

Brownfield Regeneration Framework 2024:

Creating affordable and social housing



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1. Introduction

- 1.1. The East Staffordshire Local Plan 2015 defines brownfield land as:

'Previously developed land, which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure.'

- 1.2. In 2017, the Council approved its first Brownfield and Infill Regeneration Strategy, which set out how the Council could look to facilitate the redevelopment of brownfield land through the utilisation of Section 106 commuted sums for affordable housing on a 'gap funding basis'.
- 1.3. In 2022, this was updated in the Brownfield Regeneration Framework, which introduced the Council's ability to directly make an intervention in order to realise the delivery of affordable housing, as well as facilitating the delivery of others.
- 1.4. The 2024 update looks to expand on this in order to specifically consider the provision of social housing as well as affordable housing.
- 1.5. Section 106 commuted sums for affordable housing are monies that are provided to the Council by private developers in lieu of providing the full allocation of affordable housing on the development in question. This funding is ring-fenced and can only be used in accordance with the S106 agreement, which typically requires that the funding is used to alleviate housing need in the Borough.
- 1.6. Following a 'placemaking' approach means prioritising the creation of high quality places in which people want to live, work and learn, making the most of community assets and aspirations in order to create an environment that promotes wellbeing.
- 1.7. This framework will set out the principles through which the Council will undertake, or facilitate, interventions that regenerate brownfield land and deliver quality places through utilising S106 commuted sums or other funding sources, as appropriate.
- 1.8. This document does not form part of local planning policy and it exists solely as a regeneration framework.

2. Brownfield Land in East Staffordshire

- 2.1. East Staffordshire is made up of two towns, Burton upon Trent and Uttoxeter, and a number of villages and hamlets scattered across the Borough, which creates distinctive urban, semi-rural and rural geographical areas.
- 2.2. As the Borough spans agricultural greenfield land in the rural and semi-rural areas and provides brownfield land in its larger urban centres, there are a range of opportunities for future development, as identified within the adopted Local Plan.
- 2.3. Burton upon Trent is an historic brewing town and it remains home to large breweries, such as Molson Coors and Marston, and a range of smaller breweries and microbreweries. The town has developed as a strong logistics centre thanks to its key position along the A38 and wider road networks, such as the M1 and M6, as well as seeing high growth in the pharmaceutical sector.
- 2.4. Whilst the brewing industry is still prominent in Burton, natural business development has created the need for larger organisations to downsize the physical space occupied by the businesses, presenting the opportunity for brownfield development within key locations of the town. This circumstance is furthered by the COVID-19 pandemic, which has further reduced the demand for fixed office and commercial premises.
- 2.5. Burton also sits at the heart of the National Forest and on a key crossing point over the River Trent, where the town benefits from the Washlands and a consistent one in 200 year flood defence wall, protecting the town from the River Trent.
- 2.6. In contrast, Uttoxeter is a smaller, market town that is more connected to the rural areas of the Borough, acting as a hub for many surrounding villages and hamlets, such as Rocester, Bramshall, and Marchington.
- 2.7. Uttoxeter sits adjacent the A50, which enables links to Burton, Derby, Nottingham and Stoke-on-Trent, providing a key west-east route through the Borough.
- 2.8. Uttoxeter is well known for its proximity and access to the Peak District National Park and Alton Towers, whilst also providing the JCB Headquarters in Rocester and the Uttoxeter Racecourse, which attracts a wide range of visitors throughout the year.
- 2.9. Brownfield land typically emerges as a result of economic change either locally, as spending habits and earnings change, or nationally due to wider market failures or shifts in policy. This can impact on the number of businesses closing, relocating or downsizing and consequently results in buildings becoming out of use, which can lead to dereliction in the long term.

2.10. Given the extent of historic industrial use and urban development in the Borough, brownfield land most frequently becomes available for redevelopment in Burton and Uttoxeter, both within the town centres and around the outskirts of the towns.

