

*making our region more prosperous, sustainable and fairer,
helping our people and businesses to create and seize opportunities*

Combined County Authority Investment Committee		Agenda Item 10
Date	30 September 2024	
Report Title	Brownfield Housing Fund investment decisions	
Accountable Chief Officer	Richard Grice	
Accountable Employee	Barry Cummins	
Report has been considered by	EMCCA Board	
Key decision	No	
Public Report	Yes	
Voting Arrangements	The committee will work to progress decisions via consensus, if a vote is required then it will be majority decision in alignment with the terms of reference.	

Recommendation(s) for action or decision:	
The Combined County Authority Investment Committee is recommended to:	
A	Note the progress with the Brownfield Housing Fund

1. Purpose

- 1.1 This report seeks to show the progress made on the Brownfield Housing Fund and the projects selected as part of the assessment and evaluation process.

2. Proposal

This paper is for information only.

3. Background

- 3.1 The East Midlands Combined County Authority (EMCCA) and Homes England (HE) are working in partnership to unlock the delivery of stalled residential sites, to create high-quality homes and thriving, sustainable places.

EMCCA has secured a devolved allocation of £16.8m of Brownfield Housing Fund (BHF) investment from Central Government to support the delivery of housing on brownfield sites across the East Midlands. The aim is to directly unlock the delivery of between 1,000-1,400 new high-quality homes across the East Midlands region. Housing delivery must commence and BHF monies must be spent by 31 March 2026. £16.8m has been committed through the Brownfield Housing Fund to EMCCA to deliver over two years with all payments being complete in 25/26 as shown in spend profile below:

Year	Year One – 2020/21	Year Two – 2021/22	Year Three – 2022/23	Year Four – 2023/24	Year Five – 2024/25	Year Six – 2025/26
Capital Spend	£0	£0	£0	£0	£8,414,744	£8,414,744

The Combined County Authority has developed a pipeline of brownfield site housing schemes which can justify a financial case for public sector grant funding support to unlock housing delivery. To inform this pipeline the Combined County Authority issued a call for schemes.

3.2 Call for Schemes

Expressions of Interest and a Prospectus were issued at a formal launch of the fund on 19 April 2024 with two workshops held on 22 April 2024 for interested stakeholders. The bidding window was closed on 10 May 2024.

The response to the scheme was very positive with 50 individual submissions having an aggregate value of circa £76m supporting circa 9000 units. Evaluation of the submissions has taken place and recommendations have been delivered to EMCCA Board.

The next steps following evaluation and nomination of the successful candidates are to commence the preparation completion and exchange of funding agreements with EMCCA in support of the financial allocations. Funding support is conditional on commencement of start on site and the latest date for this to happen to claim outputs this year is 31 March 2025.

Approved schemes were reported to the EMCCA Board in September.

3.3 What can Brownfield Housing Fund grant support?

The funding is principally designed for capital expenditure and can fund a range of interventions that unlock the development of housing on brownfield land which would otherwise not happen.

Eligible capital expenditure could include:

- Offsite infrastructure (if directly linked to the delivery of the dwellings)
- Site remediation and demolition to prepare sites

- On site infrastructure
- Direct delivery of new homes
- Site acquisition and land assembly
- Placemaking infrastructure such as public realm, place making interventions
- Capacity to support any of the capital delivery activity detailed above, where it is directly attributable to the creation or maintenance of a capital asset.

3.4 What are the key eligibility criteria?

To meet the criteria for the fund, eligible schemes must:

- **Be on brownfield** land within the East Midlands Combined Authority Boundary. The NPPF defines 'brownfield' and we will also support sites on local Brownfield Registers and those clearly designated as brownfield sites in Local Plans.
- Demonstrate that **housing is being unlocked** (i.e. a strong additionality case they could not be delivered in the absence of BHF).
- Be able to spend any BHF funding on a defrayed basis **by March 2026** and commence construction by then.
- Be **Subsidy Control** compliant.
- Achieve a minimum **Benefit Cost Ratio (BCR) of 1** in accordance with HMT Green Book principles.
- Deliver a **minimum of 5 new homes**.
- Demonstrate evidence that the site is **allocated or planning** permissions/consents have or are being applied for/secured.
- Demonstrate evidence of site/land ownership or **landowner consent** of any land required to deliver the project.
- Evidence **market failure** and demonstrate a clear rationale why the scheme would not otherwise be delivered.
- Alignment with the **EMCCA Strategic Objectives**.

3.5 Funded Projects

Following the call for projects for the Brownfield Land Fund, 50 expressions of interest were received by EMCCA for a variety of projects across the CA geography. Following their submission each of the projects was scored independently by Cushman and Wakefield as EMCCA's external advisors on the programme. After the conclusion of the scoring process, 12 projects will now move on to the next phase of due diligence and then will be required to submit a business case to the EMCCA Board for approval.

As a result of the call EMCCA has allocated nearly £17 million of funding to the following projects:

Project Name	Location	LA Area	# Homes
Queens Road Phase 2	Nottingham (NG2 3NH)	Nottingham City	382
The Island Quarter Phase 1	Nottingham (NG2 4LA)	Nottingham City	322
Hawton Lane	New Balderton (NG24 3DN)	Newark & Sherwood	309
Land off Bridge Street	Langley Mill (NG16 4EE)	Amber Valley	109
Trent Basin West	Nottingham (NG2 4BN)	Nottingham City	45
Castleward	Derby (DE1 2RJ)	Derby City	112
St Peters Street	Derby (DE1 1SN)	Derby City	50
Miller Road	Chesterfield (S43 3BE)	Chesterfield	18
Welbeck Gardens	Bolsover (S44 6XX)	Bolsover	58
Leviers Court	Arnold (NG5 8AX)	Gedling	30
Mansfield Road	Derby (DE1 3QY)	Derby City	33
Former Argos, Bath Street	Ilkeston (DE7 8FB)	Erewash	11

3.6 Next steps

EMCCA will be required to provide a quarterly Monitoring Report to the Department for Levelling Up Homes and Communities, following scheme selections, to demonstrate progress against key milestones and adherence to fund principles, and an annual statement.

4. Alternative Options Considered

4.1 N/a

5. Implications

Financial Implications

5.1 All costs incurred in relation to the schemes approved will fall within the funding envelope of £16,828,488 already approved and will be closely monitored. In relation to the applicants of the BHF, all activity and expenditure, up to the order being passed by Government, is undertaken at the applicant's risk.

Legal Implications

5.2 A formal funding agreement will be put in place for each approved project. The funding agreements will be developed to address any potential legal issues arising. All shortlisted projects will be required to submit a UK Subsidy Control Assessment before receiving funding to ensure compliance.

Other Significant Implications

5.3 N/a

Background Papers

5.4 N/a