

# **Brownfield Land Regeneration Case Study:**

**Mendip District Council**

**Norbins Road and North Parade, Mendip**

## Norbins Road and North Parade, Mendip

This case study highlights the benefit of Local Authorities undertaking partnership working to build affordable and social housing on council-owned brownfield land.

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## 1 Introduction

One of Mendip District Council's (MDC) corporate priorities is to build social rented and affordable homes in the local area, starting with land owned by the Council. The two sites that form this case study are both council-owned car parks being brought forward for social housing development through the local authority working with a social housing provider. The first site is Land Off Norbins Road Glastonbury where a planning application has been submitted for construction of 6x 2 bed dwellings. The second is North Parade Car park in Frome where there are plans to submit an application for 18 sustainable modular homes. Both sites have benefitted from Land Release Funding (LRF).

## 2 Key Findings and Success Factors

### Key Planning Tools

- Both sites are brownfield sites located within existing settlement boundaries and contained in the council's Brownfield Land Register.
- Full planning applications are being used for both sites.
- The work that the council undertook in investigating the potential of the sites in order to apply for the LRF funding was particularly useful for the developer. "The Council had, in effect, submitted their own pre application enquiries. And so, we were able to benefit from those very early on" (Developer).
- The loss of car parking on both sites formed a minor challenge that needed to be addressed through engaging with the local community and businesses.

### Site Identification

- Both sites were included on the council's brownfield register in March 2020.
- Both sites form part of the Council's Affordable & Social Housing Delivery Programme.
- The sites are not allocated within the Local Plan.

### Site Viability

- Viability has been a key challenge on these sites due to the Council's priority to make the sites 100% affordable with an even split between social rent and shared ownership.
- The council commissioned independent valuations of the sites before inviting bids from social housing developers in order to ensure that they would get value for money without taking the sites to the open market.
- Given the challenge of viability, Land Release Funding was particularly useful in terms of facilitating access to the sites.

### Leadership and Governance

- Strong leadership, partnership-forming and negotiating skills from the Council's appointed Team Leader, made this development successful. This was key to negotiating and forming partnerships with the social housing providers.
- In both locations, the commitment of the Council and the social housing developer to bringing the development forward was key to progressing the sites.

### Key Lessons

- Having a dedicated member of staff whose role it is to bring forward Council owned land for social housing developments helped these projects to proceed.

- Having a strategy and commitment to brownfield redevelopment in the Council's corporate plan provided an important driver in bringing these projects forward. As did the Council's review of the development potential of all Council owned land.
- Pick the right partner for the project in order to benefit from shared objectives and put forward an attractive proposition in order to encourage the right partner.
- Transparency is key to partnership working.
- Ensure that the process of applying for external funding is an open process in order to help prevent opposition at a later stage.
- Nutrient neutrality has caused a significant challenge for Norbins Road and, at the time of writing, is preventing the Local Planning Authority from being able to make a decision on the application.

### 3 Basic Site Information, Key Stakeholders and Dates

| Local Authority                  | Planning Authority | Mendip District Council  |
|----------------------------------|--------------------|--|
| <b>Land ownership</b>            |                    | Both sites are owned by Mendip District Council (council-owned car parks). The Norbins Road site also contains garages owned by Aster Group.   |
| <b>Current ownership</b>         | <b>land</b>        | As above - land ownership will transfer to the housing associations upon granting of planning consent.   |
| <b>Type of location</b>          |                    | Urban car parks  |
| <b>Previous uses</b>             |                    | Norbins Road: 53-space public car park, with a short row of garages positioned alongside the access (garages owned by Aster Group).<br>North Parade: 87 space public car park.                                 |
| <b>Size of site</b>              |                    | Norbins Road: 0.14ha<br>North Parade: 0.27 Ha  |
| <b>Current stage of planning</b> |                    | Land Off Norbins Road: planning application submitted but decision delayed due to uncertainty surrounding Phosphate neutrality.<br>North Parade: planning application expected to be submitted in summer 2022. |
| <b>LRF Received</b>              | <b>Funding</b>     | Norbins Road: £84,000<br>North Parade: £112,000  |
| <b>Main developer(s)</b>         |                    | Norbins Road: Aster Group<br>North Parade: Stonewater Housing Association  |

