

Decision Report

ISLE OF WIGHT COUNCIL

DECISION UNDER DELEGATED POWERS

Title **BROWNFIELD LAND RELEASE 2 GRANT**

Report of **DEPUTY LEADER CABINET MEMBER FOR HOUSING & FINANCE**

1. Executive Summary

- 1.1. This report seeks approval to accept grant funding to carry out enabling works prior to disposal of three Council owned brownfield sites in line with a bid submitted to the Brownfield Land Release 2 (BLRF2) Fund and a grant of £426,639 received by the Council in September 2023.
- 1.2. A bid for funding to support delivery of housing on council owned brownfield sites was submitted to OPE in March 2023. The funding recognised that brownfield sites often have additional costs associated with them and so it enables works to be carried out to sites to make them more attractive for delivery of affordable homes. The grant funds these additional costs on the basis that the Council will sell the sites to deliver affordable housing.
- 1.3. The bid related to three sites:
 - Lowtherville, Ventnor
 - Medina Avenue, Newport
 - New Street, Newport

2. Recommendation(s)

- | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none">2.1 That the Deputy Leader Cabinet Member for Housing and Finance, in consultation with the Director of Adult Social Care and Housing Needs, accepts the Brownfield Land Release Fund 2 grant in relation to land at Lowtherville, Ventnor and Medina Avenue and New Street in Newport. |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

3. Background

- 3.1 A bid for funding to support delivery of housing on council owned brownfield sites was submitted to OPE in March 2023. The funding recognised that brownfield sites often have additional costs associated with them and so it enables works to be carried out to sites to make them more attractive for delivery of affordable homes.

- 3.2 The bid related to three sites:
- Lowtherville, Ventnor
 - Medina Avenue, Newport
 - New Street, Newport

- 3.3 The bid was successful and grant of £426,639 was received in September 2023, which is allocated to each site as set out below.

Scheme	BLRF	Provisional Unit Numbers
Lowtherville, Ventnor	£325,528	• 21 homes
Medina Avenue, Newport	£67,236	• 6 homes
New Street, Newport	£33,876	• 3 homes

- 3.4 The grant received must be spent on the agreed capital works and must enable the site to be released for housing before 31 March 2027.

“Land Release” means:

- The execution of an unconditional contract, development agreement or building license with a private sector partner or a freehold or leasehold transfer (whichever is sooner) in respect of Project Land;
- The transfer of Project Land to a development vehicle owned, or partly owned, by the Grant Recipient; or
- (if (a) and (b) above have not occurred) The point at which development of Project Land begins on site.

- 3.5 A process will be undertaken to market the sites to seek interested parties who can deliver a compliant scheme (one that delivers the specified number of homes and carries out the works funded). In addition to the marketing exercise conversations will take place with the Registered Providers working on the Island as they are best placed to deliver affordable homes and can access Social Housing Grants.

- 3.6 The council will not be seeking planning permission for the development on the sites prior to disposal, however the grant requirements will be covered in the disposal agreement.

4. Corporate Priorities and Strategic Context

Provision of affordable housing for Island Residents

- 4.1 The BLRF funding supports delivery against one of the key areas for action within the Corporate Strategy - Provision of Affordable housing for Island Residents.
- 4.2 There will be circa 30 new homes created and if a Registered Provider delivers the housing scheme there may be a possibility that social rents could apply to some of the units.

Responding to climate change and enhancing the biosphere

- 4.3 The council has set a target to achieve net zero emissions:
- in its business and delivery of services by 2030;
 - across the school estate by 2035; and
 - as an island by 2040.
- 4.4 Whilst we accept that demolition of buildings at Lowtherville is not ideal, in this instance the buildings are not fit for purpose and due to their construction substantial investment would be required to bring them up to standard and make them energy efficient. Where possible we will reuse and recycle materials from the site, including the use by other third sector organisations having access to items.
- 4.5 Work will be undertaken with purchasers of the sites to promote housing being built that promote the use of new construction technologies to create high quality, net-zero carbon and environmentally resilient homes to offset carbon emissions in the longer term to meet the council's 2030 zero carbon target and the government's 2050 legal requirement

Economic Recovery and Reducing Poverty

- 4.6 The economic landscape has changed significantly due to the impacts of the Covid-19 pandemic and it has never been more important for housing provision to meet local need and the council support its delivery.
- 4.7 The provision of housing is a key contributor to regeneration and economic recovery, supporting a large range of contractors on the Island, many of whom support skills development and apprenticeships for younger people

Impact on Young People and Future Generations

- 4.8 The decisions the Council makes now not only affect current residents, but may have long term impacts, both positive and negative, on young people and future generations. These impacts may not immediately be apparent or may not emerge for a number of years or decades. Impacts will be interrelated across the various domains of young people's lives from housing, employment or training, health and the environment.
- 4.9 Housing has a significant impact on the life chances of individuals and so by providing adequate, affordable and good quality housing the strategy supports young people and future generations be the best they can be.

