

Cabinet – 22 April 2009

Strategic Partnering Arrangement: Development Model with Walsall Housing Group

Portfolio:	Councillor A Andrew, Deputy Leader Regeneration
Service:	Regeneration
Wards:	Brownhills, Darlaston South, Bloxwich East and Blakenall
Key decision:	Yes
Forward plan:	Yes

1. Summary of report

- 1.1 The report describes and seeks approval for a development model jointly with Walsall Housing Group (whg) to give effect to the Strategic Partnering Arrangement that aims to deliver the Strategic Regeneration Framework (SRF) programme in Brownhills, Moxley and Goscote Lane Corridor. The principle of establishing a Strategic Partnering Arrangement, jointly with whg, was supported by Cabinet in April 2008. In February 2009 Cabinet subsequently approved a Collaboration Agreement as the formal procedural basis between the Council and whg governing the joint working and delivery principles of the Strategic Partnering Arrangement. Cabinet also agreed to receive a future report on the recommended development model and process for selecting a development partner for the Strategic Partnering Arrangement.
- 1.2 External advice has been jointly commissioned from ikon Consultancy Ltd on the most appropriate development model which forms the basis of this report.
- 1.3 The delivery of the SRF in Brownhills, Moxley and Goscote Lane Corridor is also being pursued in conjunction with the Homes and Communities Agency (HCA). The HCA are keen to participate in this comprehensive regeneration programme as part of the single conversation approach. The HCA have prioritised Walsall as both a strategic priority and a first phase single conversation in the region's emerging business plan, and remain committed to providing the solution and support needed to deliver the project. This will however depend on the speed at which the single conversation and the project can be progressed as the HCA do have limited budgetary headroom for investment of this scale. It is anticipated that the HCA Board will consider the Walsall Single Conversation Strategy in May which will refer to the amount and type of investment required to help deliver the project.

2. Recommendations

Cabinet is recommended to:

- 2.1 agree to the principle of a joint venture development agreement as the development model with whg as the basis for the Strategic Partnering Arrangement to deliver the Strategic Regeneration Framework (SRF) programme in Brownhills, Moxley and Goscote Lane Corridor, as described in the ikon report attached as **Appendix 1**.
- 2.2 agree to receive a further report on the process of selecting a development partner(s) as part of the joint venture development model for the Strategic Partnering Arrangement to deliver the Strategic Regeneration Framework (SRF) programme in Brownhills, Moxley and Goscote Lane Corridor.
- 2.3 agree to receive further reports on the detailed financial terms of the joint venture development agreement, to be finalised in a Full Business Case, from the Executive Director Regeneration and the Assistant Director Finance, and on governance arrangements with whg and the selected development partner(s).

3. Background information

- 3.1 The SRF plays a major role in the regeneration of the Borough being one of three strategic regeneration priorities complementing the initiatives being delivered in the Walsall Regeneration Company (WRC) area and the strategic corridors. The SRF was agreed by Cabinet in March 2006 and the first tranche of spatial priorities was approved at Cabinet in October 2006. The SRF is being pursued jointly with whg and other key partners, particularly the HCA, and is based around housing-led regeneration with the objective of securing sustainable mixed communities. Spatially the thrust of the SRF is dominated by the key district and local centres and their surrounding neighbourhoods and Cabinet has previously agreed the first tranche of priorities as Brownhills, Willenhall, Bentley, Moxley and Goscote Lane Corridor. Framework Studies to guide regeneration have or are being prepared in these areas through extensive engagement with local communities; a process that is managed through a Project Reference Group (PRG) nominated by the Local Neighbourhood Partnership and comprising ward Councillors, local residents and key stakeholders. The delivery of the SRF in these areas is aimed at achieving social, economic and environmental regeneration, through housing (private and affordable), public realm, environmental works, social and community benefit, enterprise and business support, job opportunities, and maximising the widest community benefit. The comprehensive regeneration of these neighbourhoods is also reflected in the approach to the Building Schools for the Future (BSF) programme which aims to link the learning transformation with a broader delivery of services and co-location considerations by both the council and partner organisations.

3.2 As detailed in previous Strategic Partnering Arrangement Cabinet reports (dated 16 April 2008 and 04 February 2009) achieving comprehensive regeneration demands an innovative approach and Government has encouraged local authorities and their partners to adopt more strategic solutions in working with the private sector particularly where significant public sector landholdings are involved, as per the 2007 Housing Green Paper, Callcutt and Baker review recommendations. Therefore, fundamentally establishing a Strategic Partnering Arrangement jointly with whg is an innovative approach to strategically delivering the SRF programme and comprehensive, holistic regeneration in Brownhills, Moxley and Goscote Lane Corridor, as encouraged by Government. The Council (11%) and whg (89%) own major areas of land in Brownhills, Moxley and Goscote Lane Corridor equating to approximately 43 hectares identified as being suitable to be redeveloped for housing through the Framework Studies. The Strategic Partnering Arrangement is therefore based on:

- identifying a development model and delivery partner based on the re-investment of some or all of the values liberated from the disposal of the overall land assets – owned by both the council and whg - to deliver sustainable housing-led regeneration;
- providing the private sector with a significant opportunity, and therefore;
- maximising leverage for both land owners.

3.3 To give effect to the Strategic Partnering Arrangement the Council and whg have entered into a Collaboration Agreement that sets out the aims, objectives and terms of the regeneration partnership for the three SRF areas (as detailed in Cabinet report dated 04 February 2009). That report also referred to the need to address the issue of development clawback originally included in the Stock Transfer Agreement; that is the difference in the value of land sold by whg for market housing compared with that for social housing and repaid in the form of the VIEW fund. Satisfactory resolution of this matter is critical to the successful delivery of the project and the investment of HCA, and will be the subject of a report to the next cabinet meeting. Further to the Collaboration Agreement an external study has been jointly commissioned, and undertaken by ikon Consultancy Ltd, to appraise the development model options and subsequently the process for selecting a developer partner to deliver the project. The study considered and evaluated a range of development model options, as described in Appendix 1, essentially comparing the merits and benefits, and analysis against the agreed evaluation criteria and weightings provided by the Council, whg and HCA. A range of activities also supported the evaluation process, including workshop sessions with the Council and HCA and interviews with senior whg colleagues. The development model approaches evaluated are summarised by ikon Consultancy as follows:

3.4.1 Local Housing Company (LHC)

The LHC typically features a joint venture company formed for example by a land owner (usually a Local Authority) but in this case whg also, and a Private Sector Partner, to build new homes. The Council and whg would subsequently invest land into the LHC, matched by an equal cash investment by the private sector partner. The LHC then borrow via bank finance additional funding assumed to be at around 75% of the combined land and equity value. The LHC would require initial set-up costs of approximately between £1-2million. As the LHC would take some or all of the risk of development, it will have the ability to take some or all of

the rewards, however there is the potential that the initial set-up costs may not be recovered. There is also the presumption however that any additional returns over and above the value of land plus overage to the council and whg will be reinvested via the LHC to achieve affordable housing and other regeneration based outcomes. The LHC would also be a private company and therefore borrowing would be off the public sector net borrowing requirement (psnbr).

The LHC would offer:

- A shared and common strategic focus through an agreed business plan.
- A structure in which betterment and profitability would be shared and therefore mutually beneficial.
- A structure that would be more likely to deliver a return to investors in which the public sector, through the local authority stake holding in the LHC, can benefit with capacity to reinvest in additional returns.
- A structure in which the Council and whg through board membership would be fully involved in decision-making.

However, the LHC involves a number of variants particularly in relation to risk and return. In relation to the need to present a case to the HCA for investment support, it is the case that the full risk share LHC model is likely to offer the potential to reduce the call upon HCA support but does place a share of market sale risk with WHG and partners. In the current market however the ability to share risk will be a key consideration for private sector partners particularly developers and contractor developers – the latter being a particularly important factor in the achievement of blended margins.

3.4.2 Joint Venture Development Agreement (JV)

Traditionally a Joint Venture Development Agreement would typically feature:

- Site disposal to a developer or contractor developer
- An overarching joint venture agreement between the parties setting out control measures, investment sharing and arrangements for sharing betterment
- The provision of the 'norm' levels of affordable housing in line with local planning policy
- An up front market value based receipt usually sought via competitive process
- The passing of development, marketing and sales risk and return to the buyer
- The inclusion of overage arrangements to provide a future return to SRF partners if certain conditions relating to values or for example planning density are achieved
- Typically disposals will be based on a site by site or plot by plot basis but in principle a series of sites could be bundled up to provide a wider package providing the potential for economies in build and transaction costs
- In this case whg will be assumed to have an ongoing role in the longer-term management of homes delivered but no future return from future stair casing returns from any shared equity housing

The JV may offer the longer term benefits of a long-term strategic partnership without the set up and revenue costs associated with the LHC option. JV options are understood by the private sector and may be structured to achieve tax efficiencies for example via Limited Liability Partnerships which offer transparent

tax treatment of returns. The JV arrangement may facilitate the deferred consideration in relation to land value though may struggle to ensure that all interests of the major project stakeholders are represented in the governance arrangements particularly given the long run nature of the intended programme.

3.4.3 Do Nothing – traditional land sale option

The Do Nothing option is similar to the JV agreement but usually assumes the sales of site to the highest bidder, and in doing so usually passes up on the potential of betterment and future development input and influence in return for a higher return. The option reverts back to the local authority to ensure that affordable housing provision is met and may ultimately pose some risk that the management of such reverts to a Registered Social Landlord offering the highest financial offer for homes which may not be whg.

The Do Nothing option offers up front certainty regarding land receipt though within the current market the merits of a strategy geared to achieving best up front consideration are not in line with whg's stated financial objective.

Therefore, a Do Nothing option is not consistent with the deferred consideration approach and contributes little back into the wider regeneration of the areas proposed. The merits of selling on a best consideration model in the current market are highly debateable.

