

Appendix 1 – Examples of other successful JVV schemes

Bournemouth

Bournemouth Borough Council sought a PSP with which to deliver its town centre vision. This is a major regeneration project to deliver new homes, offices, retail opportunities, tourist attractions, business development and public realm improvements in Bournemouth. Its objective was to form a corporate JV (commonly referred to as a Local Asset Backed Vehicle (LABV) in which the Council and its PSP would each hold a 50% interest in the LABV for an initial term of approximately 20 years. The value of the Council's interest will be based on the value of the assets it commits to the vehicle and value-matched with cash from the PSP, with the PSP providing working capital at risk during the initial start up of the vehicle to seek to secure planning across a number of sites to be brought forward for delivery.

Following an OJEU procurement process a joint venture vehicle has been formed with Morgan Sindall Investments Limited. The vehicle takes the form of a limited liability partnership.

The vehicle is established to undertake development activity in line with the Council's objectives, including masterplanning, marketing and land assembly. It is anticipated that this activity will initially be on the first tranche of identified development opportunities which comprise sixteen council owned sites in prime town centre locations. They are aiming to be on site at the end of the year.

Croydon

Croydon Council Urban Regeneration Vehicle (CCURV) is a 28-year public private partnership, structured as a limited liability partnership, between Croydon Council and John Laing to regenerate a range of key sites across Croydon borough. CCURV was set up as a 50:50 partnership, with Croydon Council investing land in the joint venture and John Laing investing equity and providing development expertise.

The objectives of the CCURV include enhancing the quality and design of development in Croydon and providing affordable housing and new civic accommodation. They also want to ensure developments in Croydon offer the best and most appropriate use of sites, both now and in the future and ensure the sustainability of developments in Croydon. Building works started on 16 March 2010.

Oxford

Oxford City Council sought the appointment of a co-investment partner to bring forward residential development opportunities in Barton. The proposal includes 36 hectares (90 acres) comprising mainly agricultural land which has been identified as a potential housing delivery site for the Council with a potential development pipeline of 1,000 homes including 50% affordable.

The Council's ultimate goals are to achieve a vibrant, viable and sustainable new community at Barton. One of the main challenges to development is the high initial infrastructure costs and in response the Council formed an infrastructure financing vehicle with Grosvenor. The PSP access finance and infrastructure investment and delivers sites to the market with residential development to be delivered by developers on a site by site basis. The scheme is currently at planning stage.