local authorities were asked to submit eligible schemes for consideration. NTCA commissioned external independent advice to support the development of the pipeline and a prioritisation framework was applied to the long list of brownfield sites identified. Schemes on the long list were assessed against gateway criteria such as site eligibility; evidence of market failure; deliverability; BCR; and State aid. 14 schemes passed the above gateway criteria.
- 1.5 Housing & Land Board and Investment Panel have considered the draft pipeline and are recommending to the Interim Head of Paid service that the 14 schemes which have made it past the gateway process so far are accepted onto the programme. This makes up the bulk of the programme and further work can then be undertaken over the next few months to develop additional schemes for consideration and inclusion in a delivery plan which is due to be submitted to Government in 2021. This delivery plan will be considered by Housing & Land Board and Investment Panel in March prior to submission to MHCLG. Acceptance of the 14 schemes onto the programme will provide Local Authorities the assurance to progress the development of the full business cases in line with the funding profile agreed with Government. Each of these business cases will be considered in line with NTCA's assurance framework.
- 1.6 NTCA in collaboration with the Local Authorities will manage the Brownfield Housing Fund programme till 2025, updating the delivery plan through the annual statement process which MHCLG have outlined. The development and management of the Brownfield Housing Fund programme sits within an overall context of enabling the continuous development of a pipeline of sites and proposals to take advantage of a variety of different funding opportunities.
- 1.7 NTCA Investment Panel considered the pipeline on the 24th November following consideration by the Housing and Land Board in October 2020 and recommend that the Interim Head of Paid Service accepts the following schemes onto the NTCA Brownfield Housing Fund programme. The schemes are:
 1. Forth Yard Pottery Lane
 2. Newbiggin Hall
 3. Buddle Road, Co-Hut Community Led Housing Development
 4. Scotswood The Rise Phase Two
 5. Ouseburn Mouth

6. Walker Riverside
7. North Shields Master Plan Area
8. MMC Programme
9. Tynemouth Library
10. Hadston Industrial Estate
11. Phase 3 and 4 at Former Ellington Colliery
12. Moorside, Newbiggin
13. Potland Burn, Ashington
14. Commissioners Quay, Blyth

2. Potential Impact on Objectives

- 2.1 The proposed programme relates to supporting economic activities which are highlighted in the Devolution Deal, the Economic Vision and in support of the six design principles for housing agreed by Cabinet in the Delegated Decision report of April 2020. The acceptance of the schemes onto the NTCA Brownfield Housing Fund Programme helps NTCA meet our stated ambitions to increase the supply of new homes in the North of Tyne.

3. Key Risks

- 3.1 Programme risks are managed in line with agreed processes and Individual project risks will be considered as part of the application and appraisal process.

4. Financial and Other Resources Implications

- 4.1 NTCA has been awarded a £23,853,618 share of capital funding relating to the Brownfield Housing Fund (BHF). The capital funding is allocated over five years till the 31st March 2025, at which point all of the funding must be defrayed. The 5-year allocation is based on pipeline schemes across the three constituent authorities

5. Legal Implications

- 5.1 The comments of the Interim Monitoring Officer are included in the report.

6. Equalities Implications

- 6.1 NTCA is committed to driving equality and diversity in housing. The measures contained within this paper will help the NTCA meet its duties under the Equality Act 2010, particularly around advancing equality of opportunity for those with protected characteristics, particularly with regard to socio-economic background.

7. Inclusive Economy Implications

- 7.1 The North of Tyne Brownfield Housing Fund Programme will support the growth of the North of Tyne economy in an inclusive manner, providing opportunities for community growth as well as supporting the wider inclusive economy work of the Combined Authority by enabling the delivery of high quality homes in a range of type and tenure and supporting economic regeneration priorities in localities. NTCA has clear policies around social value and inclusion which were considered by Cabinet in July 2020.

8. Climate Change Implications

- 8.1 The Combined Authority is committed to exploring a range of methods –from modern methods of construction through to greater use of local suppliers – to reduce the carbon impact of new housing.

9. Consultation and Engagement

- 9.1 NTCA has consulted with the three constituent local authorities, the Housing and Land Board (which has cross-sector and national representation), Investment Panel and the Ministry for Housing,

Communities and Local Government (MHCLG). NTCA officers have liaised with relevant officers from other combined authorities (namely Tees Valley, West Yorkshire, Sheffield City Region, Greater Manchester and Liverpool City Region) to understand their approaches in a wider context.

10. Appendices

10.1 None

11. Background Papers

11.1 NTCA Cabinet Paper 29th September 2020, Brownfield Housing Fund
<https://www.northoftyne-ca.gov.uk/wp-content/uploads/2020/09/20200929-Cabinet-Agenda-Pack.pdf>

12. Contact Officers

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11. Sign-off

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| 1) Mayor and Portfolio holder Yes | 2) Director/SMT Yes | 3) Chief Finance Officer: Yes | 4) Monitoring Officer: Yes | 5) Head of Paid Service: Yes |
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