3.4.4 Private Finance Initiative (PFI)

Traditionally a PFI contract contains a number of distinct features:

- The Commissioning body (usually the council) defines its requirements in the form of outputs.
- Based on a long-term contract of typically 25-30 years.
- Some of the risks associated with ownership transfer to the private sector for the life of the contract.
- Sufficient risks transferred to the private sector to enable definition off balance sheet for accounting purposes.
- Charge is paid to the operator in accordance with the performance of the operator against the series of required outputs.
- In the case of newly built housing the operator will own the homes and tenants will be tenants of the operator (not of whg or the Council).

The PFI is more designed as a longer term management structure for LA's and proposes the long term transfer of assets to a third party operator who is paid a unitary payment on the basis of performance against key indicators.

3.4.5 Local Asset Backed Vehicle (LABV)

The principle behind a LABV is that a new company will be created, with the public sector usually investing in the new company by transferring land and property assets. A private sector partner will be appointed (via a competition) who will invest cash in the new company to match the public sector investment. The LABV will then be run as a commercial business, working to a delivery business plan using cash and assets, and will provide a financial return to its investors – for both the public and private sector investors.

An LABV is only an option if the LA has significant assets to transfer into the Local Housing Company which, in turn, can be used as security for borrowing purposes.

- 3.5 Based on this initial evaluation of the development model options and the criteria provided by the council and whg, ikon concluded that the most appropriate development models would therefore be a traditional Joint Venture Development Agreement or a variant of the Local Housing Company option. Ikon have initially concluded, however, that the Joint Venture Development Agreement is likely to be the most attractive development model option. These options will however need to be financially modelled and the implications of each approach fully considered in terms of timescale, cost, tax, complexity, added value, deliverability and gap funding requirement. Subsequently, the specific details of the preferred development model for the Strategic Partnering Arrangement, most likely a Joint venture Development Agreement, will be subject to a future Cabinet report.

4. Resource considerations

4.1 Financial:

- 4.1.1 It has been identified that a Joint Venture Development Agreement may offer the longer term benefits of a long term Strategic Partnering Arrangement without the set up and revenue costs associated with a Local Housing Company option. Joint Venture options are understood by the private sector and may be structured to achieve tax efficiencies for example via Limited Liability Partnerships which offer transparent tax treatment of returns.
- 4.1.2 Whilst the project will involve the delivery of mixed tenure housing there is an expectation of creating larger volumes of affordable housing which will have implications for the value of the Council's land in that this can reasonably be anticipated to lead to lower capital values than might be available were the land to be disposed of outside of the proposed Strategic Partnering Agreement. The negative impact of this will need to be considered in the context of the wider objectives of the project in delivering wider neighbourhood regeneration.
- 4.1.3 This wider regeneration lies at the heart of the project and will provide a context for consideration of the anticipated undervalues that are likely to occur. Once the most appropriate delivery model has been defined which will take into account an appraisal of land values and the costs of community infrastructure the effects on achieving best consideration will be the subject of a further report to cabinet.
- 4.1.4 Notwithstanding the possible effects on council land values, some of the sites would be of a lesser attraction in the market place given their location and size and current economic conditions. Therefore packaging such sites together represents the best solution to maximising their marketability. The timing of when a developer partner will be procured will be determined following decisions on the most appropriate delivery model and the wider economic conditions. The integrity of the project, however, particularly in terms of investment from key partners, requires a momentum to be maintained. While there is recognition that land values are currently low there are mechanisms to ensure that uplift in a rising market can be captured and which will be a key element in preparing the Development Agreement with our developer partner. The timing also reflects a

commitment to those communities that have an expectation of investment in the regeneration of their areas and particularly as a response to the effects of the economic downturn.

- 4.1.5 Given the uncertainty in the property market attempting to value the council's land holdings at this time would be difficult and of limited value. As the scheme progresses further development appraisals will be undertaken. The council's land equates to approximately 11% (4.73 ha.) of the total land that will form the project and largely comprises small residual sites excluded from the LSVT. The receipts arising from the disposal of council - and indeed whg - owned land in the three areas will be essentially ring fenced and reinvested in those areas in the form of community infrastructure which will help to achieve corporate objectives across a range of services. These details will be reported to Cabinet before the final scheme is approved.
- 4.1.6 Whg own circa 89% of the land within the project, some 35 hectares, and it is anticipated that whg will put its land into the project along the same principles as the council, forgoing a capital receipt at the beginning in order for value to be created in the overall project. Value created, calculated through an agreed formula as part of the preferred delivery model, would be used to contribute to providing affordable housing and wider community infrastructure. Whg will have to pass through a series of rigorous tests with the Charity Commissioners to achieve this. They will have to demonstrate that the overall project is within their charitable objectives and will benefit the community - not unlike the Council's requirement to demonstrate economic well being. Clearly the shared vision of whg and the council for these areas, and the partnership created, will assist in making a robust case to the Charity Commissioners. It is to be noted that there are precedents for this arrangement between Local Authorities and Housing Associations.
- 4.1.7 There will be implications for development clawback - that is the difference in value between whg's land developed for social housing and that offered to the open market. The development clawback is currently directed through the VIEW fund for regeneration projects. It will be necessary, again following agreement on the delivery model, to submit a further report to Cabinet to consider the issue of development clawback on all whg land within the project area. This will enable any uplift in value to be reinvested in the project area. It should be noted that given the expectation of delivering a larger proportion of affordable / social housing the proportion of clawback would be reduced in any event. A report to cabinet on the need to consider a revision to the original Stock Transfer Agreement to effect any lifting of development clawback will be timetabled for June 2009. The collaboration agreement with whg refers to the resolution of the clawback issue by June 2009.
- 4.1.8 The total cost of delivering the regeneration priorities identified in the Goscote, Brownhills and Moxley Framework Plans is estimated to be c. £40 Million and would need to be met by the selected developer partner(s), together with support from prospective partners, including HCA and AWM. Given current economic conditions it will be important that partners are agreed on the timing of this element of the project. These matters will also need to reflect the role and requirements of the HCA as a key public sector investor. It is anticipated that Walsall will be one of the first local authorities in the region with whom HCA will

wish to have the single conversation, the timetable for this is a strategy paper is being prepared for endorsement by the HCA's national projects group in June 2009 with the full investment plan being approved in Autumn 2009 of which this project will form a substantial part. The preparation of both the strategy paper and the investment plan will be the HCA's most important business process with all future funding being allocated through this document. It is the responsibility of the Council to produce these documents but the HCA have agreed to assist in the production of them as Walsall is one of the first Local Authorities to come forward. The HCA will appraise the scheme for value for money once the strategy paper is approved and it will be necessary to show clear outcomes from this project to justify HCA investment and a commitment from the Council to reinvest any potential receipts in the 3 areas in return. That process, for the Council and whg, will need to have been completed by May / June and will be informed by the outcome of the work on the development model. It will be important therefore, that the council and whg are able to demonstrate to HCA that the project is progressing and is capable of showing clear synergies and phased outputs for each of the areas that complement initiatives such as Building Schools For the Future, health provision and reflect Local Area Agreement targets through the Local Strategic Partnership.

4.2 Legal:

- 4.2.1 The Strategic Partnering Arrangement will involve a legal contract as part of the Joint Venture Development Agreement between the Council, whg and the developer partner to involve the transfer of land assets in exchange for the delivery of the SRF programme in the three areas. On behalf of the Council, Cobbetts LLP will be assisting in providing detailed legal advice at this stage and further external legal advice will be sought in connection with the appointment of a developer partner.

4.3 Staffing:

- 4.3.1 The project will continue to be led, in conjunction with colleagues in Estates and Assets, Strategic Housing (Social Care and Inclusion), Finance and Legal, and at whg and HCA, by the established SRF Team within the Regeneration and Performance Directorate. The delivery of the SRF is one of three strategic priorities for the Directorate particularly within the Development and Delivery service and staff will be deployed to support whg and the developer partner.
- 4.3.2 Since April 2008 initial discussions with English Partnerships, the Housing Corporation (now HCA) and Advantage West Midlands have taken place. They have given support to the process proposed by the Council in the joint delivery with whg of the SRF programme and, in principle, to becoming both project and investment partners. A Steering Group involving the Council, whg and HCA has been formed to progress the project to which a number of separate work streams will report.

5. Citizen impact

- 5.1 Through the development model and procurement of a developer partner, the Strategic Partnering Arrangement will assist in the successful delivery of:

- Major redevelopment projects in each of the areas;
- Rebalancing of tenure through an increase of owner occupation and lower proportion of social rented households;
- A significantly larger property type choice and tenure options, including affordable homes;
- A net increase of over 1,400 dwellings within the areas;
- A higher quality local environment in each area;
- Significantly improved community facilities for the area including significantly improved areas of open space.

5.2 The Strategic Partnering Arrangement also has the potential to make significant 'inroads' into tackling wider economic and social issues and strategies such as:

- Worklessness (46% and 41% economically inactive in Goscote Estate and Moxley)
- Low educational achievement (62% and 54% have no qualification in Goscote Estate and Moxley)
- Health inequalities (Limiting life long illness 46% and 45% of households in Goscote Estate and Moxley)
- Disengagement particularly by younger members of the community

5.3 By focusing on the economic and social outputs in addition to the physical and environmental regeneration the maximum positive impacts and enhanced areas for citizens of Brownhills, Moxley and Goscote Lane Corridor is anticipated through the Collaboration Agreement. In partnership with the local community and other agencies this will also lead to greater local pride and citizen involvement.

6. Community Safety

6.1 The development model aims to ensure that the Council and whg jointly manage and bring forward land assets within the three SRF areas the majority of which are currently vacant sites and under-used green spaces that are subjected to vandalism and related anti-social activity including littering and fly tipping. The redevelopment of such sites for a new positive use will create safe and attractive environments, which is at the heart of the SRF strategy.

6.2 New buildings and estate layouts will also offer the opportunity to incorporate Secured by Design standards and the Council's approved Design Guide to ensure that crime is designed out of new developments.