3. Aims of the Framework

- 3.1. The Brownfield Regeneration Framework 2024 aims to define an overarching structure through which East Staffordshire Borough Council can:
 - 3.1.1. Facilitate the regeneration of brownfield sites within the Borough, through the utilisation of S106 Commuted Sums for Affordable and Social Housing in collaboration with delivery partners;
 - 3.1.2. Undertake direct interventions to regenerate brownfield sites, including the acquisition of land/property and taking the lead on delivering mixed-use developments and quality places.
- 3.2. As part of this, the Council acknowledges the need to bring derelict, out of use sites back into active use in order to meet housing obligations, enhance economic activity, and to generally improve the 'offer' of the Borough.
- 3.3. Similarly, the Council may act to regenerate brownfield sites at the point they first become available in the interest of placemaking and to limit the risk of a site falling into dereliction.
- 3.4. This framework will consider the local and national policy positions in relation to brownfield regeneration, including the wider planning policy influences and national regeneration agendas, such as levelling up.

4. Wider Policy Context

4.1. There are a range of current and emerging policies, strategies and proposals that do or could affect the way in which brownfield land is regenerated in East Staffordshire. These include:

4.1.1. Local Policy:

- The Local Plan (2015 version is current)
- Made Neighbourhood Plans
- The Brownfield Register and Planning in Principle powers
- The Housing Choice Supplementary Planning Document (2023)

4.1.2. National Policy and Legislation:

- The National Planning Policy Framework (2023 version is current)
- The Levelling-up and Regeneration Act 2023

4.2. Whilst these policies are particularly relevant to this framework, anything that informs local planning determination, such as Supplementary Planning Documents, affects the ways in which private developers can bring forward brownfield development.

4.3. Similarly, strategies that determine local regeneration ambitions, such as the Burton Town Investment Plan, affect the ways in which the Council may look to bring forward brownfield development, which is further explored in sections 5 and 6.

4.4. In terms of the documents mentioned, the current position of these policies is as follows:

4.4.1. The Local Plan was adopted in 2015 and the most recent decision on its possible review took place in 2023, where it was confirmed that the 5 year land supply was still sufficient and the strategic policies were still relevant. As such, the review was deferred and will be reconsidered annually.

4.4.2. There are a total of 17 neighbourhood plans in East Staffordshire that are either 'made' or in the process of, with each plan being clear on how it does or doesn't support proposals that bring previously developed land back into active use.

4.4.3. The brownfield site register identifies a number of brownfield sites that are suitable for redevelopment and is upgraded on an at least annual basis. Sites that are on the register are eligible to be granted 'permission in principle', which effectively replaces the outline planning permission stage insofar as that it confirms whether the site is suitable for a housing-led development, subject to a technical details consent.

4.4.4. The Housing Choice Supplementary Planning Document provides guidance on the Council's housing requirements insofar as the type, mix, and required

allocation of affordable housing. It is through the Housing Choice SPD that the Council calculates the rate at which a developer can pay a commuted sum for affordable housing in lieu of providing units on-site (£40,000 per unit), which is embedded within the Local Plan.

4.4.5. The National Planning Policy Framework was updated in 2023 and the most pertinent section for the purpose of this framework is the glossary (Annex 2) definition of affordable housing, which was updated in a previous iteration to include types of affordable home ownerships, including:

- Affordable housing for rent;
- Starter homes;
- Discounted market sales housing;
- Other affordable routes to home ownership.

Three of the four definitions relate to home ownership, with the remainder referring to rented accommodation.

4.4.6. Social housing is a subsection of affordable housing and falls under the definition of 'affordable housing for rent', with the rental rate set in accordance with the Government's rent policy for Social Rent with the landlord being a Registered Social Landlord (RSL). It is typical to find that Affordable Rent is set at 20%/30% below the market rate and Social Rent set 40%/50% below the market rate.

4.4.7. The Levelling-up and Regeneration Act 2023 is still a relatively new piece of legislation and so whilst it sets out some key concepts with regards planning and regeneration, much of its proposals are still to be refined through secondary regulations and legislation. Some of the key concepts that are pertinent to this framework include the potential creation of an infrastructure levy, coinciding with the S106 regime, and reforming the Compulsory Purchase Order system to allow the disapplication of hope value.

4.5. These various policies and legislation have a direct impact on the way in which the Council can approach brownfield regeneration in the Borough. Further information on these documents, such as the allocations made by the Local Plan, can be found on the Council's website.