## Site Maps

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### Key dates in planning history

|                              |   |
|------------------------------|---|
| <b>2015/16</b>               | <b>The property team of MDC assessed the development potential of all council owed land including these two sites. This process involved commissioning a (confidential) study of the larger strategic sites</b> |
| <b>Autumn 2017</b>           | Land Release Funding application submitted. This was informed by the previous work.   |
| <b>February 2018</b>         | Land Release Funding awarded for four sites including Norbins Road and North Parade.  |
| <b>March 2018-April 2020</b> | Period of due diligence for the sites (including valuation, legal, planning and technical due diligence)  |
| <b>May 2019</b>              | Change of Council and emerging priority of delivering social and affordable housing.  |
| <b>February 2020</b>         | MDC corporate plan adopted.   |
| <b>March 2020</b>            | Norbins Road and North parade added to brownfield register.   |
| <b>May 2020</b>              | Programme Lead appointed to progress the Affordable and Social Housing Programme.   |
| <b>July 2020</b>             | Cabinet approval of the statement of intent to initiate a programme to deliver MDC's corporate objective of providing more affordable and social housing.   |
| <b>September 2020</b>        | Aster submitted offer on Norbins Road and three other sites   |
| <b>November 2020</b>         | Cabinet unanimously approved transfer of the four sites to Aster subject to the grant of planning permission.   |
| <b>December 2020</b>         | Public consultation for Norbins Road  |
| <b>November 2021</b>         | Norbins Road planning application submitted (the determination deadline was February 2022, but this has been delayed due to wider national nutrient neutrality issues).   |
| <b>Autumn 2022</b>           | Expected submission of planning application for North Parade.   |

## Key Stakeholders

### **Public Sector**

- Mendip council
- Elected members

### **Private Sector**

- Norbins Road: Aster Group (housing association developer)
- North Parade: Stonewater (housing association developer)

## **4 Planning Strategy, Site allocation and Key Decision Dates**

### Meeting Corporate Objectives

Mendip Council has a corporate objective of providing more affordable and social housing on Council owned land (as set out in the MDC corporate plan, adopted in February 2020). A report presented to cabinet in July 2020 outlined a programme to deliver this objective, stating that an initial review revealed a potential for the development of over 200 social housing dwellings on council owned land. The cabinet approved the statement of intent to initiate the programme, including a budget of £80,000 for due diligence on a first tranche of sites. Norbins road and North parade form part of achieving this 'Affordable & Social Housing Delivery Programme'.

### Bringing the sites forward, pre-application

Neither site is allocated in the Local Plan, but the planning team made sure that the sites were part of the Brownfield Register, a public register of Brownfield sites with development potential. Pre-application discussions with the Local Planning Authority informed both applications. In Norbins road no significant issues were identified but site constraints were discussed. The North parade pre-app discussion led to changes relating to trees and residential amenity, specifically ensuring there's adequate lighting leading up to each of the homes. The loss of car parking (and car parking revenue) was not considered to be a significant issue for either sites due to both sites being located close to larger car parks and the car parks not operating at full capacity.

### Delivering affordable housing

The Councils' strategy was to work with registered social housing providers as this would allow them the best chance of developing the sites as 100% affordable homes with an objective of delivering all the homes at social rent. The North Parade site has the additional aim of being a pilot scheme for the use of low carbon modular housing.

### Transfer of risk

The Council's strategy of working with registered social housing providers enabled a transfer of risk from the Council who has limited experience of developing such sites, to developers that have significant experience of developing similar projects. While the Council recognised that this also involved a transfer of direct control through the sale of the site, they felt that it was a suitable solution for bringing the sites forward as the planning system would ensure that the sites meet the necessary planning criteria for ensuring good development outcomes.

*"(We are going to) get our affordable houses for local people. We're even going to get some houses that are very energy efficient."* – Mendip Council

## Overcoming challenges

The sites themselves were considered to be suitable for development in accordance with the policies of the local plan as they are brownfield sites located within the settlement area. There were no policies to protect the existing car park use and as affordable housing is a key priority, in planning terms, the loss of the car parks was justified. This loss of car parking formed a minor challenge that needed to be addressed through engaging with the local community and businesses.