7. Environmental impact

7.1 Through the development model the Strategic Partnering Arrangement will transform the environment of the project areas by redeveloping vacant sites, creating high quality new dwellings, removing eyesores and improving open spaces. Fundamentally the project aims to deliver transformational improvement to the environment of these priority neighbourhoods.

- 7.2 As part of the development partner procurement process the chosen partner will be expected to sign-up to the Council's Think Walsall strategy and support innovation in the delivery of the regeneration projects including creation of environmentally sustainable, low carbon communities through development models that are also environmentally friendly.

8. Performance and risk management issues

8.1 Risk:

The principle risks are:

- 8.1.1 Risk 1 - The financial and legal implications of the otherwise preferred delivery model raise different issues for the council and whg (Risk Level Low).

In the spirit of partnership embedded in the Collaboration Agreement between the council and whg, and with the assistance of jointly-appointed external advice, a mutually satisfactory outcome will need to be negotiated.

- 8.1.2 Risk 2 – The selection of the preferred delivery model is challenged by HCA or is not concluded within agreed timescales which impacts on the project's inclusion within the HCA investment plan (Risk Level Low).

The governance arrangements involving a Project Board and working groups will ensure that the HCA are fully engaged within the process and timescales are met.

- 8.1.3 Risk 3 – The process of selecting a developer partner to deliver the project through the mechanism of the preferred model is delayed (Risk Level Medium).

Given the current economic conditions a decision will need to be taken through the partnership on the most appropriate timing for offering this development opportunity to the market. It is important that there is momentum around the delivery of the project, and particularly in respect of any HCA investment, which could result in its early exposure to the market to enable the inevitably lengthy discussions with that developer partner on the development agreement to be concluded when some market recovery exists.

- 8.1.4 Risk 4 - The strategy paper, project approval and investment plan are not approved by the HCA or not enough money is available to fund the project (Risk Level Medium).

Walsall has been given the opportunity to be brought forward as an early single conversation based upon the ability to deliver large scale regeneration across the borough. With this opportunity will be the requirement to progress and agree the strategy paper and investment plan expeditiously to ensure that Walsall remains a priority. This will have implications on internal staff time to progress this work.

8.2 Performance management:

- 8.2.1 The delivery of the SRF projects is a priority within the 2009/10 Regeneration Service Plan, and managed through established performance arrangements. Technical project teams reporting to the Project Reference Groups will drive and monitor delivery the Strategic Partnering Arrangement.
- 8.2.2 The redevelopment of large former housing areas such as the Harrowby Road, Poets and Goscote estates and the High Street / Lindon Drive area of Brownhills will make a contribution to future brown-field housing completions. The provision of the right type of new housing and affordable housing will contribute to National Indicators; 'Net additional homes provided' (NI154) and 'Number of affordable homes delivered' (NI155).
- 8.2.3 The Black Country's growth proposals have been prepared by the joint planning team drafting the Joint Core Strategy for the sub-region, including Sandwell, Dudley, Wolverhampton and Walsall. Based on the emerging Preferred Option of the Joint Core Strategy (which builds on the Spatial Strategy set out in the recently approved Regional Spatial Strategy (RSS) Phase One Revision), the Black Country Consortium is leading a sustainable Growth Programme focused on four Strategic Centres and up to 16 Regeneration Corridors. The growth programme proposes an increase of 32,850 dwellings between 2007 and 2016 - 19 per cent more than the minimum required by existing RSS. The SPA will therefore assist in meeting these growth point proposals.

9. Equality implications

- 9.1 The delivery of the Strategic Regeneration Framework Studies, through the development model and developer partner procurement, will bring benefits to the whole of the Brownhills, Moxley, and Goscote Lane Corridor communities. The redevelopment of sites, the enhancements to the local environment and the provision of new housing will present opportunities to engage with many sectors of the community and ensure issues of equality and accessibility are taken into account.
- 9.2 As part of the comprehensive tendering process the equality and diversity practices of the prospective developer partner(s) will be fully assessed and the appointed partner(s) will need to have demonstrated a commitment to this agenda.
- 9.3 The Council is seeking to achieve the highest possible level in the Equality Standard for Local Government. As part of this we are seeking to ensure that wherever possible our activities ensure a positive impact is made on people / communities using the 6 equality themes / strands. The companies who tender to become a developer partner(s) will be expected as a minimum to support both the Council and whg's equality and diversity policies. They will be required to highlight how their company will ensure the regeneration benefits for people based upon:
- Gender
 - Ethnicity
 - Age (i.e. young and old)

- Sexuality / sexual orientation
- Religion and or belief
- Disability

10. Consultation

- 10.1 The development model and process of selecting a developer partner(s) embeds the joint commitment of the Council and whg to deliver the Strategic Partnering Arrangement.
- 10.2 Project Reference Groups (PRG) in Moxley, Goscote Lane Corridor and Brownhills have been formed from representation from the local community, key stakeholders, and ward members through the Local Neighbourhood Partnership. The role of the PRGs is as an overall project steering group, who have helped appoint a consultancy team and assisted officers in developing and consulting upon the proposals within each of the Framework Studies.
- 10.3 As the Framework Studies take on a delivery agenda the role of the PRG will be important in continuing to represent local interests. Each PRG has been fully informed of the intended process of entering into a joint venture development model and securing a strategic developer partner(s) jointly with whg to deliver the projects within each of the priority areas.

11. Background papers

- District Centres Strategic Regeneration Framework – Cabinet report 22 March 2006
- Strategic Regeneration Framework Delivery Priorities – Cabinet report 18 October 2006
- Strategic Regeneration Framework: Strategic Partnering Arrangement – Cabinet report 16 April 2008
- Strategic Partnering Arrangement: Collaboration Agreement with Walsall Housing Group – Cabinet report 04 February 2009

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22 April 2009



Councillor Adrian Andrew
Deputy Leader
Portfolio Holder: Regeneration

22 April 2009

Walsall Strategic Regeneration Framework

Strategic Regeneration Framework

Financial Appraisal of Preferred Development Option

April 2009

Walsall Strategic Regeneration Framework

SUMMARY OF PROGRESS ON THE FEASIBILITY STUDY

1.0 INTRODUCTION

- 1.1 This report provides a headline summary of the financial results of one of the preferred development option relevant to the taking forward of the Strategic Regeneration Framework in Walsall - a strategic partnership between Walsall Housing Group (whg), Walsall Council (the Council) and the Homes and Communities Agency (HCA). The report also provides a summary of why the contractual Joint Venture Option is preferred in comparison to the Local Housing Company option.
- 1.2 Ikon Consultancy produced a Feasibility Study in December 2008, which appraised a number of potential development options. From this appraisal and subsequent discussion and agreement by the Project Team the development options were narrowed to that of a Local Housing Company approach between whg, the Council and a private sector partner (a corporate joint venture approach) and a contractual joint venture approach again between whg and the Council.
- 1.3 The paper is prepared for whg and the Council as an indication of the funding shortfall associated with a base case Joint Venture proposal.

2.0 STRATEGIC CONTEXT

- 2.1 The Strategic Regeneration Framework (SRF) represents an initiative jointly lead by Walsall Council and whg, with the support of the Homes and Communities Agency, aimed at housing lead regeneration in key centres and neighbourhoods in Walsall and complements the activities of the Urban Regeneration Company in the town centre areas. The Regeneration programme delivers a 10-year investment strategy with the first tranche of priorities located at Bentley, Goscote, Willenhall, Moxley and Brownhills.
- 2.2 The 3 areas of Moxley, Goscote and Brownhills have a master plan or framework study in place, which sets out recommendations for the future use of sites and identifies wider community benefits. These may include open space, infrastructure, public realm improvements and improvements to existing local amenities.
- 2.3 SRF partners will shortly complete a collaboration agreement setting out the terms of the partnership and to provide certainty to potential developer partners.
- 2.4 The Strategic Regeneration Framework establishes 3 key objectives for the regeneration of the borough;
- A high level framework that identifies the future role and function of the Borough's neighbourhoods
 - A housing strategy that addresses the regional and sub regional objectives for housing market intervention; and

- A series of key opportunities and critical projects required to realise those objectives
- 2.5 Three regeneration areas have been identified as the initial tranche of activity – Moxley, Goscote and Brownhills. These areas have a master plan or framework study in place with WHG as the majority landowner, aiming to deliver a large amount of affordable housing as part of the wider development of these areas. To support this ambition WHG has now become an Investment Partner of the Homes and Communities Agency and will on that basis be looking to work with the Council to engage the HCA in a single conversation geared to bring initial and subsequent investment into these areas to fulfil the programme, including initial gap funding which studies by DTZ suggest will be required.
- 2.6 Land ownership is predominantly with WHG with additional land contributions from the Council.
- 2.7 A base case programme of site activity has been agreed by whg for modelling purposes in consultation with both the Council and the HCA. This has yet to be tested within, for example, the whg financial model in terms of affordability and is based on a number of assumptions, which are detailed later in this report.

3.0 EVALUATION OF OPTIONS

- 3.1 Our previous report went into some detail regarding the various merits and dis-benefits of a range of development options evaluated against agreed criteria established by the Council and whg. This evaluation concluded that two options were worth considering in further detail, namely a contractual joint venture formed between the Council, whg and a private sector partner or partners and a Local Housing Company- a corporate partnership usually formed as private sector company with a board comprising of public and private sector representation and a business plan focussed around an agreed programme of activity.
- 3.2 This paper does not provide a legal view of the various merits of each approach but does consider each option against a range of key criteria, which should guide the decision in relation to the preferred option. These criteria include, track record of delivery, cost of set and running costs, ability to facilitate optimum start on site, market risk, funding risk and the view of the Homes and Communities Agency

3.3 Track Record

- 3.3.1 The Local Housing Company (LHC) concept was introduced in the Housing Green Paper in 2007 as an additional incentive principally to Local Authorities who had land and wanted the opportunity to be more directly involved in the development process. It is an additional option rather than a prescriptive mechanism. Since the introduction of the concept progress has been made across fourteen pilot authorities with the most advanced progress being made in London Borough of Barking

and Dagenham. However in all cases the approval mechanism under which the Homes and Communities Agency will assess Local Housing Companies has yet to be settled and we understand that an additional level of scrutiny will apply via Department of Communities and Local Government scrutiny. Whilst HCA in principle supports the LHC concept, it is our understanding from recent discussion, that they will not at this stage expand the concept beyond the initial fourteen pilots areas and Walsall is not a designated pilot. National issues such as whether LHCs can be privately classified i.e. as a private company, are also yet to be determined but are with central government for determination.

