

HCA Business and Disposal Plan

Years 3, 4 and 5

2016/17, 2017/18 and 2018/19



CITY DEAL
Preston, South Ribble & Lancashire

HCA Business & Disposal Plan (2016 – 2019)

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1. Background

1.1 Introduction

1.1.1 This Business & Disposal Plan (BDP) refresh is prepared by the HCA and is one of the key documents used to measure the performance of the Lancashire, Preston and South Ribble City Deal ('The Deal'). The BDP specifically monitors progress in relation to the HCA land portfolio included within the deal. This BDP refresh should be read in conjunction with the Infrastructure Delivery Plan (IDP), which monitors the infrastructure delivery element of the City Deal programme and is produced by Lancashire County Council (LCC).

1.1.2 There are 11 HCA sites included within the Deal, and this BDP refresh provides detailed site information, delivery timescales, a review of the milestones delivered in year, milestones for years 3, 4 and 5, risks and receipt forecasts. The BDP is a 'live' document and is continually reviewed through the monitoring arrangements that are in place. This document is formally updated on an annual basis.

1.1.3 Whilst the HCA retains full control of its land disposals and decisions, the Executive and Stewardship Board still remains a key part of the Deal's governance structure and a meeting of the Board can be called to review progress and question decisions if and when required.

1.1.4 The fundamental role of this BDP refresh is to provide:

- A brief update on the successful delivery in 2015/16
- Highlight any emerging issues
- Update the milestone information and investment forecasts for the 11 HCA sites.

1.1.5 All background site information etc. is contained within the original BDP 2015- 2018.

1.2 HCA Approvals

1.2.1 There is three year approval in place from the HCA Board for the BDP from June 2015. The next Board approval required for the City Deal BDP will be June 2018.

1.2.2 The BDP Refresh will be taken to the North West SMT on an annual basis for noting and will feed into the overall City Deal Infrastructure Delivery Plan.

2. HCA Delivery 2015/16

2.1 2015/16 Delivery Highlights

The HCA prepared the initial BDP at the start of year 1 (2014/15), which committed to a number of milestones to be delivered for the 11 HCA City Deal sites. Progress against those milestones has been excellent and in some cases milestones from future years have been expedited into 2014/15.

Given the widespread support and focus on this Deal (both internally within the HCA and externally with partners) it is critical that this good performance on delivery is maintained on all the sites, in accordance with the revised programme of milestones contained in this new three year BDP.

In 2015/16 key physical milestones included:

- 6 sites (made up of a number of phases) have secured planning permission with consent for 2,671 homes
- Of these six sites, developers are on board on five (made up of a number of phases) with a capacity to deliver 1,159 new homes
- There have been c80 housing completions to date

Date	Milestone
April 2015	<ul style="list-style-type: none">• Conditional legal agreements being prepared with Story Homes for Cottam Hall Phase 2 (283 homes) and Eastway (300 homes)
May 2015	<ul style="list-style-type: none">• Conditional legal agreement with Story Homes in place for Cottam Hall (phase 2)
June 2015	<ul style="list-style-type: none">• Whittingham Hospital Phase 1 (150 homes) commenced on site
July 2015	<ul style="list-style-type: none">• Cottam Hall (phase 2) reserved matters application approved
August 2015	<ul style="list-style-type: none">• Negotiations with developers on Whittingham Hospital Phase 2 (200)
September 2015	<ul style="list-style-type: none">• Altcar Lane (200 homes) Masterplan endorsed for public consultation by South Ribble Council planning committee
October 2015	<ul style="list-style-type: none">• Altcar Lane Masterplan public consultation carried out
November 2015	<ul style="list-style-type: none">• Conditional legal agreement in place for Croston Road South (175 homes)

