

**WESTERN AREA PLANNING COMMITTEE
16 SEPTEMBER 2009**

HOUSING PFI SCHEME – PLANNING APPLICATIONS

Purpose of Report

1. The purpose of this report is to provide background information on the Council's housing private finance initiative (PFI) scheme, for which six planning applications are due to be considered at this meeting of the Western Area Planning Committee.

Background

2. The PFI scheme was started by West Wiltshire District Council in 2003. Its key objective is "to significantly reduce the level of unmet housing need within [West] Wiltshire, by achieving a step-change in the provision of affordable housing..."
3. One of the actions in Wiltshire Council's first year plan 2009/10 is to "Start building 400 new affordable Private Finance Initiative homes in the Trowbridge area". Provision of new affordable housing is a high priority for Wiltshire Assembly and this is reflected in the Local Area Agreement target to deliver at least 590 new affordable homes per year by 2011.
4. An overview of the project is provided in Appendix 1. The aim is to provide good quality affordable rented homes for people on the Council's housing register. The contract specification will ensure that the tenancies are managed and the homes are maintained to a high standard in order to support the proposed number of affordable homes and ensure that the developments are a popular and successful place in which to live.
5. Wiltshire Council's intended partner is a consortium led by Devizes-based Sarsen Housing Association. Persimmon Homes are providing approximately half of the land to the consortium and Westbury Partnerships will be the building sub-contractor for all of the new homes.
6. The scheme is supported by central government subsidy of £83 million and the Council has agreed to make an annual revenue contribution, of £220,000 at current prices, for 30 years. The Council will also be providing the remaining half of the land.
7. The credit crunch has affected the affordability of the project due to increased funding costs. It is therefore proposed to reduce the scope of the scheme to between approximately 325 and 350 homes. This proposal is due to be considered by Cabinet on 22 September.

Planning Applications

8. The proposed location and number of homes is shown in Appendix 2. To date full planning permission has been secured for 106 homes. Six applications for a total of 246 homes are due to be considered at this Western Area Planning Committee meeting (16 September 2009).
9. These applications have been subject to extensive discussion and consultation with planning officers, and the key issues are discussed within individual reports.
10. Assuming that all current applications obtain planning permission, there will be 352 homes, a shortfall of 48 units on the original 400 homes, due to one site (Vivash Park, Westbury) where, to date, the developer has been unable to overcome the reservations of planning officers..

Environmental Impact of the Proposal

11. Approximately half of the homes will be located on previously developed 'brown field' land and increased densities on Persimmon's sites will result in more sustainable land use of 'green field' sites.
12. All PFI units will meet Level 3 of the Code for Sustainable Homes, meaning that they achieve 25% reduction in energy consumption from Building Regulations standards. A number of environmentally sustainable features will be incorporated into the homes including low water consumption fittings, energy efficient lighting and photovoltaic (PV) roof tiles. PV tiles generate electricity from daylight and the technology allows any unused electricity to be sold into the national grid.

Equalities Impact of the Proposal

13. The homes will also be built to Lifetime Home standards meaning that they are suitable for a wide range of tenants and are capable of adaptation to meet the changing needs of residents due to age and disability etc.

Conclusions

14. Planning permission has already been granted for 106 homes. If approved, the six current planning applications will enable the proposed PFI scheme of between approximately 325 and 350 homes to be delivered.

Chris Trowell, PFI Project Manager

APPENDIX 1 – PROJECT OVERVIEW

Heading	Detail
Number of homes	Between approx. 325 and 350 homes.
Contract period	30 years from contract award, including a three year construction period. PFI contractor required to provide housing management and maintenance services in accordance with specified performance standards.
Estimated capital cost	Approx. £52m.
PFI credits	£83m.
Annual revenue contribution	Approx. £220,000 at current prices.
Nomination rights	100% for contract period. At least 50% post-contract nomination rights. 15 no. dwellings to be used as temporary accommodation.
Rents	Housing association target rents.
Council provided development sites	For approx. 169 homes.
Bidder provided development sites	For approx. 156 homes.
Development standards	<p>Housing Corporation Design and Quality Standards, including:</p> <ul style="list-style-type: none"> • enhanced Housing Quality Indicators; • Code for Sustainable Homes Level 3; • Secured by Design compliance; • Lifetime Homes standards; and • Building for Life standards.

Target programme

Milestone	Target date
Final business case submitted	October 2009
Preferred bidder confirmed	November 2009
Financial close	December 2009
Start on site	Spring 2010
Full service commencement	Summer 2012

APPENDIX 2 – PROPOSED LOCATION AND NUMBER OF HOMES

Site name/location	Number of homes	Planning status
Hornchurch Road, Bowerhill	27	Deferred
Broad Street, Trowbridge	31	Approved
Hillside, Warminster	33	Approved
Leigh Park Area R1D, Westbury	28	Pending
Leigh Park Area R11, Westbury	28	Pending
Manor School, Melksham	63	Pending
New Terrace, Staverton	62	Pending
Paxcroft Mead, Hilperton	18	Approved
Victoria Road, Warminster	38	Pending
York Buildings, Trowbridge	24	Approved
Total	352	