- 3.3.2 By contrast whilst the precise form of the contractual Joint Venture (JVCo) is yet to be settled the mechanism has a strong track record in the market place and is well known to the house building and affordable housing sectors alike.

3.4 Set up and running costs

- 3.4.1 In relation to a Local Housing Company the set up costs and running costs are difficult to estimate accurately due to some of the remaining unknowns for example in relation to sign off and evaluation processes and indeed complete clarity in terms of the type and structure of the company that will be formed. There is of course an element of innovation associated with the LHC model and therefore a lack of track record to draw on-inevitably that will result in complexity and delay and therefore cost. A LHC will of course be structured in all probability as a private company and will therefore have the running costs of a Chief Executive any associated staff and of course the board governance structure to carry. We would estimate set up costs in the order of £500k and a running cost in the order of £250k per annum for a period here of around 10 years.
- 3.4.2 The contractual Joint Venture will incur considerably less set up costs as it is a more established vehicle and has far less requirements in terms of business case scrutiny via third parties. Expenditure in set up is more insulated from risk as there is far less likelihood of the venture failing in terms of sign off by central government or even a change of policy emphasis. That does not of course detract from the need to ensure that the JV benefits from a robust business case and effective governance. In terms of running costs the JV Co will need to establish effective controls and governance arrangements and may require more Officer level involvement in the day to day running of the Joint Venture. Within the model set up costs are pitched at £150k with annual running costs of £36k pa.

3.5 Speed of Delivery

- 3.5.1 The LHC route cannot be assured in terms of timescale as the scrutiny process is not yet confirmed but is likely to involve dual scrutiny and

delay. As above, central issues such as the classification of LHC's is again subject to agreement and further possible delay.

- 3.5.2 By comparison the more tried and tested nature of the contractual joint venture should ensure that documentation and the deal structure can be structured in reasonable time frames and that wider procurement programmes which will be necessary to select a private sector partner are kept to optimum timescales. This route offers the best possible chance of securing progress that the HCA have indicated that they would wish to see i.e. start on first site during 2010.

3.6 Market Risk

- 3.6.1 The original LHC model envisaged a risk share between public and private sector parties with an ability to share in the market sale profits and future returns associated with equity share housing. Since the introduction of the concept, the market has changed dramatically particularly in terms of current risk associated with market sale activity. Clearly there are issues in the current market conditions about the willingness of public sector bodies to share market sale risk and associated heightened risks of projects running into financial difficulty. Whilst in a commercial sense risk would be contained within a private company, there are untested issues around the public bodies 'moral' obligation to step in to support such cases coupled with the risk of negative local coverage.
- 3.6.2 The contractual joint venture can be structured to essentially pass market sale risk through to a private sector partner whose core business is to manage risk associated with market sale housing. The ability of the Council and whg to defer the requirement for land value return (subject to viability) should assist in ensuring that a ready market exists in the developer/contractor market. The model assumes that a contractor developer makes a return of 20% on market sale activity which is considered to be a reasonable return in current trading conditions.

3.7 Funding Risk

- 3.7.1 The LHC model is of course new and largely untested in the funding market though in the most progressed of the LHCs a funder and developer partner have been selected subject to final close of the deal and sign off. Clearly taking a relatively untested vehicle to the funding market may have inherent risks particularly if that vehicle is heavily reliant on profits generated from market sale activity. This at least will be reflected in the lending terms.
- 3.7.2 Funders better understand the JVCo route and the passing of market sale risk to a private sector party is a more conventional method of managing risk.

The steer offered by the Project Team including representation by the HCA who will be required to provide funding to support the regeneration programme is that the LHC option should only be progressed if it offers benefits which more straight forward contractual Joint Venture options cannot deliver. On the basis of the above evaluation, the LHC options offers more risk in terms of complexity, sign off and delay with no ultimate assurance that the approach will be signed off. Since that view was expressed at the Project Team, ikon have met with senior officers at the HCA who have confirmed that it is not their intention to support LHCs beyond the current pilot authorities. On this basis the LHC model has not been modelled. The JVCo offers a more cost effective set up cost and on going running cost, passes risk to a third party in terms of market sale and is a more conventional, fundable and better understood option.

4.0 FINANCIAL CONTEXT

3.1 In terms of financial evaluation, the brief provided by SRF partners indicates a willingness to forego any initial receipt for the development land- subject to board approval. Instead the provision of additional affordable housing and community benefits will be considered where this contributes to the wider regeneration strategy. Framework studies have established the nature of the additional community facilities such as infrastructure improvements, community provision, open space and environmental improvements.

3.2 The strategic and financial context have been developed against a backdrop of shared and agreed strategic and financial objectives which are summarised as follows:

- No requirement for cash upfront to the partnership
- A partnership between whg and the Council which offers certainty to the partner over 10 years
- whg and Council release land gradually over the programme period
- Flexible model to allow and adapt to changes
- whg and Council release land gradually to gain uplift in values (subject to market)
- Ability to share in profit from new development (subject to market)
- Developer assumed to provide private sale and affordable housing
- Look to try to achieve the benefits of a blended margin i.e. between a developer and contractors profit margin
- Partner to deliver additional community benefits and affordable housing in lieu of cash for land
- Long-term developer/investor partner

- Opportunity to be preserved for specialist housing delivery
- Ability to attract gap and grant funding from HCA 'single conversation'
- Tax efficient structure
- Strategic fit with whg's investment plan (2009-2013)
- Opportunity for WHG to manage affordable homes and wider communities.
- The ability to create build contract opportunities for smaller scale local contractors and to utilise local labour

4. FINANCIAL MODELLING- HEADLINE ASSUMPTIONS

- 4.1 A range of key assumptions have been agreed with the Project Team as the basis upon which to model the JVCo option in terms of a base case. The assumptions reflect as far as we can reasonably foresee, current market conditions. We have also made a working assumption that both Homes and Communities Agency grant funding and wider infrastructure support will be made available- but this is not yet confirmed. The Project Team has also signed off a range of key economic data relating to House Price inflation, Retail Price Index and Build cost inflation.
- 4.2 Whilst these headline assumptions have been signed off by the Project Team further work is required particularly working with the Finance Director of whg and Officers from the Council to agree a range of different sensitivity analyses particularly, different levels of house price inflation and different levels of build cost increase. As the report later concludes we would also strongly suggest further modelling work particularly to develop the JVCo approach and to drive out maximum value for money opportunities.
- 4.3 A range of data has been provided by whg in response to ikons brief to enable modelling work to be undertaken. Key inputs have been received and have been utilised as a basis for modelling purposes:
- Costs-Rider Levett Bucknall has produced build costs and have prepared build programme estimates and in-turn commented upon the build programmes, which supports modelling across the 3 areas.
 - Values- valuation data has been provided by whg, which has been sourced from local agents Fraser Wood and Edwards Moore based on current market values and market assessments for each of the three areas.
 - Site abnormal costs have been provided by Rider Levett Bucknall.
 - Programme- the build programme has been developed by whg with reference to the Council, the HCA and Rider Levett Bucknall

- Pre development costs- comprising demolition costs and homeless and compensation have been provided by whg and represent historic costs incurred in de-risking sites for development purposes.
- Section 106 Contributions have been provided by whg in consultation with planners at Walsall
- Mix of tenures: has been provided by whg again in consultation with the Council. Densities have been determined in accordance with local planners.
- Quality of homes: the Project Team has agreed that for modelling purposes all homes should be costed on the basis of achieving Level 4 of Code for Sustainable Homes.
- No non-residential uses have been specified or allowed for.

5 FINANCIAL MODELLING- BASE CASE ECONOMIC ASSUMPTIONS

5.1 A range of base case economic assumptions have been used and agreed by the Project Team to reflect the base case. These are as follows:

- RPI at 2.5%
- Interest Rate 7%
- House Price Inflation: zero for first three years reverting to 4.9% thereafter (2.5% RPI, 2.4% real)
- Build Cost Inflation: zero for years 1-3 reverting to 3.5% thereafter (2.5% RPI and 1% real)
- The above rates can be adapted, for example, to match whg business plan assumptions
- Grant rates for affordable rented housing as agreed with you at £20k per person, £15k per person for shared ownership
- Rented homes are assumed to be purchased from the developer at 35% of OMV plus grant
- Shared ownership homes are assumed to be purchased from the developer at 60% of OMV plus grant
- Stair casing receipts are assumed to be included in the shared ownership purchase price.
- Consultants fees are assumed to be 15% of construction and there is a 5% contingency.

- Developers profit is assumed to be 20% of sales value on private sale and 5% of construction cost on rent and shared-ownership.
- The programme of sites and timescales is included within the attached appendices (see Site micro assumptions)
- It is assumed that the set up costs of the joint venture are £150,000 with £36,000 per annum management costs.

6 PROGRAMME DETAILS

6.1 whg and the Council have identified a programme of separate development sites across 3 regeneration areas. In terms of the summary of activity:

- A total of 1418 homes are delivered.
- A development period starting in terms of construction in 2010 and completing in 2018
- A total of 489 (34.5%) homes for rent.
- A further 253 homes (17.8%) for shared ownership
- 676 homes (47.7%) for market sale.