Date	Milestone
December 2015	<ul style="list-style-type: none"> Completion of the first dwelling at the Whittingham Hospital site
January 2016	<ul style="list-style-type: none"> Start on site for Broughton Bypass Disposal of Cottam Hall (phase 2) to Story Homes, receipt of £8.7(DEL) and a start of 283 new homes
February 2016	<ul style="list-style-type: none"> Conditional legal agreement in place with Story Homes on the Eastway site, this will result in a receipt of £14.2m (DEL) and 300 new homes
March 2016	<ul style="list-style-type: none"> Conditional legal agreement with developer on Cottam Hall Phase 3, delivering 119 new homes. Altcar Lane Masterplan endorsed by South Ribble Planning Committee Outline planning permission granted on Croston Road North Croston Road South (Millers) Reserved matters planning application granted

As a result of this pace on delivery, HCA made the following financial investment into the Deal in 2015/16:

	Receipt	Loan (£)	Grant (£)	Total Payment (£)
2015/16	£ 5,191,900	£ 7,648,144	£-	£ 7,648,144
To 31.3.16	£ 6,465,795	£ 12,407,341	£-	£ 12,407,341

Due to the continuing pace of delivery, it is forecast that the HCA will make the first grant payment next financial year (2016/17). A full breakdown of the forecast HCA financial contribution is included in 4.2 on page 11.

It is noted that the rate of completions (80) is marginally behind the forecasts included in the previous BDP (114) reflecting the actual build out rate of partners. We have factored this into future projections within the BDP (2016-19) to more accurately reflect market trends.

2.2 Emerging Risks and Issues

Financial

2.2.1 Following the Spending Review in November 2015, there are a number of national policy changes proposed which could potentially impact on the City Deal. A resource review is being undertaken (by the City Deal Team) to fully understand how these changes (specifically New Homes Bonus, Community Infrastructure Levy (CIL), Starter Homes and Direct Commissioning) could impact on the current deal structure and/ or assist future delivery. The outcomes and recommendations of this work are due in April 2016.

Risk

2.2.2 The homes and investment from the HCA's 11 sites are fundamental to the successful delivery of this 10 year Deal. We are continuing to work with agents to ensure the dynamics of the local housing market are factored into our disposal activity and will undertake sensitivity testing to identify the potential implications of broader economic trends on our financial forecasting.

2.2.3 It is noted that new and emerging opportunities such as Direct Commissioning and Starter Homes may also present opportunities to maximise delivery on HCA sites.

3 HCA Delivery Profile

3.1 Site Milestones

3.1.1 The key milestones for the disposal of HCA assets are monitored using the following headings:

1. Pre-Application work , including stakeholder engagement
2. Pre-Submission technical workshop,
3. Master-planning & options analysis
4. Outline Planning Application Submitted
5. Outline Planning Application Approved
6. Section 106 Signed/Planning Consent Issued
7. Site Marketing Commenced
8. Preferred Developer Selected (HCA Approval)
9. Conditional Legal Agreement
10. Reserved Matters Application Approved
11. Unconditional contract
12. Pre Commencement Ecological Mitigation/Site Infrastructure Works
13. Start On Site
14. First Housing Completion
15. Phase Completion
16. Other

3.1.2 The forecast delivery milestones for the 11 HCA assets are included in the following table. The table shows forecasts as of the previous BDP (2015/16) and the current forecast for each site – see below:

Cottam Hall Phase 3	2015/16		10		12	13		14							Forecast in 2015/16 BDP
	2016/17		10	12	13			14							Revised forecast in current BDP