## Planning decision process – key dates

- Land Off Norbins Road Glastonbury BA6 9JG. Application for 'Demolition of existing garage block and clearance of the land. Construction of 6No. Private 2 bed semi-detached (2 blocks of 3 properties) plus parking/hard standing, Access route and Landscaping areas and amenities. Application Received Date: 17 Nov 2021. Determination deadline: 16 Feb 2022 (currently delayed due to nutrient neutrality issues)
- Expected submission of planning application for North Parade: Autumn 2022

## **5 Key Site Challenges**

Viability was initially a key challenge in relation to bringing both these sites forward. However, with the Norbins road application, now submitted, nutrient neutrality is currently the main concern. This relates to a growing number of local planning authorities who have been advised by Natural England that development in some river catchment areas cannot proceed if it increases levels of nutrients. Their advice is that development can only proceed if it is "nutrient neutral". This has caused in some cases a moratorium on local planning authorities issuing planning permissions as they seek to understand and develop ways to mitigate the impact of development on nutrient pollution of rivers in protected catchments.

### Viability

Viability was a significant challenge for both sites, particularly as both are small sites aiming to deliver 100% affordable housing at social rent. The size of both sites does not easily enable economies of scale to be achieved as it is more viable for a developer to work on a larger site due to the resources and contractors etc needed. Also, as 100% affordable schemes there was no market housing to subsidise costs. The LRF funding provided a useful contribution to addressing this challenge through providing the finance to undertake necessary work on access. In the case of Norbins Road this challenge was also addressed through the council packaging the site with another nearby site in Steet, so that the developer (Aster) could develop both sites at the same time, providing an overall development of approximately 40 dwellings.

A further viability challenge occurred for North Parade where the costs of development provided by the Housing association's contractor were initially too high to make the project viable. An alternative contractor had to be found who was willing to take on the relatively small scheme. While this issue was successfully resolved, it did create a significant delay to the scheme.

### Loss of car parking

Both sites involve a loss of car parking provision which created local opposition in both locations. In North Parade local businesses (members of the Chamber of Commerce) opposed the development as they use the car park on a cheap permit system. There is also a large mixed-use

development being developed nearby (Saxonvale) that has faced a lot of opposition due to levels of affordable housing and employment land and which will also result in the loss of some parking until construction is complete.

In both locations there are alternative car parks located very close by and the car parks are not operating at full capacity. As the car parks are not operating at full capacity, the loss of revenue from the removal of these parking spaces is not considered to be a concern. However due to opposition to North Parade, the planning application will provide clear evidence that existing car parks are not operating at full capacity.

### Nutrient neutrality

Nutrient neutrality has caused a significant challenge for Norbins Road and, at the time of writing, is preventing the Local Planning Authority from being able to make a decision on the application. A number of Local Authorities in England including MDC have been informed by Natural England that development in certain locations cannot go ahead unless it is 'nutrient neutral'. This means that the nutrient load created by the development as a result of the additional wastewater (including surface water) has to be provably mitigated. While it is expected that a form of mitigation will be required, there is uncertainty regarding what it will be, how much it will cost and who will be responsible for delivery.

“we're not going to be able to actually get a decision until we know that there's a suitable mitigation scheme for phosphates.” – Developer

This has caused a notable delay for the site, where the contracts have been exchanged and a decision is ready to be made. In the face of this uncertainty the planning service had to think quickly about how to keep the development on track. Working with the developer, they negotiated a form of financial mitigation into the contract for the developer. In doing so the council has shouldered some of the financial risk, and the developer has had to take on some of the risk until the mitigation strategy is certain.

“We have got positive land values, ... It's not a huge amount of money, but the contract provides for, I think about half of that money to be returned to Aster. .So Aster can then use that money to offset any mitigation costs as and when they're known. It's the only way we could think of to move it forward.” - Mendip Council

### Site-specific challenges at Norbins Road

There were a number of site-specific challenges which impacted the overall developable area of Norbins Road. These have included issues with drainage, a water main, underground pipes all of which were overcome through the design of the site i.e. designing around any 'obstacles'. A further challenge related to a right of way to a residential street at the rear of the site, so the site had to be designed around that. While these challenges have created delays, they have all been resolved.