6.2 The programme activity commences in Goscote in October 2010 and concludes in terms of final Practical Completion in December 2018 at Brownhills. Sites within the 3 regeneration areas commence with sites in Goscote and Moxley with Brownhills tending to commence and complete towards the end of the overall programme.

6.3 The affordable housing component has been modelled on the basis of a current view of achievable rates of social housing grant though these have yet to be discussed or in any way agreed with the Homes and Communities Agency. Assumed rates of grant per person have been utilised at £20k per person for rented housing and £15k per person for shared ownership. The breakdown of grant (before inflation is applied) by site is as follows:

Site	Rent persons	grant	S/O persons	grant
Brownhills A	222	4,440,000	59	885,000
Brownhills A2	24	480,000	47	705,000
Brownhills B	22	440,000	27	405,000
Brownhills C	15	300,000	20	300,000
Brownhills E-G	56	1,120,000	15	225,000
Brownhills H	79	1,580,000	22	330,000
Brownhills I	36	720,000	16	240,000
Humphries				
Severn				
Moxley A	409	8,180,000	172	2,580,000
Moxley B	0	-	0	-
Moxley C	20	400,000	0	-
Moxley D	0	-	0	-
Moxley G,H,I	12	240,000	14	210,000

Moxley J,K,L	54	1,080,000	49	735,000
Moxley M,N,O	60	1,200,000	48	720,000
Goscote A Shakespeare	409	8,180,000	203	3,045,000
Goscote B Goscote	766	15,320,000	339	5,085,000
Goscote C Dolphin	0	-	0	-
Goscote D & E Chaucer	235	4,700,000	104	1,560,000
Goscote F Blakenhall	0	-	0	-
Goscote G Well Place	95	1,900,000	0	-
	2,514	50,280,000	1,135	17,025,000

7 FINANCIAL SUMMARY

7.1 Included in Appendix 1 are:

- Summary of joint venture
- Project cash flow
- Individual scheme details

7.2 Developer profit has been included at 20% of value on market sale properties and 5% of cost on the affordable homes. It may be possible to improve on these rates given the extensive up front investment to make the projects work.

7.3 At the request of whg and the Council, Humphries and Severn have been excluded from the appraisal.

7.4 It has been assumed that the joint venture will operate as follows:

- whg has prepared the sites through buy out of existing interests and demolition works.
- HCA investment is secured to fund the enabling works for each site.
- A joint venture partner develops each site out, with whg taking receipt of the affordable housing for an agreed sum.

7.5 In summary, the appraisals illustrate:

- As development opportunities the sites have substantial negative value.
- An indicative level of HCA investment of £129m (with inflation) is required over 8 years. The non-inflated figure is £116m
- The HCA investment is split between £53m (£49.22 pre -inflation) of Gap funding and £75.966m of Social Housing Grant Funding (£67.4m pre-inflation). It will be necessary to model this in accordance with HCA investment criteria when issued and through the Project Team there will be further engagement with the HCA regional office as the appraisals develop.

7.6 In terms of financial modelling, the base case is prepared on the basis of the JVCo cash flow flowing from the development of homes as set out in 6.1 above. In terms of a breakdown of project costs the table below shows the extent of project costs and income:

Figures show inflation

Total Scheme Costs	£ 252,619,000
Total Scheme Income	£ 252,619,000
<i>Funded by:</i>	
Market sales receipts	£84,355,000
Affordable housing receipt to JVCo	£39,030,000
Social Housing Grant	£75,966,000
Interest received	£243,000
HCA gap/Infrastructure funding	£53,025,000

7.7 In terms of contributions to the project the following represent the key contributions by the SRF partners:

7.7.1 whg and the Council give up land value through the development of the sites on the basis proposed as the schemes are essentially unviable without grant and gap funding support.

7.7.2 The HCA invest grant and gap funding.

7.7.3 The Council gives up entitlement to claw back triggered in the event that land is sold for a non-affordable purpose.

7.7.4 whg will be required additionally to raise necessary private finance to support the affordable housing provision that will be serviced from rental income streams.

7.7.5 whg will manage the homes and the new communities that are built.

7.7.6 All parties will be required to meet the costs associated with the governance of the JVCo.

7.7.7 It is assumed that the Council and whg contribute equally towards the set up and running costs

8 SUMMARY & RECOMMENDATION

8.1 The preferred option in terms of the development delivery vehicle has now been subject to financial evaluation in terms of a base case. The level of investment required from the HCA particularly in terms of gap funding is significant but is now established. The terms availability and timing of such investment is not yet clear and clearly the terms and criteria, which may apply, will have a potentially fundamental impact upon the model.

- 8.2 Whilst the base case and preferred option have been confirmed, through further development of the financial model we would expect to identify opportunities which may reduce the call on HCA investment. This will include focussing on potential build costs (in particular the market sale standards), exploring permissible densities to a greater extent and the tenure mix within particular sites.
- 8.3 In terms of the preferred development vehicle we would like to develop the Joint venture approach further to drive out cost efficiencies and deliver greater value for money for the HCA potential investment. This would include the assumed cost of affordable homes for whg, the structure and quantum of the private sector partner's priority return and the timing of the PSP investment. In addition we think that the timing of the site valuation and equity investment could be developed to improve financial performance. Further that we look to model these changes on a basis that enables the HCA to invest in terms site preparation costs and grant in return for a split in overage. This will improve the investment proposition for the HCA. These are proposed areas for development of the model but do not change the recommendation in relation to the contractual JV approach.
- 8.4 The alternative model of the Local Housing Company cannot be relied upon to deliver homes within the necessary timescales and the set up costs and running costs do not compare favourably to the JVCo. In addition due to viability issues associated with the LHC programme the HCA have indicated that they do not wish to extend the programme beyond the initial pilot areas.
- 8.5 The position we have reached is a clear recommendation that the contractual JVCo approach is the optimum model in terms of taking forward the strategic regeneration framework. In addition the extent of funding required has been established all be it, in effect, a worst-case scenario.
- 8.6 It is recommended that the contractual Joint Venture approach is approved as the basis of delivering the strategic regeneration framework programme and that further development of the model is undertaken as set out above.

Appendix 1

Summary Financial Results

Joint Venture

Cashflow

Site Specific Data

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Walsall LHC

JOINT VENTURE APPRAISAL

		WHG Council HCA	Partner	Total
Assumptions: Investment Appraisal				
	Real Discount rate	3.50%	7.50%	
	Inflation	2.50%	2.50%	
	Annual rate	6.00%	10.00%	
	Final Completion			2019
	Equity share	0.00%	100.00%	100.00%
Summary		£m	£m	£m
Net cashflows				
	Land/equity	£0.000	£0.000	
NPV				
	Land/equity	£0.000	£0.000	
Profit Margin				
	Gross Profit On Cost	(all tenures, after interest)	14.90%	14.90%
	Gross Profit On Value	(all tenures, after interest)	12.97%	12.97%
Finance		£m	£m	£m
HCA Funding				
	Gap Funding	Inflated at RPI from Current Prices		£53.025
	Social Housng Grant	Inflated at RPI from Current Prices		£75.966
		(Norm Rates 2008)		
	Gap Funding	Current Values		£49.220
	Social Housng Grant	Current Values		£67.436
Outputs				
	Homes For Rent			489
	Homes for Shared Ownership			253
	Homes for Sale			676
	Total Homes			1,418

IKON CONSULTANCY LIMITED															
Walsall LHC															
			Index												
CONSOLIDATED CASHFLOW			2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Project Totals
			£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	Sale - Sale		0	276	4,638	15,194	23,498	10,170	7,098	9,723	9,705	4,053	0	0	84,355
	Sale - Rent		192	2,448	3,494	3,733	2,109	2,283	2,913	2,297	1,305	0	0	0	20,774
	Sale - Shared Owner		138	1,470	2,796	3,115	2,667	2,251	2,660	2,283	876	0	0	0	18,256
	Sale - Shared Equity		0	0	0	0	0	0	0	0	0	0	0	0	0
	Grant - Rent		486	6,357	9,041	9,873	5,941	6,395	7,651	6,090	2,895	0	0	0	54,729
	Grant - Shared Owner		153	1,560	3,201	3,668	3,248	2,765	3,118	2,642	882	0	0	0	21,237
	Grant - Shared Equity		0	0	0	0	0	0	0	0	0	0	0	0	0
	Grant - Other		11,442	5,661	11,379	1,746	16,683	2,982	786	2,346	0	0	0	0	53,025
	Interest received		10	2	0	0	68	39	0	0	124	0	0	0	243
	Receipts		12,421	17,774	34,549	37,329	54,214	26,885	24,226	25,381	15,787	4,053	0	0	252,619
	Land														
	WHG		0	0	0	0	0	0	0	0	0	0	0	0	0
	English Ptnrp		0	0	0	0	0	0	0	0	0	0	0	0	0
	RSL / Other		0	0	0	0	0	0	0	0	0	0	0	0	0
	SDLT		0	0	0	0	0	0	0	0	0	0	0	0	0
	Abnormals		1,142	624	1,065	135	1,659	420	75	210	0	0	0	0	5,330
	Enabling		2,098	930	1,584	195	2,319	33	333	6	0	0	0	0	7,498
	Externals		4,500	1,848	3,711	504	4,788	762	240	729	0	0	0	0	17,082
	Buy out		2,626	588	2,694	549	4,542	0	927	0	0	0	0	0	11,926
	Construction		1,320	14,589	23,867	28,418	18,101	16,003	18,808	16,642	6,417	0	0	0	144,165
	Contingency		66	729	1,182	1,408	913	805	931	830	327	0	0	0	7,191
	Professional fees		198	2,187	3,578	4,263	2,726	2,400	2,814	2,491	969	0	0	0	21,626
	Sales Agent		0	2	43	138	200	101	67	91	90	36	0	0	768
	Sales Legal		0	2	43	138	200	101	67	91	90	36	0	0	768
	Sales Marketing		0	4	74	266	416	199	129	192	177	72	0	0	1,529
	Developer profit		0	0	399	287	12,038	6,965	442	1,207	743	10,687	0	0	32,768
	Set-up Costs		150	0	0	0	0	0	0	0	0	0	0	0	150
	Management Costs		36	36	36	36	36	36	36	33	33	0	0	0	318
	Interest paid		2	84	293	588	173	25	260	74	1	0	0	0	1,500
	Corporation tax		0	0	0	0	0	0	0	0	0	0	0	0	0
	Dividends / distributions		0	0	0	0	0	0	0	0	0	0	0	0	0
	Payments		12,138	21,623	38,569	36,925	48,111	27,850	25,129	22,596	8,847	10,831	0	0	252,619
	NET CASHFLOW		283	-3,849	-4,020	404	6,103	-965	-903	2,785	6,940	-6,778	0	0	0
	OPENING BANK		0	283	-3,566	-7,586	-7,182	-1,079	-2,044	-2,947	-162	6,778	0	0	0
	CLOSING BANK		283	-3,566	-7,586	-7,182	-1,079	-2,044	-2,947	-162	6,778	0	0	0	0