Site		Year 3 2016/17				Year 4 2017/18				Year 5 2018/19			
Cottam Hall Site K	2015/16												
	2016/17												
Cottam Hall Phase 2	2015/16	13											
	2016/17		14										
Cottam Hall Phase 3	2015/16		10		12	13		14					
	2016/17		10	12	13			14					
Cottam Hall Phase 4	2015/16			7			8	9					
	2016/17								7			8	9
Land at Eastway Resi.	2015/16		13		14								
	2016/17			13		14							
Land at Eastway Com	2015/16												
	2016/17		11			10		13				15	
Preston East EZ	2015/16			3					1				
	2016/17					7			8			11	
Preston East Sect. D	2015/16			3					1				
	2016/17	8		11			10		13				
Cottam Brickworks	2015/16				13								
	2016/17				13								
Whittingham Phase 1	2015/16												
	2016/17												
Whittingham Phase 2	2015/16	10	13		14								
	2016/17	8	9		10	13		14					
Whittingham Phase 3	2015/16			7			8		9				
	2016/17					7		8		9	10	13	
Whittingham Comm.	2015/16												
	2016/17	7			8	9		10	13			15	
Pickering's Farm	2015/16	5	6	12		13		14					
	2016/17	16	3	3	4	5	7	8	9		10		13
Croston Road South	2015/16	13		14									
	2016/17	13		14									
Croston Road North 1	2015/16		8	9		10	12	13					
	2016/17	7			8	9		10	12	13		14	
Croston Road North 2	2015/16				7			8					
	2016/17	7			8	9		10	12	13		14	
Altcar Lane	2015/16	5	6	7			8	9					
	2016/17	4	5	6	7	8	9		10	13		14	
Brindle Road	2015/16	15											
	2016/17	15											
Walton Park Link	2015/16	13		14									
	2016/17		13		14								

