

Subject: NTCA Brownfield Housing Fund Programme Pipeline**Report of: Principal Economy and Strategy Manager****Portfolio: Housing, Land and Development**

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.

On the 29th September 2020 NTCA Cabinet considered a report on the North of Tyne Brownfield Housing Fund Programme and authorised the 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.

In November 2020, an initial pipeline of brownfield sites totalling £21.4 million was agreed by Investment Panel and a delegated decision taken by the Interim Head of Paid Service. Further work has since been undertaken to identify additional sites and NTCA have commissioned external independent advice to assist with the development, assessment, and prioritisation of the brownfield pipeline, to ensure that shortlisted schemes are robustly programmed, and outputs are tested.

The purpose of this report is to accept and additional five schemes which meet the criteria of the Brownfield Housing Fund onto the North of Tyne Programme.

Recommendations

The Head of Paid Service is recommended to

- i. Agree that the 5 additional 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 1.6.

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 an initial pipeline of 14 schemes totalling £21.4 million were recommended for approval by Investment Panel and Housing and Land Board in November 2020. Since then, officers have continued to work with Local Authorities to identify additional schemes to bolster the pipeline. In line with the process followed to agree the initial programme of fourteen schemes, a prioritisation framework was applied to potential sites and the schemes were assessed against gateway criteria such as site eligibility, evidence of market failure, deliverability, benefit cost ratio (BCR) and Subsidy Control. Following this gateway review, five additional schemes have been identified for inclusion on the programme.
- 1.4 Housing & Land Board and Investment Panel considered the five additional schemes in April 2021 as part of the North of Tyne Brownfield Fund Delivery Plan and recommended to the Head of Paid service that the additional schemes are accepted onto the programme.
- 1.5 The schemes currently accepted onto the programme are as follows:
1. Forth Yards 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
- 1.6 It is requested that five schemes are accepted onto the programme, resulting in a total of 19 schemes. The schemes are:
15. Bellingham Mart
 16. Klondyke, Cramlington
 17. Lyndon Walk, Blyth
 18. New Hartley Garages
 19. Howdon Metro Industrial Estate and Land east of Howden Metro

1.7 NTCA in collaboration with the Local Authorities will manage the Brownfield Housing Fund programme till 2025, updating the delivery plan through MHCLG's annual statement process. 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.

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 Appendix A - BHF Site Overviews (see below)

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>

11.2 NTCA Delegated Decision 1st December 2020, NTCA Brownfield Housing Fund Programme Pipeline

[https://www.northoftyne-ca.gov.uk/documents/?document_ids\[\]=4747&document_ids\[\]=4749](https://www.northoftyne-ca.gov.uk/documents/?document_ids[]=4747&document_ids[]=4749)

12. Contact Officers

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11. Sign-off

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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Appendix One – Brownfield Housing Fund Site Overviews

1. Newbiggin Hall, Newcastle

Description: The scheme includes the demolition and clearance of the existing neighbourhood centre at Newbiggin Hall along with ground remediation works to enable the construction of 43 dwellings along with associated access, infrastructure, landscaping. The housing scheme will be delivered by the Council and will seek to deliver a range of affordable housing options including rent to buy homes and affordable rented homes.

2. Forth Yards Pottery Lane, Newcastle

Description: The scheme includes the implementation of a link road across the multi ownership site to provide infrastructure to this key inner-city site. This has been identified in the Forth Yards Development Framework (January 2020) as one of the essential transport infrastructure improvements required to facilitate the development of the sites on Forth Yards, which, will deliver approximately 1,720 residential units.

3. Buddle Road, Newcastle

Description: The scheme includes the development of the first new Community-led Housing Scheme in the city and will deliver 25 dwellings with a common house to certified Passivhaus standards. The design is being led by Co-Housing Upon Tyne, a Co-Housing Group based in the city seeking to deliver a different housing offer with a strong community ethos and collaboration. Co-Housing Upon Tyne will manage the completed units and its lettings which will be let at an affordable market rent.

4. Scotswood The Rise Phase Two, Newcastle

Description: Phase 2 comprises of 243 new homes and the associated Planning Permission includes several planning restrictions which are required to be delivered within the Phase 2 programme of works. Without funding to deliver the retaining structures at Phase 2b, Phase 2 (as a whole) is unviable putting the objectives of the masterplan, including the delivery of a further circa 916 houses in the remaining 4 phases, at risk.

