

Clyde Gateway submission of 25 November 2022

PE1943/B: Help prevent the destruction of greenfield sites by providing financial incentives towards the remediation and reuse brownfield sites

Clyde Gateway is an urban regeneration company that exists to drive inward investment and improvement for the people and communities across the east end of Glasgow and South Lanarkshire. We are a partnership of Glasgow City Council, South Lanarkshire Council, and Scottish Enterprise. We receive funding support from the Scottish Government.

One of our key strategic goals is Sustainable Place Transformation. In other words, Clyde Gateway has the task of making our communities much more attractive as places where people will want to live and work.

Much of our work involves reducing levels of vacant and derelict land in our area. Our target is the remediation of 350 HA of derelict and contaminated land. As of March 2022, our KPI recorded 275.3 HA as remediated.

The development of long term vacant and derelict land is complex, and the challenges can include fragmented land ownership, title burdens, infrastructure constraints and ground conditions. Furthermore, the planning and land use designation may not support alternative uses or redevelopment.

In addition to these physical or legal barriers to development and regeneration, there can be multiple market failures present for example market demand or perception.

There is a range of support available to Clyde Gateway, local authorities and other organisations which includes the Vacant and Derelict land Investment Programme (VDLIP) administered by the Scottish Government and the Vacant and Derelict Land Investment Fund (VDLF) which is administered at a local authority level. In addition, the Regeneration Capital Grant Fund (RCGF) via the Scottish Government can also be applied.

Outwith these sources of funding, Clyde Gateway has attracted European Regional Development Fund Programme (ERDF) from the 2007-2013 programme and the Green Infrastructure Strategic Intervention Fund under the ERDF Programme 2014-2020. We have also attracted funding from Clyde Mission.

More recently we have submitted an application to the UK Levelling Up Fund (LUF) to tackle complex remediation in Shawfield.

In relation to the petition, there is clear evidence of funding, but it may not be available to the private sector, may be difficult to access and may not be sufficient to fully address the constraints to development.

However, in commercial terms, the purchase of brownfield land can be, depending on location or historic use, discounted to account for abnormal costs including ground conditions and remediation. The market value of brownfield land that is subject to significant abnormal costs can be discounted to nominal costs for example £1. In one example in Clyde Gateway, we have agreed to a sale at nominal value with overage payments due should the sale price of homes achieve higher sale values.

It is therefore not always the case that Greenfield sites are being targeted as they can be less expensive as the petitioner asserts but that they offer developers fewer constraints, and better market conditions and demand. Greenfield sites are typically more attractive to volume housebuilders where lower-density development can be more easily delivered, with less risk and at higher rates of return compared to higher-density development on Brownfield land.

Clyde Gateway recognises that our regeneration work requires construction and development that may be carbon intensive but seeks to deliver, in parallel, improvements in air quality through greening, using design to manage surface water and mitigate flooding and we are implementing long-term approaches to district heating and cooling to decarbonise energy. This combined with efforts to improve active travel through walking and cycling and encouraging the use of public transport provides a more sustainable development model when compared to the development of Greenfield sites.

In relation to the petition, we are therefore supportive of a policy that discourages development on Greenfield land, unless no suitable Brownfield alternatives are available.

The committee may wish to have regard to the work of the Scottish Land Commission <https://www.landcommission.gov.scot/> who produced the report 'Transforming Scotland's approach to vacant and derelict land' October 2020 which included a series of recommendations including 'Aligning Strategic Funding to Support Delivery' which is relevant to the scope of the petition.