Table 1: HCA site milestones for 2016/17 to 2018/19

4. Finances

4.1 Contracted and Forecasted Receipts Table

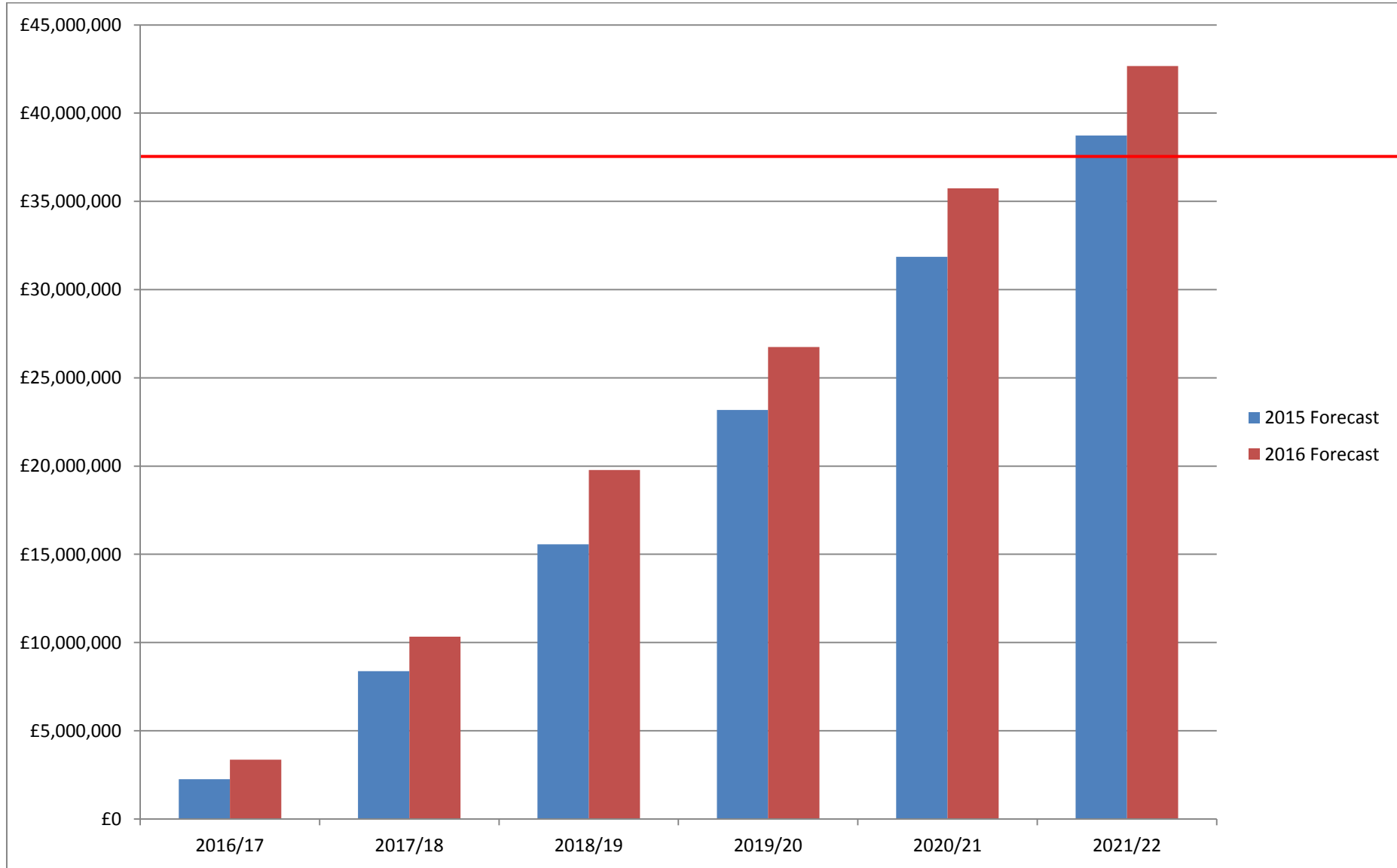
Site Name	Receipt type	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024+	All Years	Total
Cottam Hall	Contracted	£ -	£ 370,495	£ 527,888	£ 1,217,622	£ 920,762	£ 214,833	£ -	£ -	£ -	£ -	£ -	£ -	£ 3,251,600	£ 35,374,473
	Forecast	£ -	£ -	£ 2,889,955	£ 2,572,421	£ 2,625,000	£ 2,327,000	£ 1,806,250	£ 3,696,250	£ 5,231,250	£ 5,071,250	£ 3,890,000	£ 2,013,497	£ 32,122,873	
Land at Eastway, Broughton	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 16,377,257
	Forecast	£ -	£ -	£ -	£ 3,705,000	£ 2,228,000	£ 2,000,000	£ 2,000,000	£ 2,500,000	£ 3,144,257	£ 500,000	£ 300,000	£ -	£ 16,377,257	
Preston East EA (Break even cost)	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 1,685,854
	Forecast	£ -	£ -	£ -	£ -	£ -	£ 1,685,854	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Cottam Brickworks (Nil contribution)	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Forecast	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Whittingham Hospital (Nil contribution)	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Forecast	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Pickerings Farm (Cent. Lancs. Village)	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 10,395,000
	Forecast	£ -	£ -	£ -	£ -	£ -	£ 519,750	£ 1,975,050	£ 1,975,050	£ 1,975,050	£ 1,975,050	£ 1,975,050	£ -	£ 10,395,000	
Croston Road South, Farington	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 5,529,000
	Forecast	£ -	£ -	£ -	£ 552,900	£ 2,488,050	£ 2,488,050	£ -	£ -	£ -	£ -	£ -	£ -	£ 5,529,000	
Croston Road North, Farington	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 14,000,000
	Forecast	£ -	£ -	£ -	£ -	£ 3,000,000	£ 3,000,000	£ 3,000,000	£ 3,000,000	£ 2,000,000	£ -	£ -	£ -	£ 14,000,000	
Altcar Lane, Leyland	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 6,020,000
	Forecast	£ -	£ -	£ -	£ -	£ 1,500,000	£ 1,500,000	£ 1,500,000	£ 1,520,000	£ -	£ -	£ -	£ -	£ 6,020,000	
Brindle Road, Bamber Bridge	Contracted	£ 163,400	£ 740,000	£ 1,774,057	£ 590,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 3,267,457	£ 3,267,457
	Forecast	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Walton Park Link Road (Nil contribution)	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Forecast	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Totals		£ 163,400	£ 1,110,495	£ 5,191,900	£ 8,637,943	£ 12,761,812	£ 13,735,487	£ 10,281,300	£ 12,691,300	£ 12,350,557	£ 7,546,300	£ 6,165,050	£ 2,013,497	£ 92,649,041	£ 92,649,041