### Land Swap at North Parade to Improve Access

North Parade has involved a land swap between the land owned by the Council and the land owned by the neighbouring college. This was essential in order to facilitate access. The negotiations have taken a long time to resolve and involved substantial ground investigations as well as a payment to the college. This created uncertainty in the process particularly as the developer was not able to proceed with the exchange of contracts on the car park site until this



was resolved. MDC played an important role in facilitating these negotiations to ensure that the land swap was achieved.

## **6 LPA Skills and Resources: Means of Deployment Onsite**

Two key aspects have been critical to the effective role played by MDC in bringing forward these sites for social housing development

### Drive, coordination and momentum

Having the corporate objective of developing social housing on council owned land provided the overall drive for the project. The momentum and coordination of the project was achieved through having an experienced staff member with a clear role to bringing projects like these forward and to negotiate with the potential partners. Having the support of a dedicated cabinet member also facilitated this momentum through ensuring that *“it appeared regularly on the agendas of cabinet meetings and full council meetings. And if people had questions to ask, they had one person to go to”*. – Elected Councillor

### Picking the right partner, creating the right ‘package’, and making a viable proposition

*“One of the problems I’ve had with my discussions of housing associations is getting them interested in the smaller sites. And I think they’ve always gone to other opportunities that they might think are easier.”* – Mendip Council

The successful progress of both projects can be linked to the Council picking the most suitable partner to bring forward the development and packaging the offer in a way that makes it a good opportunity for the developer. This involved packaging the small Norbins Road site with another site that was located close by (in Street), enabling an overall development of about 40 dwellings. As a very small site Norbins Road was not originally an enticing prospect for a large social housing developer, who will have fixed costs such as health and safety requirements, a show home etc. However, combining the two sites enabled the economies of scale to be large enough for Aster Group, who the council has previously worked with, to be interested. Aster Group is now able to run Norbins Road as a phase of the larger site (in nearby Street, Mendip), with the same staff working on both sites.

*“Norbins Rd site would not have come forward without it being linked by us and Aster to the site in Street.”* – Mendip Council

In the case of North Parade, the Council assembled the proposal as a package including an architect who specialises in modular buildings, to present the idea of the low carbon modular housing site. This occurred as a result of the Affordable & Social Housing Delivery Programme which states that the site has been identified as suitable for a modular housing project that ‘provides an opportunity to combine the need for more social housing with innovative building methods, producing low carbon, high quality, energy efficient homes’.

### Impact of Land Release Fund (LRF) Funding

*“It’s useful money, but it’s not enough on its own.”* - Mendip Council

In total, the Council received LRF for four sites, for the purpose of paying for due diligence and site preparations which would help with overall viability and bringing the sites forward for development. The funding is time-sensitive, non-transferable and can only be spent on what is

specified in the application. A key challenge was that there had not been time to do a detailed study of exactly what would be required when applying for the funding, so the funding was restricted to being spent on the expected challenges i.e. access rather than any other issues that may arise.

*“Overall LRF funding was useful for the 2 sites...we can say we've got serious government money. I mean, it's like a surprising amount of money. To bring forward developments”.* – Elected Councillor

### Importance of the funding

*“I think it is really important. I think it's important because it enabled me and my colleagues to actually do a bit of work ourselves before we'd found development partners.”* – Mendip Council

The key benefit of the LRF funding was its role in helping to bring forward sites where viability was already a challenge due to the nature of the sites and type of development. As described below, for both sites the funding enabled important work to be undertaken on facilitating access. Another benefit is that some of the initial work on investigating these sites to assess their development potential had been done in order to apply for the funding which meant that the Council had a good overview of the challenges of the site before starting to talk to potential partners.

### How the LRF funding was spent

In both locations the funding was mainly spent on facilitating access to the site. In Norbins Road work was needed to improve the existing access which did not have good visibility. In North Parade a large amount of the LRF funding was spent on researching an access to the site that satisfied the neighbouring college as well as the highways requirements. As a result, a solution has been developed that provides a new access to both the existing car park and to the development site. This has been a complicated challenge also involving a land swap with the neighbouring college. On a project with low viability having the funding to be able to facilitate this was significant. While most of the money was spent on exploring the viability of different access points, it is anticipated that the remaining funds will be put towards the cost of creating the access. The developer found this access work to be very useful, particularly as it is something that would usually take them a long time. Thus, the LRF funding can be seen to have made positive contribution to the forming of partnerships between the council and developer.