Appendix 1																																
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF
1	IKON CONSULTANCY LIMITED						Index																									
2	Walsall LHC																															
3																																
4																																
5		FORECAST (with inflation)				Brownhills A	Brownhills A2	Brownhills B	Brownhills C	Brownhills E-G	Brownhills H	Brownhills I	Humphries	Severn	Moxley A	Moxley B	Moxley C	Moxley D	Moxley G,H,I	Moxley J,K,L	Moxley M,N,O	Goscote A Shakespeare	Goscote B Goscote	Goscote C Dolphin	Goscote D & E Chaucer	Goscote F Blakenhall	Goscote G Well Place	Project Totals				
6		Active				Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y					
7						£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£					
9		Sale - Sale				5,717,312	0	1,582,463	835,643	1,160,182	2,848,015	2,094,376	0	0	13,025,722	1,369,205	525,000	588,704	3,706,668	1,085,718	431,285	14,694,509	21,444,456	2,669,685	8,614,706	697,500	1,240,000	84,331,148				
10		Sale - Rent				1,953,206	289,884	198,297	171,259	694,263	1,015,805	353,573	0	0	3,274,103	0	183,750	0	107,165	330,945	547,505	2,622,589	6,224,109	0	2,166,615	0	651,000	20,784,068				
11		Sale - Shared Owner				1,061,294	683,165	509,817	391,410	223,066	544,279	346,357	0	0	3,040,171	0	0	0	122,474	693,414	750,825	2,810,507	5,519,110	0	1,553,909	0	0	18,249,799				
12		Sale - Shared Equity				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
14		Grant - Rent				4,597,327	728,278	462,875	400,681	1,491,009	1,970,050	763,348	0	0	7,916,545	0	437,091	0	298,878	1,008,678	1,436,256	8,104,744	17,321,329	0	5,795,774	0	1,994,552	54,727,413				
15		Grant - Shared Owner				1,092,877	750,891	520,643	400,641	209,589	461,814	327,149	0	0	3,216,024	0	0	0	149,439	924,629	861,709	3,799,897	6,719,719	0	1,818,584	0	0	21,253,605				
16		Grant - Shared Equity				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
17		Grant - Other				3,396,458	787,485	796,519	468,809	1,126,703	1,536,839	948,237	0	0	7,304,794	442,633	368,248	160,958	1,472,990	1,172,021	1,247,421	9,279,837	15,040,941	811,110	5,345,472	257,773	1,056,946	53,022,195				
19		Staircasing (SE)				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
21		SE rent				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
22		Commercial rent				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
24		Commercial exit value				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
25		SE - exit value				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
27		Revenues proof total				17,818,474	3,239,702	4,070,613	2,668,443	4,904,812	8,376,803	4,833,042	0	0	37,777,358	1,811,838	1,514,088	749,661	5,857,613	5,215,406	5,275,001	41,312,082	72,269,665	3,480,794	25,295,061	955,273	4,942,498	252,368,228				
29		WHG				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
30		English Ptnrp				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
31		RSL / Other				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
32		SDLT				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
33		PGGS				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
34		Repay HRA				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
35		Infrastructure				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
36		Abnormals				393,651	75,523	65,671	68,663	189,322	155,912	69,886	0	0	729,099	54,787	34,144	10,739	108,382	145,001	166,363	920,635	1,443,536	52,688	523,322	2,574	111,318	5,321,217				
37		Enabling				567,922	332,615	0	127,581	0	0	194,829	0	0	1,418,555	0	50,000	0	200,000	90,061	32,137	1,331,099	2,102,899	6,330	974,009	0	72,701	7,500,737				
38		Circulation				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
39		Externals				1,037,900	240,703	226,400	132,791	337,436	455,911	280,300	0	0	2,417,200	0	97,000	47,241	635,200	336,272	378,357	2,897,200	4,317,503	273,225	2,387,500	82,100	503,393	17,083,630				
40		Buy out				312,113	927,755	278,915	115,900	0	0	269,018	0	0	1,071,118	0	0	0	0	135,217	0	2,694,401	4,287,993	0	1,781,483	0	49,613	11,923,525				
41		Construction				9,379,518	1,799,367	2,142,738	1,363,982	2,633,360	4,026,937	2,432,072	0	0	20,705,117	1,175,082	849,973	477,284	3,796,999	3,025,463	2,890,196	25,175,368	41,548,854	2,144,412	14,970,976	648,363	3,027,610	144,213,670				
42		Made ground				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
43		Contingency				468,976	89,968	107,137	68,199	131,668	201,347	121,604	0	0	1,035,256	58,754	42,499	23,864	189,850	151,273	144,510	1,258,768	2,077,443	107,221	748,549	32,418	151,381	7,210,683				
44		Professional fees				1,406,928	269,905	321,411	204,597	395,004	604,041	364,811	0	0	3,105,768	176,262	127,496	71,593	569,550	453,819	433,529	3,776,305	6,232,328	321,662	2,245,646	97,254	454,142	21,632,050				
45		Sustainable homes				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
46		Sales Agent				51,035	5,269	15,753	9,275	10,441	25,632	18,401	0	0	121,019	10,269	3,938	4,415	28,753	13,517	9,058	132,255	204,693	20,023	76,346	5,231	9,300	774,622				
47		Sales Legal				51,035	5,269	15,753	9,275	10,441	25,632	18,401	0	0	121,019	10,269	3,938	4,415	28,753	13,517	9,058	132,255	204,693	20,023	76,346	5,231	9,300	774,622				
48		Sales Marketing				102,069	10,537	31,505	18,550	20,882	51,264	36,801	0	0	242,038	20,538	7,875	8,831	57,506	27,035	18,117	264,509	409,386	40,045	152,692	10,463	18,600	1,549,244				
49		Developer profit				2,154,719	201,446	536,141	323,745	526,506	1,031,189	689,672	0	0	4,837,177	277,898	147,499	117,741	1,144,586	535,380	401,966	5,739,953	9,656,230	542,382	3,365,257	139,500	399,381	32,768,367				
51		Costs proof total				15,925,864	3,958,356	3,741,422	2,442,559	4,255,059	6,577,864	4,495,794	0	0	35,803,367	1,783,860	1,364,361	766,123	6,759,580	4,926,556	4,483,292	44,322,749	72,485,556	3,528,010	27,302,128	1,023,135	4,806,737	250,752,368				
52						6.35%	1.58%	1.49%	0.97%	1.70%	2.62%	1.79%	0.00%	0.00%	14.28%	0.71%	0.54%	0.31%	2.70%	1.96%	1.79%	17.68%	28.91%	1.41%	10.89%	0.41%	1.92%	100.00%				
53		Surplus before finance				1,892,610	-718,654	329,191	225,884	649,753	1,798,940	337,248	0	0	1,973,992	27,978	149,728	-16,462	-901,966	288,850	791,710	-3,010,667	-215,892	-47,216	-2,007,066	-67,861	135,761	1,615,860				