4.2 Forecast Loan and Grant Table

Site Name	Payment	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024+	All Years	Total
Cottam Hall	Loan	£ -	£ 1,995,197	£ 7,648,144	£ 3,000,000	£ -	£ -	£ 3,974,392	£ 6,941,109	£ 3,993,043	£ -	£ -	£ 227,413	£ 27,779,298	£ 30,051,933
	Grant	£ -	£ -	£ -	£ 507,209	£ 512,361	£ 1,253,065	£ -	£ -	£ -	£ -	£ -	£ -	£ 2,272,635	
Land at Eastway, Broughton	Loan	£ -	£ -	£ -	£ 1,357,085	£ -	£ -	£ -	£ -	£ 183,778	£ -	£ -	£ -	£ 1,540,863	£ 15,561,035
	Grant	£ -	£ -	£ -	£ 2,347,915	£ 2,228,000	£ 2,000,000	£ 2,000,000	£ 2,500,000	£ 2,944,257	£ -	£ -	£ -	£ 14,020,172	
Preston East EA (Break even cost)	Loan	£ -	£ -	£ -	£ -	£ -	£ 1,685,854	£ -	£ -	£ -	£ -	£ -	£ -	£ 1,685,854	£ 1,685,854
	Grant	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Cottam Brickworks (Nil contribution)	Loan	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Grant	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Whittingham Hospital (Nil contribution)	Loan	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Grant	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Pickerings Farm (Cent. Lancs. Village)	Loan	£ -	£ -	£ -	£ -	£ -	£ 2,017,408	£ -	£ -	£ -	£ -	£ -	£ -	£ 2,017,408	£ 6,444,900
	Grant	£ -	£ -	£ -	£ -	£ -	£ -	£ 477,392	£ 1,975,050	£ 1,975,050	£ -	£ -	£ -	£ 4,427,492	
Croston Road South, Farington	Loan	£ -	£ -	£ -	£ 585,210	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 585,210	£ 5,529,000
	Grant	£ -	£ -	£ -	£ -	£ 2,455,740	£ 2,488,050	£ -	£ -	£ -	£ -	£ -	£ -	£ 4,943,790	
Croston Road North, Farington	Loan	£ -	£ -	£ -	£ -	£ 1,217,708	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 1,217,708	£ 14,000,002
	Grant	£ -	£ -	£ -	£ -	£ 1,782,294	£ 3,000,000	£ 3,000,000	£ 3,000,000	£ 2,000,000	£ -	£ -	£ -	£ 12,782,294	
Altcar Lane, Leyland	Loan	£ -	£ -	£ -	£ -	£ 2,304,121	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 2,304,121	£ 6,020,000
	Grant	£ -	£ -	£ -	£ -	£ -	£ 695,879	£ 1,500,000	£ 1,520,000	£ -	£ -	£ -	£ -	£ 3,715,879	
Brindle Road, Bamber Bridge	Loan	£ -	£ 2,764,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 2,764,000	£ 3,268,000
	Grant	£ -	£ -	£ -	£ 504,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 504,000	
Walton Park Link Road (Nil contribution)	Loan	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Grant	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Total Loan		£ -	£ 4,759,197	£ 7,648,144	£ 4,942,295	£ 3,521,829	£ 3,703,262	£ 3,974,392	£ 6,941,109	£ 4,176,821	£ -	£ -	£ 227,413	£ 39,894,462	£ 82,560,724
Total Grant		£ -	£ -	£ -	£ 3,359,124	£ 6,978,395	£ 9,436,994	£ 6,977,392	£ 8,995,050	£ 6,919,307	£ -	£ -	£ -	£ 42,666,262	

- The current forecast shows the grant payable will reach the 'cap' of £37.5m in year 2021/22

4.3 Forecast Loan and Grant Payment Graphs



- The current forecast reflects that the “grant cap” of £37.5m is still forecast to be met in 2012/22, although at a quicker rate.