### LRF creating unexpected opposition

The Council has faced some opposition in relation to the LRF funding. Some questioned why these particular sites received the funding and arguing that it wasn't allocated in a democratic fashion. This is despite the Council going through the correct procedures to apply for the funding. As a result, the council has had to spend time defending their decisions to the community.

### Effective partnership working

Partnership working is a key feature of bringing forward these two sites. In the past the Council has tried to develop social housing using their own house building company, however due to the size of the Council there were inevitable skills and capacity constraints. Forming partnerships with housing associations has enabled these sites to be brought forward. Two elements were key here, clear coordination and communication.

### *Coordination*

Central to the success of progressing these sites has been the crucial role of the staff member with responsibility for bringing forward the council owned land for social housing development. This staff member was able to coordinate the partners involved.

### *Communication*

“It’s been, it’s been absolutely great. I mean, Mendip are really proactive.” – Developer

Developers have stated that the communication and transparency from the council has helped the site to proceed. Developers have valued the honesty and the transparency in the process. They also value the Council being responsive to queries and trying to help move the process along.

### Reflections on this site relevant to other brownfield sites

- **Having a strategy or commitment to brownfield redevelopment in the Council’s corporate plan** can provide an important driver in bringing these projects forward. A priority for action is also beneficial.
- **Having a dedicated resource to bringing forward Council owned land** for social housing developments can be hugely beneficial to enable these projects to proceed. In particular, there is a need for staff members with the correct skills and expertise who is able to negotiate effectively with developers. Strong corporate working is also key.
- Having **outward facing political support** can help to progress the project. In these examples the local councillor was able to work with other Councillors as well as advocate with other stakeholders.
- **Pick the right partner for the project and put forward an attractive proposition.** In the example of Norbins Road the council packaged two sites together in order to make an attractive proposition for a large social housing developer.
- **Transparency is key to partnership working.** The private sector partners involved in these projects valued the openness from the council. Transparency is also key in cases where the Council is both the landowner and the planning authority.
- **Ensure that applying for external funding involves an open process.** A reflection from this case is that ideally Councils should try to get early engagement on potential proposals ahead of putting sites forward for external funding in order to reduce opposition at a later date.

## 7 Key links

Norbins road public consultation website:

<https://www.norbinsroadcarpark.clplanning.co.uk/>

Mendip Council Corporate Plan:

<https://www.mendip.gov.uk/corporateplan>

Affordable & Social Housing Delivery Programme agenda document:

[https://www.mendip.gov.uk/media/26371/Item-12-Affordable-Social-Housing-Delivery-Programme/pdf/Item\\_12\\_Affordable\\_Social\\_Housing\\_Delivery\\_Programme.pdf?m=637390589308430000](https://www.mendip.gov.uk/media/26371/Item-12-Affordable-Social-Housing-Delivery-Programme/pdf/Item_12_Affordable_Social_Housing_Delivery_Programme.pdf?m=637390589308430000)

July 2020 Cabinet meeting (discussing the Affordable & Social Housing Delivery Programme)

[https://www.mendip.gov.uk/media/25660/Approved-Cabinet-Minutes-06-07-20/pdf/Approved\\_Cabinet\\_Minutes\\_06.07.20.pdf?m=637321467947870000](https://www.mendip.gov.uk/media/25660/Approved-Cabinet-Minutes-06-07-20/pdf/Approved_Cabinet_Minutes_06.07.20.pdf?m=637321467947870000)

Affordable & Social Housing Delivery Programme Q and A:

[https://www.mendip.gov.uk/media/26701/Affordable-and-Social-housing-development-programme-Q-As/pdf/Affordable\\_and\\_social\\_housing\\_development\\_programme\\_QAs\\_verison\\_25\\_11\\_20\\_PD\\_F.pdf?m=637419073571170000](https://www.mendip.gov.uk/media/26701/Affordable-and-Social-housing-development-programme-Q-As/pdf/Affordable_and_social_housing_development_programme_QAs_verison_25_11_20_PD_F.pdf?m=637419073571170000)

PAS website information on nutrient neutrality:  
<https://local.gov.uk/pas/topics/environment/nutrient-neutrality-nn-and-planning-system>



Norbins Road car park

(Image from <https://www.norbinsroadcarpark.clplanning.co.uk/>)