



Craven Barnfield Regeneration Limited Business Plan 2017 to 2020



CRAVEN BARNFIELD
REGENERATION PARTNERSHIP

VISION

Craven Barnfield Regeneration Limited (CBR) is the name of Craven's Joint Venture Company bringing together Craven Council with of the North's leading developers and construction groups.

Craven Council's vision is:

'for Craven to be a prosperous place with strong, vibrant and diverse communities'

CBR will contribute towards this vision by improving the economic, social and environmental well-being of Craven. Craven and Barnfield will build an enduring partnership making best use of Council, other statutory body and third party land and property assets to achieve financial, social and economic benefits for the local community.

By embracing a strategic public-private sector approach to customer demand, land release, and capital investment at a local level a significant programme of economic development and regeneration activity can be delivered.

The private sector brings regeneration delivery skills, the Council brings its assets creating a holistic property and regeneration delivery service that will improve the social betterment and competitiveness of the district, generate new jobs, new homes and opportunities for local people.

Why the Need for Regeneration?

Much of Craven is rural and often categorised as sparsely rural. These areas are characterised as being areas of low unemployment, the home to many successful businesses and entrepreneurs and having outstanding natural environment.

Craven is also an area of low wages, declining working age populations and limited job opportunities. The development of a regeneration partnership aims to address the challenges that regularly hinder projects aimed at generating economic growth in rural areas.

There is a need to bring land, cash and skills together to deliver rural projects that will create economic growth. Central Government and Local Enterprise Partnerships are looking for initiatives that can deliver high quality projects quickly and generate a return and want to see what the local authority is willing to contribute.

Many projects in rural areas are regarded as commercially marginal. It takes time to build out a rural site and gain a return. In addition the Council does not have access to the professional skills and experience needed to develop and deliver projects and capital reserves to cash flow projects are insufficient. Procurement also contributes to delays due to the need procure architects and construction services.

By forming a strategic partnership with a private sector partner they can provide the additional capacity, innovation and leverage on investments that will enable land to be developed quickly, creating economic growth whilst also generating a return on investment for the Council.

The combination of two sources of funding

reduces risk for the Council and allows significant growth in the level of regeneration activity the Council can afford. There is an opportunity to create a recyclable fund for investment in new projects including marginal developments and financial returns from traditional loans can be accelerated through a joint venture as there is an incentive to generate a return in order to invest in further projects.

The regeneration partnership also allows schemes to generate economic growth to be advanced that would not normally progress by mixing projects with different levels of financial viability and sharing the burden between the public and private sector to reduce the overall risk of a scheme.

Another key driver for the joint venture is to attract private sector investors.

Opportunities for private sector partners and investors include;

- The size of the Yorkshire Sub-Region economy, which is one of the largest economies in the North of England, generating economic growth valued at over £22Billion;
- The proximity of Craven within the wider North Yorkshire region sits at the gateway to the Manchester City region where significant growth will be generated for the North-West;
- The potential release and re use of land assets, buildings and resources currently held by the Council;

CBR OBJECTIVES

CBR set three objectives with the aim of improving the economic, social and environmental well-being of Craven

Objective One – Generate and Deliver New Employment and Housing Land

Delivery of this objective will contribute towards a district requirement for 32 hectares of new employment land ('Craven Review of Employment Land and Future Land Requirements) and 214 new homes per year ('Craven Local Plan')

Successful outcomes delivered by this objective will be;

- Destinations for business and high quality sustainable locations for people to live and work developed.
- A pipeline of projects which support private sector led economic growth established
- Increased speed of project development and delivery.

Objective Two – Increase Investment and Financial Leverage for Development

Delivery of this objective will increase the scale and number of development projects that can be delivered in a ten year timeframe.

Successful outcomes delivered by this objective will be;

- Identification and prioritisation of development projects that can attract external funding

- Partnerships formed that generate capital receipts from land sales and redevelopment opportunities.

Objective Three – Maximise Returns from Land Assets and Create a Revolving Fund for Future Schemes

Delivery of this objective will bring forward for sites considered too marginal for development and contribute towards the overall financial sustainability of the local authority.

Successful outcomes delivered by this objective will be;

- Surplus buildings and land developed to generate efficiencies and savings and create capital receipts
- Development profits re-invested to create a revolving fund for further developments
- Expertise in property and land development formed.

Targets, Outcomes and Benefits

Objective One		
<i>Generate and Deliver New Employment and Housing Land</i>		
Target	Milestones	Outcome Measures
Identify all potential new employment and housing sites by end December 2017	<ul style="list-style-type: none"> • Interrogation of full portfolio to identify opportunities for the use of public assets • Create long list of opportunities and prioritise a 'quick win' and 6 sites for phase 1 delivery 	<ul style="list-style-type: none"> • Size of the estate to be developed measured in Xx ha of land • Number of new homes • Number of new jobs • Number of apprenticeships created
To approve a development pipeline by end March 2018	<ul style="list-style-type: none"> • Board approval for the development of a 'quick win' site by end December 2017 • Board approval for the development of land at Rear of Victoria Hall, Settle by end December 2017 • Produce two further development proposals for Board Approval by end March 2018 	<ul style="list-style-type: none"> • Forecast jobs and housing units pipeline • Contract value to local supply and sub contract firms
To start on site on 4 development sites by end March 2019	<ul style="list-style-type: none"> • Commence delivery on 'quick win' project by end March 2018 • Commence delivery on land at Rear of Victoria Hall, Settle by end Sept 2018 • Commence delivery of project 3 by end Dec 2018, and project 4 by end March 2019 	<ul style="list-style-type: none"> • Number of new jobs • Number of apprenticeships created • Number of new homes • Number of affordable housing units • Spend on highway and transport related projects