5. Ouseburn Mouth, Newcastle

Description: The scheme is a high-quality urban living housing site that consists of circa 150 units. Support required is to address abnormal costs related to quayside structures, pumping station and associated infrastructure and highways. Scheme has HIF [Housing Infrastructure Funding] but requires further support.

6. Walker Riverside, Newcastle

Description: This is a strategic regeneration site, the latter part of a development pipeline that has been running since 2009. A range of affordable rented properties have been delivered through the programme to the north and west of these sites, however the proposed market housing in this location has stalled due to site abnormal costs and local market values. There is potential to deliver between 200 and 316+ new homes across the area depending on the preferred delivery option.

7. North Shields, North Tyneside

Description: This scheme comprises of a number of key sites and will bring forward circa 802 homes. These sites represent key barometers of the regeneration of North Shields and taken together would cement the regeneration of North Shields. A range of uses are envisaged including leisure, enterprise, and residential development at scale. These together would increase the footfall in the area and drive up demand for ancillary uses. The historic industrial use of these sites has led to contamination and extensive remediation work is required.

8. Tynemouth Library, North Tyneside

Description: Tynemouth Library was closed in February 2020 with a vision to demolish the building, which is in poor condition, and develop a new library with 6 luxury apartments adjacent and above. The proposed style of the building will be sensitive to the conservation area setting and in keeping with the Georgian styles found elsewhere on Front Street.

9. MMC Programme, North Tyneside

Description: This comprises the demolition of existing underutilised garage sites and construction of 19 affordable bungalows utilising Modern Methods of Construction.

10. Hadston Industrial Estate, Northumberland

Description: The proposal is for 84 units on part of the Hadston Industrial Estate which is no longer required for employment use.

11. Former Ellington Colliery (Phases 3 and 4), Northumberland

Description: The site has permission for circa 400 dwellings spread across 4 phases, of which Phases 1 and 2 are being built out at present. The site is a former Colliery and was previously the last remaining operational deep coal mine in North East England.

12. Moorside, Newbiggin, Northumberland

Description: The proposal is for 64 units on the former Moorside school site, thereby bringing this derelict site back into use. Due to the former use of the site, funding is required to address abnormalities, including site clearance, retaining walls and sewer connections.

13. Potland Burn, Ashington, Northumberland

Description: The proposal is for 99 units on a former open cast mine for Ashington and forms part of a much wider landholding. Due to the former use of the site for mining, significant remediation works are identified, and the funding will contribute towards meeting these costs.

14. Commissioners Quay, Northumberland

Description: The proposal is for 49 units. The scheme has full planning permission and a start on site has been made, although work is currently paused due to issues relating to ground remediation. Funding is required to carry out the remedial works required to unlock this site.

15. Bellingham Mart, Northumberland

Description: This project would see the development of a site which has blighted the village for over a decade. It will deliver 60 affordable homes in a rural location where there is high demand and limited stock, providing much needed older person and vulnerable person housing including bungalows and apartments. The homes will be heated by Air Source Heat Pumps, providing a low carbon solution.

16. Klondyke, Northumberland

Description: The proposal is for 14 units, 2 bed and 3 bed affordable homes, including bungalows. Located in Cramlington, the current garage buildings are in urgent need of repair and mostly not in use.

17. Lyndon Walk, Northumberland

Description: The proposal is for 13 2 bed affordable bungalows at a current care home site in Blyth.

18. New Hartley Garages, Northumberland

Description: The proposal is for 9 units, 2 bed affordable bungalows. Located in New Hartley and would see the demolition of a current block of garages.

19. Land east of Howdon Metro and Howdon Metro Industrial Estate

Description: These are two adjacent sites. Land east of Howdon Metro is currently a site of informal open space, overgrown vegetation and "scrub" / former land fill site. Howdon Metro Industrial Estate is currently a small-scale Industrial Estate with areas used for storage. It is also part of a former landfill site. The site will require further site investigation work to assess geotechnical, contamination, coal mining risk and drainage and to determine the extent and composition of the infill. As a former landfill site remediation work will be required. The works will allow construction of a modern residential scheme of 392 units incorporating a market mix of 2, 3 and 4-bedroom properties of varying types across terrace, semi-detached and detached formats.