Corporate Aims

- 4.10 The Alliance set out their aspirations in the Corporate Plan 2021 - 2025 and this is based around a need to ensure that housing created is fit for purpose. They have prioritised truly affordable housing for Island residents, meaning housing that is not just affordable to rent or buy but affordable to live in and maintain.
- 4.11 The Corporate Plan includes the following key housing related activities, which are being supported by the delivery on the BLRF sites:
- Work with partners, including town and parish councils to deliver innovative solutions to secure the provision of affordable housing for Island residents

- Increase the number of affordable housing units available by December 2023

5. Consultation and Engagement

- 5.1 There has been no consultation at this stage of the project however this will be built into future stages.

6. Financial / Budget Implications

- 6.1 BLRF funding is conditional on it being used for housing purposes and meeting set timelines for delivery as set out in the report. The funding received should cover the direct costs of the works that need to be completed and there should be no financial impact on the Council.
- 6.2 The Council will receive a capital receipt for the sale of the sites and it will also result in savings in time and budget due to removing the need to manage the sites
- 6.3 The grant has already been paid to the Council and a funding agreement signed. If we do not progress with these disposals the grant will be repayable.
- 6.4 The council will benefit from revenue savings resulting from circa 30 new affordable homes as a result of having reduced costs for temporary accommodation.
- 6.5 If a Registered Provider delivers a housing scheme on the sites this will unlock Social Housing Grant and deliver affordable rents. There may be a possibility that social rents could apply to some of the units and this will be explored.

7. Legal Implications

- 10.1 The power to pay the grant to the council is made under s.126 of the Housing Grants, Construction and Regeneration Act 1996.
- 10.2 The funding agreement contains obligations on the part of the council. The grant payments may be reduced, suspended or terminated or may need to be repaid if the funding agreement terms are not complied with.

8. Equality And Diversity

- 8.1 The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 8.2 There are no direct equality and diversity implications arising from progressing the BLRF project.

9. Property Implications

- 9.1 The disposal of these sites will impact on the property team in that once these are disposed of there will be savings in time and budget due to the fact the sites no longer need to be managed.

10. Section 17 Crime and Disorder Act 1998

- 10.1 Section 17 of the Crime and Disorder Act 1998 (as amended by Police and Justice Act 2006) provides that: '...it shall be the duty of each authority ... to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all it reasonably can to prevent, crime, disorder, antisocial behaviour adversely affecting the environment, and substance misuse in its area'.
- 10.2 The Local Development Framework provides the local policy context within which decisions on planning applications are made and their crime and disorder implications considered by our Planning Department.

11. Options

- 11.1 Option 1: Approve the acceptance of the BLRF grant, carry out the associated works that are funded and dispose of the sites.
- 11.2 Option 2: Not to accept the BLRF grant to fund associated works pm the sites. In this instance the grant will be repayable.

12. Risk Management

Financial

- 12.1 There is a risk that the tendered costs for the works exceed the grant. In this instance we would need to use additional funds to enable the works to go ahead, however there is a high likelihood that the works will add to the value of the land and so increase the capital receipt.
- 12.2 BLRF2 funding of £60 million has been launched and the deadline for this is 31 March 2027. This was a competitive process, and we need to be able to deliver these sites as that will have a significant impact on our ability to access further funding.

Development

- 12.3 The financial viability of sites on the Island is difficult and so by funding enabling works this funding is improving the chances that the sites will be built out and that affordable housing is provided.

PR

- 12.4 If we do not deliver the BLRF project there is a high risk that the press will publish negative stories about our inability to deliver the sites and loss of grant funds.

Health and Safety

- 12.5 All sites create a risk to the Council due to illegal access, etc. Demolition and disposal of the sites remove this risk and also the associated costs of managing the security of the buildings.

13. Evaluation

- 13.1 Option 1 is recommended for the following reasons:
It enables the provision of affordable housing in line with the Corporate Plan.
Substantial funding has been obtained that enables the Council to carry out works to make the sites attractive to the market and achieve a capital receipt.
Disposal of the sites reduces the financial, operational and risks associated with maintaining them.

Contact Point: Dawn Lang, Strategic Manager - Housing Enabling & Delivery, ☎ 821000 Ext 6187, e-mail dawn.lang@iow.gov.uk

Laura Gaudion
Director of Adult Social Care and
Housing Needs

Deputy Leader Cabinet Member for
Housing & Finance

Final Draft - Pre Cabinet Mbr Sign off