

Part I Briefing Report

Energy from Waste S106 Funding to Support Community Led Affordable Housing at Kings Tamerton



Background

The site has been allocated for housing for many years. It was marketed under Plan for Homes in 2013 but there was no interest from the market due to the topography and the high cost of infrastructure required to get onto the site which is in a low value area.

In January 2017 we received a proposal from Land Developments (SW) Ltd who were prepared to cover the upfront cost of the access infrastructure in return for being given part of the site for market housing. They submitted a planning application in November 2019 but had to withdraw the application due to lack of funds to complete legal work and went into Receivership in January 2021.

PCC had already been in talks with PEC about a community led scheme on part of the site and following the withdrawal of Land Developments, PEC agreed to take the lead on re-planning the site and submitting an outline application for the whole site.

PEC were awarded £90,000 Community Housing Funding to take the site through the planning process and have held community consultations to inform the design of the site. PEC intend to deliver net zero carbon, affordable housing using the Energiesprong method which guarantees the performance of the homes. To do this they are undertaking a 2 part procurement exercise and are currently in the second stage where 3 potential contractors are working up detailed proposals to present to PEC. Once one has been appointed they will then submit Reserved Matters applications for Phase One of the site which will involve development of 40 homes. A decision is yet to be made on who will deliver the remaining 30 homes on Phase 2.

A conditional contract has been exchanged with PEC and the land transfer will complete once Reserved Matters consent has been granted. The outline planning application was approved by Planning Committee on 9 December 2021, subject to signing a S106. The decision was issued on 8 July 2022 when the sale contract exchanged, allowing PEC to sign the S106. The issuing of a decision means PEC's application to become a Registered Provider can be progressed by the Regulator.

The Housing Delivery Team were successful in a bid for Land Release Funding for this site. £600,000 was awarded by MHCLG to cover the cost of works to help cover the costs of abnormal site conditions including providing an access road onto the site.

The site is a flagship scheme for innovation under the Climate Emergency Action Plan (CEAP) and part of the Eco Homes Programme which is in the Leader's Delivery Plan

Recommendations

- Approve the Business Case
- Allocate £330,000 for the project into the Capital Programme funded by S106 monies

Reasons for Recommendation

That the works be added to the Capital Programme to enable the spend of the S106 monies and that a grant agreement be entered into with PEC Homes to ensure the monies are spent in accordance with the S106 Agreement, namely:

To facilitate and enable the delivery of low carbon infrastructure which may include:

- (i) Education, advice, services and/or equipment designed to lower the energy demands of individuals and Micro Businesses including but not limited to insulation double glazing solar panels and photovoltaics; and
- (ii) A Future District Heating Network including implementation and delivery costs of the distribution network but for the avoidance of doubt excluding any costs related to heat generation including the generation of heat from the Plant.

Alternative Options

If the monies are not added to the Capital Programme the funding may need to be returned if there is no other suitable project to allocate them to. This would also add to the funding gap of the project which could result in the development stalling or providing homes that are not net zero carbon.

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