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1				IKON CONSULTANCY LIMITED															Appe
2				Walsall LHC															
3				Site Micro Assumptions															
4																			
5					Site Programmes														
6				Index	Active	Land			Construction		Enabling		Sales		Grants other		SE Rent		
7					Y/N	WHG	English Ptnrp	RSL / Other	Start	End	Start	End	Start	End	Start	End	Start	End	
8				Brownhills A	Y	Jul-11			Oct-11	Dec-13	Jul-11	Sep-11	Jan-13	Dec-14	Jul-11	Sep-11			
9				Brownhills A2	Y	Jul-16			Oct-16	Jun-17	Jul-16	Sep-16	Apr-17	Mar-18	Jul-16	Sep-16			
10				Brownhills B	Y	Jul-13			Oct-13	Jun-14	Jul-13	Sep-13	Apr-14	Dec-14	Jul-13	Sep-13			
11				Brownhills C	Y	Jul-14			Oct-14	Apr-15	Jul-14	Sep-14	Feb-15	Jan-16	Jul-14	Sep-14			
12				Brownhills E-G	Y	Jul-15			Oct-15	Oct-16	Jul-15	Sep-15	Aug-16	Jul-17	Jul-15	Sep-15			
13				Brownhills H	Y	Jul-17			Oct-17	Dec-18	Jul-17	Sep-17	Oct-18	Sep-19	Jul-17	Sep-17			
14				Brownhills I	Y	Jul-13			Oct-13	Sep-14	Jul-13	Sep-13	Jul-14	Jun-15	Jul-13	Sep-13			
15				Humphries	N	Jan-11			Apr-11	Jul-13	Jan-11	Mar-11	Oct-11	Oct-12	Jan-11	Mar-11			
16				Severn	N	Jan-12			Apr-12	Jul-13	Jan-12	Mar-12	Oct-12	Oct-13	Jan-12	Mar-12			
17				Moxley A	Y	Mar-10			Apr-11	Jan-14	Mar-10	Mar-11	Jan-13	Dec-14	Mar-10	Mar-11			
18				Moxley B	Y	Oct-15			Jan-16	Jul-16	Oct-15	Dec-15	Aug-16	Nov-17	Oct-15	Dec-15			
19				Moxley C	Y	Oct-12			Jan-13	Jun-13	Oct-12	Dec-12	Jul-13	Oct-13	Oct-12	Dec-12			
20				Moxley D	Y	Oct-15			Jan-16	May-16	Oct-15	Dec-15	Jun-16	Sep-16	Oct-15	Dec-15			
21				Moxley G,H,I	Y	Jul-12			Oct-12	Jan-14	Jul-12	Sep-12	Nov-13	Oct-14	Jul-12	Sep-12			
22				Moxley J,K,L	Y	Jan-14			Apr-14	Apr-15	Jan-14	Mar-14	Feb-15	Oct-15	Jan-14	Mar-14			
23				Moxley M,N,O	Y	Oct-15			Jan-16	Jan-17	Oct-15	Dec-15	Nov-16	Jul-17	Oct-15	Dec-15			
24				Goscote A Shakespeare	Y	Jan-12			Apr-12	Mar-15	Jan-12	Mar-12	Dec-13	Dec-15	Jan-12	Mar-12			
25				Goscote B Goscote	Y	Apr-14			Oct-14	Mar-18	Apr-14	Sep-14	Mar-16	Mar-19	Apr-14	Sep-14			
26				Goscote C Dolphin	Y	Jan-17			Apr-17	Dec-17	Jan-17	Mar-17	Oct-17	Jun-18	Jan-17	Mar-17			
27				Goscote D & E Chaucer	Y	Apr-10			Oct-10	Jul-13	Apr-10	Sep-10	Jan-12	Apr-14	Apr-10	Sep-10			
28				Goscote F Blakenhall	Y	Oct-12			Jan-13	Jun-13	Oct-12	Dec-12	Jul-13	Nov-13	Oct-12	Dec-12			
29				Goscote G Well Place	Y	Jan-10			Jan-11	Jan-12	Jan-10	Dec-11	Nov-11	Jul-12	Jan-10	Dec-11			
30				Site 23	Y								Jun-13	Dec-13					
31				Site 24	Y								Jun-13	Dec-13					
32				Site 25	Y								Jun-13	Dec-13					
33																			
34																			

	B	C	D	E	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI
1			IKON CONSULTANCY LIM																Appendix 1	
2			Walsall LHC																	
3			Site Micro Assumptions																	
4																				
5						Land acquisition					Costs - Number of Units									
6			Index			WHG	English Ptnrp	RSL / Other	Total		Apartment		House					Bungalow		Commercial
7											Conversion	2 Bed	2 Bed	3 Bed a	3 Bed b	4 bed	5 bed	2 Bed	3 Bed	
8			Brownhills A			100.0%			100.0%				29	14	13	20	10	9		
9			Brownhills A2			100.0%			100.0%			8	8	2	1					
10			Brownhills B			100.0%			100.0%				6	4	3	3	3	2		
11			Brownhills C			100.0%			100.0%					4	3	3	2			
12			Brownhills E-G			100.0%			100.0%			8	6	4	2			8		
13			Brownhills H			100.0%			100.0%				14	6	5	7		4		
14			Brownhills I			100.0%			100.0%				13	4	3	5				
15			Humphries			100.0%			100.0%											
16			Severn			100.0%			100.0%											
17			Moxley A			100.0%			100.0%				66	39	38	33	22	11		
18			Moxley B			100.0%			100.0%				4	4	3					
19			Moxley C			100.0%			100.0%									10		
20			Moxley D			100.0%			100.0%					1	1	2				
21			Moxley G,H,I			100.0%			100.0%		5		18	4	3	7		3		
22			Moxley J,K,L			100.0%			100.0%				11	6	4	4	2	3		
23			Moxley M,N,O			100.0%			100.0%				31							
24			Goscote A Shakespeare			100.0%			100.0%				75	43	42	47	18	27		
25			Goscote B Goscote			100.0%			100.0%				116	78	76	58	19	38		
26			Goscote C Dolphin			100.0%			100.0%				8	3	3	4	1			
27			Goscote D & E Chaucer			100.0%			100.0%				48	28	29	25	8	16		
28			Goscote F Blakenhall			100.0%			100.0%				4	2	1					
29			Goscote G Well Place			100.0%			100.0%				5	9	8	8				
30			Site 23						0.0%											
31			Site 24						0.0%											
32			Site 25						0.0%											
33																				
34																				

	B	C	D	E	A	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV
1			IKON CONSULTANCY LIM													
2			Walsall LHC													
3			Site Micro Assumptions													
4																
5						Costs - Floor Area (m2)										
6			Index			Apartment		House					Bungalow		Commercial	Infrastructure
7						Conversion	2 Bed	2 Bed	3 Bed a	3 Bed b	4 bed	5 bed	2 Bed	3 Bed		
8			Brownhills A					1.00	1.00	1.00	1.00	1.00	1.00			
9			Brownhills A2				1.00	1.00	1.00	1.00	1.00	1.00	1.00			
10			Brownhills B					1.00	1.00	1.00	1.00	1.00	1.00			
11			Brownhills C					1.00	1.00	1.00	1.00	1.00	1.00			
12			Brownhills E-G				1.00	1.00	1.00	1.00	1.00	1.00	1.00			
13			Brownhills H					1.00	1.00	1.00	1.00	1.00	1.00			
14			Brownhills I					1.00	1.00	1.00	1.00	1.00	1.00			
15			Humphries													
16			Severn													
17			Moxley A					1.00	1.00	1.00	1.00	1.00	1.00			
18			Moxley B					1.00	1.00	1.00	1.00	1.00	1.00			
19			Moxley C					1.00	1.00	1.00	1.00	1.00	1.00			
20			Moxley D					1.00	1.00	1.00	1.00	1.00	1.00			
21			Moxley G,H,I			1.00		1.00	1.00	1.00	1.00	1.00	1.00			
22			Moxley J,K,L					1.00	1.00	1.00	1.00	1.00	1.00			
23			Moxley M,N,O					1.00	1.00	1.00	1.00	1.00	1.00			
24			Goscote A Shakespeare					1.00	1.00	1.00	1.00	1.00	1.00			
25			Goscote B Goscote					1.00	1.00	1.00	1.00	1.00	1.00			
26			Goscote C Dolphin					1.00	1.00	1.00	1.00	1.00	1.00			
27			Goscote D & E Chaucer					1.00	1.00	1.00	1.00	1.00	1.00			
28			Goscote F Blakenhall					1.00	1.00	1.00	1.00	1.00	1.00			
29			Goscote G Well Place					1.00	1.00	1.00	1.00	1.00	1.00			
30			Site 23													
31			Site 24													
32			Site 25													
33																
34																

	B	C	D	E	A	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH
1			IKON CONSULTANCY LIM													
2			Walsall LHC													
3			Site Micro Assumptions													
4																
5						Costs - Build cost (Sale & Shared Ownership - Rented homes discounted at £2,500 per unit)										
6			Index			Apartment		House					Bungalow		Commercial	Infrastructure
7						Conversion	2 Bed	2 Bed	3 Bed a	3 Bed b	4 bed	5 bed	2 Bed	3 Bed		
8			Brownhills A					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
9			Brownhills A2				77,158.00	85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
10			Brownhills B					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
11			Brownhills C					85,000.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
12			Brownhills E-G				77,158.00	85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
13			Brownhills H					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
14			Brownhills I					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
15			Humphries													
16			Severn													
17			Moxley A					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
18			Moxley B					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
19			Moxley C					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
20			Moxley D					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
21			Moxley G,H,I			100,000.00		85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
22			Moxley J,K,L					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
23			Moxley M,N,O					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
24			Goscote A Shakespeare					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
25			Goscote B Goscote					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
26			Goscote C Dolphin					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
27			Goscote D & E Chaucer					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
28			Goscote F Blakenhall					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
29			Goscote G Well Place					85,074.00	102,320.00	103,427.00	112,368.00	121,426.00	86,247.30			
30			Site 23													
31			Site 24													
32			Site 25													
33																
34																

	B	C	D	E	F	BJ	BK	BL	BM	BN	BO	BP	BQ	BR	BS
1			IKON CONSULTANCY LIM												
2			Walsall LHC												
3			Site Micro Assumptions												
4															
5						Costs - Other costs (%)									
6			Index			Made ground	Contingency	Professional fees	Repay HRA	Sustainable homes	SDLT	Developer profit			
7												Sales	Rent	Shared ownership	Shared equity
8			Brownhills A				5.00%	15.00%				20.00%	5.00%	5.00%	
9			Brownhills A2				5.00%	15.00%				20.00%	5.00%	5.00%	
10			Brownhills B				5.00%	15.00%				20.00%	5.00%	5.00%	
11			Brownhills C				5.00%	15.00%				20.00%	5.00%	5.00%	
12			Brownhills E-G				5.00%	15.00%				20.00%	5.00%	5.00%	
13			Brownhills H				5.00%	15.00%				20.00%	5.00%	5.00%	
14			Brownhills I				5.00%	15.00%				20.00%	5.00%	5.00%	
15			Humphries				5.00%	15.00%				20.00%	5.00%	5.00%	
16			Severn				5.00%	15.00%				20.00%	5.00%	5.00%	
17			Moxley A				5.00%	15.00%				20.00%	5.00%	5.00%	
18			Moxley B				5.00%	15.00%				20.00%	5.00%	5.00%	
19			Moxley C				5.00%	15.00%				20.00%	5.00%	5.00%	
20			Moxley D				5.00%	15.00%				20.00%	5.00%	5.00%	
21			Moxley G,H,I				5.00%	15.00%				20.00%	5.00%	5.00%	
22			Moxley J,K,L				5.00%	15.00%				20.00%	5.00%	5.00%	
23			Moxley M,N,O				5.00%	15.00%				20.00%	5.00%	5.00%	
24			Goscote A Shakespeare				5.00%	15.00%				20.00%	5.00%	5.00%	
25			Goscote B Goscote				5.00%	15.00%				20.00%	5.00%	5.00%	
26			Goscote C Dolphin				5.00%	15.00%				20.00%	5.00%	5.00%	
27			Goscote D & E Chaucer				5.00%	15.00%				20.00%	5.00%	5.00%	
28			Goscote F Blakenhall				5.00%	15.00%				20.00%	5.00%	5.00%	
29			Goscote G Well Place				5.00%	15.00%				20.00%	5.00%	5.00%	
30			Site 23												
31			Site 24												
32			Site 25												
33															
34															