Objective Two***Increase Investment and Financial Leverage for Development***

Target	Actions	Outcome Measures
Application for Growth Deal 4 Funding by end December 2017	<ul style="list-style-type: none">• Identify project (s) that best fit Growth Deal 4 Funding by end September 2017• Submit business plan end December 2017 (subject to LEP acceptance of expression of interest)	<ul style="list-style-type: none">• Number of new homes• Number of new jobs• Number of apprenticeships created• Spend on Infrastructure
Review all potential funding streams that could offer potential to increase investment and financial leverage by end March 2018	<ul style="list-style-type: none">• Identify all key funders by end December 2017• Board member meetings with LEP, HCA, HLF by end March 2018• Link pipeline projects to potential external funding streams by end March 2018	<ul style="list-style-type: none">• £ of external funding• Number of partner funders

Objective Three**Maximise Returns from Land Assets and Create a Revolving Fund for Future Schemes**

Target	Actions	Outcome Measures
<p>Maximise Outcomes from Growth Deal 3 Funding for Employment and Housing Growth in Skipton</p>	<ul style="list-style-type: none"> • Construction of new access roads to facilitate development of 23.17 hectares of development land commenced from January 2018 • Masterplan to re-develop area surrounding Skipton Railway Station and creation of pedestrian route into Town Centre produced by March 2018 • Commence delivery of a mixture of new housing and commercial space surrounding Skipton Railway Station by January 2019 	<ul style="list-style-type: none"> • 24,898 sqm of employment land west of Skipton Town Centre • 10,000 square metres of high value commercial space surrounding Skipton Station • 280 new dwellings • £30m gross value addition to sub regional economy • Increased frequency of services on Airedale, Leeds Carlisle and Leeds Lancaster Lines
<p>Establish revolving fund to enable development of marginal sites by end December 2018</p>	<ul style="list-style-type: none"> • Establish mechanism for and projects that will enable a revolving fund to be in place by end December 2017 • Commence delivery of first financially marginal site using revolving fund by end December 2018 	<ul style="list-style-type: none"> • £ in revolving fund • Number of development sites made viable • Number of new homes • Number of new jobs • Number of apprenticeships created • Spend on Infrastructure

APPROACH

The partnership will follow a three step process to identify the projects that will make up the pipeline and deliver the business plans objectives

Prioritisation

This stage will define and shape the future asset portfolio that will deliver the outcomes required.

To achieve this, the partnership will;

- Consider the physical issues and opportunities of each site in the Council's ownership and the attractiveness of the site against a number of market, commercial and planning criteria;
- Advise on potential values or end user interest;
- Forecast the economic and financial benefits and projected outcomes, which would flow from any potential redevelopment proposals and from the reuse of surplus sites
- Identify potential capital receipts, revenue projections, and savings;
- Identify potential economic development benefits and outcomes
- Assess each site against an agreed criteria and rank them according to their relative merits.
- Establish the potential value generating opportunities from other sites contiguous to those owned by the Council

Identifying contiguous sites is to allow greater flexibility to the partnership by providing the resources which may facilitate cross subsidy between projects and thereby generate the optimal balance of benefits.

The effectiveness of this approach will be demonstrated by the partnerships ability to develop marginally viable projects and develop in areas of lower demand.

Generating a Pipeline

This stage will identify and forecast the potential economic and regeneration outcomes on a project by project basis.

A continuous delivery pipeline will be identified and the recycling of funds and investment by the partnership will allow more to be achieved with the limited funds available.

Key principles are;

- Delivery of high quality and innovative property outcomes;
- A consistent and transparent approach that is respectful and ensures community consultation and inclusion;
- A detailed and transparent financial appraisal;
- Enhanced VfM demonstrated by driving up socio economic outputs, quality and driving down cost;
- A structured and managed process for developing options, feasibility, outline and full business cases, contract award, construction and operational activities

For each potential project an outline Business Plan will be prepared for each potential project. The plan will contain the following information as a minimum:

- Assessment of current planning policy and history to establish scheme parameters and potential acceptability of proposal
- Initial planning position and infrastructure requirements
- Development appraisal
- Project structure
- Delivery team and resource model
- Project programme
- Indicative funding proposal
- Identification of legal and commercial matters such as land issues
- Initial review of surveys and existing utilities
- Risk register and stakeholder plan

The Board will then evaluate each proposal and agree a prioritisation.

Approvals to Proceed

To enable a decision to be made for each project a comprehensive submission report will be produced. This report will include as a minimum

- Detailed planning position including infrastructure requirements and planning strategy making reference to all related policies
- Consideration of technical and physical constraints
- Outcome of negotiations and engagement with key stakeholders and the local planning authority, third party

statutory consultees report and a stakeholder engagement plan

- Viability and economic appraisals to ascertain project viability and socio economic benefits
- Developed financial model, funding proposals and finalised development appraisal
- Detailed programme and method statement
- Value for money schedule
- Identification and resolution (where possible) of legal and commercial matters such as land issues
- Details of surveys and existing utilities
- Project socio economic benefits
- Detailed design