5. Approach to Brownfield Regeneration

- 5.1. Investing in the redevelopment of derelict and vacant areas can be a catalyst for further regeneration in locations of low economic performance, however there are typically a range of issues associated with bringing forward brownfield land for development, which frequently result in the developments being financially unviable. These include issues such as:
 - 5.1.1. The cost of the land purchased, specifically due to fluctuations in the market against the expectations of an owner in possession of a site that is 'less than ideal' in terms of how developable it is;
 - 5.1.2. The remediation of any existing land and property issues, such as environmental contamination and demolition of existing structures (above and below ground);
 - 5.1.3. The sites are more likely to have historic, restrictive covenants or rights of access that relate to the previous use of the land, which can influence the design and extent of a new scheme.
- 5.2. Issues such as these make brownfield sites more difficult to redevelop and can sometimes mean that sites that are developed result in lower quality schemes as the preliminary works are more expensive than on greenfield sites, leaving less funding available for the construction phase of works.
- 5.3. As such, the Council is well placed to instigate interventions that help to bring forward difficult or specific brownfield sites, either by facilitating and enabling the redevelopment of other providers, or by undertaking a more direct intervention whereby the Council leads on the regeneration of the site in question.
- 5.4. The Council can receive funds from developers that are not fully providing the required number of affordable housing units on their proposed development, which is currently received at a rate of £40,000 per unit.¹
- 5.5. The funding is secured through a S106 agreement between the Council and the developer, with the funds being ring-fenced so that they can only be used to alleviate the housing needs of the Borough under the conditions of each agreement. Some agreements may have specific conditions attached to how, where or by when the funding should be spent.
- 5.6. One of the ways in which this funding could be used is to support the delivery of affordable or social housing on brownfield sites, either by working with developer partners or direct delivery by the Council.

¹ The £40,000 per unit contribution is set by the Local Plan (2015) and can only be amended through the adoption of a new Local Plan.

6. Guidance on the use of S106 Commuted Sums for Affordable and Social Housing

- 6.1. One of the ways in which the Council will use S106 Commuted Sums for Affordable Housing is to bring forward brownfield regeneration and deliver modern and appropriate affordable and social housing in the Borough.
- 6.2. Where the Council looks to work with a developer partner on this basis, it will follow these principles:-
 - 6.2.1. The funding made available through S106 commuted sums will only be used to:
 - 6.2.1.1. Address gaps in financial viability for a development, which are preventing the development from coming forward.
 - 6.2.1.2. Add value to an existing scheme, such as ensuring the delivered units of affordable or social housing are of high quality and achieving modern standards around sustainability features.
 - 6.2.2. Funding will be provided on the basis of a set contribution per unit of affordable housing being delivered.
 - 6.2.3. Funding will be provided at a rate of up to £40,000 per unit of affordable or social housing, except in circumstances where the Council considers the intervention to be of strategic importance to its regeneration objectives.²
 - 6.2.4. Any funding not used, or required, for the purpose of delivering affordable or social housing on brownfield land will be clawed back by the Council and remain ring-fenced for this purpose.
- 6.3. Where the Council looks to directly deliver an intervention that provides affordable housing, it will follow these principles:-
 - 6.3.1. Funding can be used to finance the cost of acquiring the land, providing it is proportional to the amount of land being used for affordable or social housing. For example, if 80% of the land will be used for affordable or social housing, the funding should not contribute towards more than 80% of the land acquisition costs.
 - 6.3.2. Funding can be used to fully finance the cost of delivering the affordable or social housing, including costs such as preliminary works, construction and disposal, however there are risks associated with the ownership of any land that is contaminated.

² The £40,000 per unit contribution was based on a formula that informed the Local Plan, adopted in 2015, and so at the point a project is reviewed, consideration will be given to inflationary factors that may demonstrate the appropriateness of providing funding at a higher rate than £40,000 per unit.

- 6.3.3. The Council's preferred type of affordable housing will be home ownership through forms of discounted market sale, such as first homes, unless there is a sufficient evidence base to suggest alternative types are required.
- 6.3.4. The Council's preferred type of social housing is that which is administered by a Registered Social Landlord.
- 6.3.5. Any units constructed by the Council will be kept as affordable housing through restrictions registered with the land registry. For example, if a unit is sold as a starter home (70% of market value), that discount will be retained at the property for future owner.
- 6.3.6. Any capital monies that the Council receives from the future sale of affordable housing units will not be ring-fenced for a specific purpose.
- 6.4. This framework applies to land that is in the Council's ownership already as well as land that is in private or other public ownership.
- 6.5. Where the Council is working with a developer on land it owns and intends to sell, this funding may be used to enable an appropriate affordable or social housing development. In such circumstance, the funding would only be made available after a RICS compliant valuation for the land has been determined, in order to prevent the funding from being used to affect the value of the land transaction.

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