	B	C	D	E	B	BU	BV	BW	BX	BY	BZ	CA
1			IKON CONSULTANCY LIM									
2			Walsall LHC									
3			Site Micro Assumptions									
4												
5						Costs - Other costs (£)						
6			Index			Abnormals	Enabling	Circulation	Externals	Buy out	PGGS	Land (Dev Value)
7												
8			Brownhills A			384,050	567,922		1,037,900	304,500		0
9			Brownhills A2			65,123	300,000		217,100	800,000		0
10			Brownhills B			60,982	0		226,400	259,000		0
11			Brownhills C			62,205	123,267		128,300	105,000		0
12			Brownhills E-G			167,333	0		315,000	0		0
13			Brownhills H			131,163	0		397,300	0		0
14			Brownhills I			64,896	194,829		280,300	249,810		0
15			Humphries									0
16			Severn									0
17			Moxley A			724,917	1,418,555		2,417,200	1,064,974		0
18			Moxley B			48,424	0		368,500	0		0
19			Moxley C			32,499	50,000		97,000	0		0
20			Moxley D			9,492	0		44,100	0		0
21			Moxley G,H,I			103,160	200,000		635,200	0		0
22			Moxley J,K,L			131,364	87,015		324,900	122,500		0
23			Moxley M,N,O			147,041	30,000		353,200	0		0
24			Goscote A Shakespeare			876,274	1,331,099		2,897,200	2,564,570		0
25			Goscote B Goscote			1,307,772	2,031,786		4,171,500	3,884,710		0
26			Goscote C Dolphin			44,325	5,516		238,100	0		0
27			Goscote D & E Chaucer			523,322	974,009		2,387,500	1,781,483		0
28			Goscote F Blakenhall			2,450	0		82,100			0
29			Goscote G Well Place			109,944	72,701		503,393	49,000		0
30			Site 23									
31			Site 24									
32			Site 25									
33												
34												

	B	C	D	E	C	CC	CD	CE	CF	CG	CH	CI	CJ	CK
1			IKON CONSULTANCY LIM											
2			Walsall LHC											
3			Site Micro Assumptions											
4														
5						Sales - Persons (No.)								
6			Index			Apartment		House				Bungalow		
7						Conversion	2 Bed	2 Bed	3 Bed a	3 Bed b	4 bed	5 bed	2 Bed	3 Bed
8			Brownhills A					4	5	5	7	7	4	
9			Brownhills A2				3	4	5	5	7	7	4	
10			Brownhills B					4	5	5	7	7	4	
11			Brownhills C					4	5	5	7	7	4	5
12			Brownhills E-G				3	4	5	5	7	7	4	5
13			Brownhills H					4	5	5	7	7	4	5
14			Brownhills I					4	5	5	7	7	4	
15			Humphries					4	5	5	7	7	4	5
16			Severn					4	5	5	7	7	4	
17			Moxley A					4	5	5	7	7	4	
18			Moxley B					4	5	5	7	7	4	
19			Moxley C					4	5	5	7	7	4	
20			Moxley D					4	5	5	7	7	4	
21			Moxley G,H,I			3		4	5	5	7	7	4	
22			Moxley J,K,L					4	5	5	7	7	4	
23			Moxley M,N,O					4	5	5	7	7	4	
24			Goscote A Shakespeare					4	5	5	7	7	4	
25			Goscote B Goscote					4	5	5	7	7	4	
26			Goscote C Dolphin					4	5	5	7	7	4	
27			Goscote D & E Chaucer					4	5	5	7	7	4	
28			Goscote F Blakenhall					4	5	5	7	7	4	
29			Goscote G Well Place					4	5	5	7	7	4	
30			Site 23											
31			Site 24											
32			Site 25											
33														
34														

	B	C	D	E	C	CM	CN	CO	CP	CQ	CR	CS	CT	CU
1			IKON CONSULTANCY LIM											
2			Walsall LHC											
3			Site Micro Assumptions											
4														
5						Sales - Open Market Value (£)								
6			Index			Apartment		House				Bungalow		
7						Conversion	2 Bed	2 Bed	3 Bed a	3 Bed b	4 bed	5 bed	2 Bed	3 Bed
8			Brownhills A				77,500	100,000	130,000	130,000	165,000	205,000	130,000	
9			Brownhills A2				75,000	90,000	110,000	110,000	130,000	160,000	110,000	
10			Brownhills B				77,500	100,000	130,000	130,000	165,000	205,000	130,000	
11			Brownhills C				77,500	100,000	130,000	130,000	165,000	205,000	130,000	
12			Brownhills E-G				77,500	100,000	130,000	130,000	165,000	205,000	130,000	
13			Brownhills H				80,000	110,000	150,000	150,000	200,000	250,000	150,000	
14			Brownhills I				80,000	110,000	150,000	150,000	200,000	250,000	150,000	
15			Humphries				77,500	100,000	130,000	130,000	165,000	205,000	130,000	
16			Severn				77,500	100,000	130,000	130,000	165,000	205,000	130,000	
17			Moxley A				75,000	100,000	125,000	125,000	160,000	200,000	110,000	
18			Moxley B				70,000	90,000	112,500	112,500	142,500	170,000	105,000	
19			Moxley C				70,000	90,000	112,500	112,500	142,500	170,000	105,000	
20			Moxley D				70,000	90,000	112,500	112,500	142,500	170,000	105,000	
21			Moxley G,H,I			70,000	70,000	90,000	112,500	112,500	142,500	170,000	105,000	
22			Moxley J,K,L				65,000	80,000	100,000	100,000	125,000	140,000	100,000	
23			Moxley M,N,O				70,000	90,000	112,500	112,500	142,500	170,000	105,000	
24			Goscote A Shakespeare				80,000	80,000	100,000	100,000	125,000	140,000	100,000	
25			Goscote B Goscote				81,000	85,000	106,000	106,000	135,000	155,000	102,500	
26			Goscote C Dolphin				82,500	90,000	112,500	112,500	142,500	170,000	105,000	
27			Goscote D & E Chaucer				82,500	90,000	112,500	112,500	142,500	170,000	105,000	
28			Goscote F Blakenhall				82,500	90,000	112,500	112,500	142,500	170,000	105,000	
29			Goscote G Well Place				80,000	80,000	100,000	100,000	125,000	140,000	100,000	
30			Site 23											
31			Site 24											
32			Site 25											
33														
34														

	B	C	D	E	CW	CX	CY	CZ	DA	D	DC	DD	DE	DF	DG
1			IKON CONSULTANCY LIM												
2			Walsall LHC												
3			Site Micro Assumptions												
4															
5					Sales - Units Mix (%)						Sales / Other Income (£)				
6			Index		Sale	Rent	Shared ownership	Shared equity	Proof total	Annual rent (commercial)	Total grant other	Annual rent (SE)		Other Grant %	
7															
8			Brownhills A		43.16%	43.16%	13.68%		100.00%		3,297,532			6.70%	
9			Brownhills A2		0.00%	42.11%	57.89%		100.00%		659,506			1.34%	
10			Brownhills B		52.38%	19.05%	28.57%		100.00%		728,928			1.48%	
11			Brownhills C		41.67%	25.00%	33.33%		100.00%		416,530			0.85%	
12			Brownhills E-G		32.14%	57.14%	10.71%		100.00%		971,904			1.97%	
13			Brownhills H		41.67%	44.44%	13.89%		100.00%		1,249,591			2.54%	
14			Brownhills I		56.00%	28.00%	16.00%		100.00%		867,772			1.76%	
15			Humphries						0.00%		0			0.00%	
16			Severn						0.00%		0			0.00%	
17			Moxley A		46.89%	34.45%	18.66%		100.00%		7,254,570			14.74%	
18			Moxley B		100.00%	0.00%	0.00%		100.00%		381,819			0.78%	
19			Moxley C		50.00%	50.00%	0.00%		100.00%		347,109			0.71%	
20			Moxley D		100.00%	0.00%	0.00%		100.00%		138,843			0.28%	
21			Moxley G,H,I		87.50%	7.50%	5.00%		100.00%		1,388,434			2.82%	
22			Moxley J,K,L		33.33%	30.00%	36.67%		100.00%		1,041,326			2.12%	
23			Moxley M,N,O		12.90%	48.39%	38.71%		100.00%		1,076,037			2.19%	
24			Goscote A Shakespeare		53.57%	28.57%	17.86%		100.00%		8,747,137			17.77%	
25			Goscote B Goscote		42.86%	37.66%	19.48%		100.00%		13,363,681			27.15%	
26			Goscote C Dolphin		100.00%	0.00%	0.00%		100.00%		659,506			1.34%	
27			Goscote D & E Chaucer		49.35%	35.71%	14.94%		100.00%		5,345,472			10.86%	
28			Goscote F Blakenhall		100.00%	0.00%	0.00%		100.00%		242,976			0.49%	
29			Goscote G Well Place		40.00%	60.00%	0.00%		100.00%		1,041,326			2.12%	
30			Site 23						0.00%		0			0.00%	
31			Site 24						0.00%		0			0.00%	
32			Site 25						0.00%		0			0.00%	
33															
34															100.00%