5. HCA City Deal Outputs

The following tables reflect the current forecast outputs on the HCA sites.

5.1 Total number of Housing unit consented for outline planning

Site		Actual 31.3.15	Year 3 16/17	Year 4 17/18	Year 5 18/19	Year 6 19/20	Year 7 20/21	Year 8 21/22	Year 9 22/23	Yr. 10 23/24	Yr.10+ 2024+	Total
Cottam Hall	2015/16	1,100										1,100
	2016/17	1,100										1,100
Land at Eastway	2015/16	300										300
	2016/17	300										300
Preston East EA	2015/16	N.A.										N.A.
	2016/17	N.A.										N.A.
Cottam Brickworks	2015/16	N.A.										0
	2016/17	N.A.										0
Whittingham	2015/16	650										650
	2016/17	650										650
Pickering's Farm	2015/16		297									297
	2016/17			297								297
Croston Road South	2015/16	175										175
	2016/17	175										175
Croston Road North	2015/16	400										400
	2016/17	400										400
Altcar Lane	2015/16		172									172
	2016/17		200									200
Brindle Road	2015/16	46										46
	2016/17	46										46
Walton Park Link	2015/16	N.A.										N.A.
	2016/17	N.A.										N.A.
Total	2015/16	2,671	469									3,140
	2016/17	2,671	200	297								3,168

5.2 Total number of Housing unit completions

Site ¹		Actual 31.3.16	Year 3 16/17	Year 4 17/18	Year 5 18/19	Year 6 19/20	Year 7 20/21	Year 8 21/22	Year 9 22/23	Yr. 10 23/24	Yr.10+ 2024+	Total
Cottam Hall	2015/16	64	96	96	96	91	96	95	96	301	-	1,031
	2016/17	30	52	96	96	96	96	96	96	96	346	1,100
Land at Eastway	2015/16		30	30	30	30	30	30	30	90		300
	2016/17		10	20	30	30	30	30	30	30	90	300
Preston East EA	2015/16	N.A.										0
	2016/17	N.A.										0
Cottam Brickworks	2015/16	N.A.										0
	2016/17	N.A.										0
Whittingham	2015/16	8	32	64	64	94	64	64	72	188		650
	2016/17	6	32	64	64	64	64	64	64	64	164	650
Pickering's Farm	2015/16			50	50	50	60	50	47			297
	2016/17					32	32	32	32	32	137	297
Croston Road South	2015/16		34	34	34	38						140
	2016/17		16	32	32	32	32	31				175
Croston Road North	2015/16			24	32	32	32	32	100	148		400
	2016/17				64	64	64	64	64	64	16	400
Altcar Lane	2015/16				32	32	32	32	32	12		172
	2016/17				32	32	32	32	32	32	8	200
Brindle Road	2015/16	42	4									46
	2016/17	42	4									46
Walton Park Link	2015/16	N.A.										0
	2016/17	N.A.										0
Total	2015/16	114	196	298	338	367	314	303	377	739	0	3,036
	2016/17	78	114	212	318	350	350	349	318	318	761	3,168
Cumulative Total	2015/16	114	310	608	946	1,313	1,627	1,930	2,307	3,046	3,046	3,046
	2016/17	78	192	404	722	1,072	1,422	1,771	2,089	2,407	3,168	3,168

¹ Where house completions are greater than 32, multiple phases are on site (e.g. 64 units at Whittingham is 2 phases, 96 units at Cottam Hall is 3 phases)

6. City Deal site plan

6.1 City Deal sites plan

