



# CITY DEAL

Preston, South Ribble & Lancashire

## **CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD**

**Private and Confidential: NO**

Wednesday, 22 February 2017

### **HCA Business and Disposal Plan (2016 – 2019) Progress Update**

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#### **Executive Summary**

This report provides an update on the progress made by the HCA on the delivery of the City Deal housing sites from 4.11.16 to 10.02.17. It focuses on the key delivery milestones, finances invested, outputs and draws out any risks and emerging issues.

#### **Recommendation**

The City Deal Executive and Stewardship Board are asked to note the contents of the report and the progress made.

## **Background and Advice**

### **1.0 HCA Site Highlights 2016/17 (4.11.16 to 10.02.17)**

1.1 Between the period 4.11.16 and 10.02.17 there has been further progress made on a number of HCA sites. Key highlights include:

#### **1.2 Preston**

- **Preston Sector D:** All technical matters relating to highways have been resolved and the deal has now completed resulting in a loan and grant payment being paid to LCC.
- **Cottam Hall Phase 2:** Story Homes are making great progress. The tenth new home was completed last quarter with 19 more anticipated by the end of March.
- **Cottam Hall Phase 3:** S106 has now been agreed meaning the Reserved Matters application for 119 units is expected to be submitted this quarter.



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- **Cottam Hall Site K:** 70 homes have been completed to date and three more are anticipated by the end of the quarter. The first grant payment of c£450,000 is forecast to be paid to LCC this quarter.
- **Whittingham:** There have been 27 completions at Whittingham Phase 1 with a further 8 anticipated by the end of March. A land area of 2.2ha for the new sports and social club has been finalised and is to be considered by the club's committee. Work has commenced on an emerging revised planning strategy on the whole site.
- **Land at Eastway (resi):** Story continue to progress development works on site, with the first legal completion anticipated by the end of the quarter.
- **Land at Eastway (commercial):** Detailed planning application for access works submitted in January 2017. Conditional contract for sale to a local company anticipated to conclude by the end of April 2017. A S278 agreement is required between July 2017 and September 2017 before HCA can go unconditional.

## 1.3 South Ribble

- **Altcar Lane:** The Section 106 Agreement has been completed allowing the outline permission to be formally granted. Marketing of the site will be carried out during Spring 2017 via the HCA's Accelerated Construction model.
- **Croston Road North:** The discharge of conditions application has now been submitted to SRBC. It is anticipated that the S78/S38 agreement will be signed by the end of February.

## 2.0 HCA Investment into the City Deal

- 2.1 Since the start of City Deal, the HCA has secured deals with developers with contracted receipts totalling £47.6m. These currently completed deals will result in the investment of £25.07m grant and £18.8m of loan into the City Deal.
- 2.2 To date (10.02.17), the HCA's total loan payments are £14.3m with grant payments now totalling £4.4m (See table 1 below).



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Total	Receipt	Loan (£)	Grant (£)	Total (£)
<b>2016/17 (to 10.02.17)</b>	£7,199,960	£1,947,682	£4,406,285	<b>£6,353,967</b>
<b>2016/17 Forecast</b>	£8,637,943	£4,942,295	£3,359,124	<b>£8,301,419</b>
<b>Total (to 10.02.17)</b>	£13,665,755	£14,355,023	£4,406,528	<b>£18,761,551</b>

Table 1: HCA investment into City Deal

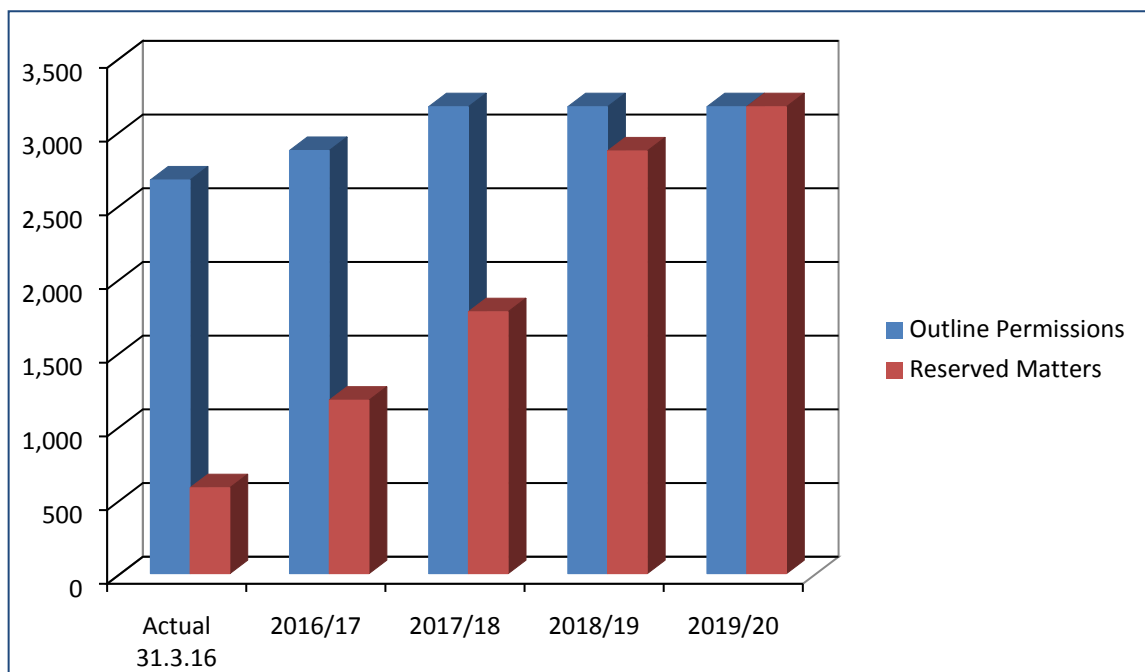
2.3 At the end of Dec 16, Preston Sector D employment site was in contract and resulted in two payments being made to LCC; £193,095 in loan and £2,571,905 in grant.

2.4 We anticipate that next two grant payments will be made in March (17) of c£450,000 for Cottam Hall Site K and in April (17) of £2,455,740 relating to a contracted receipt for Croston Road South.

### 3.0 Outputs

3.1 Under the City Deal, HCA has committed to delivering new housing on our sites and is working closely with developer partners to achieve this. The HCA Business and Disposal Plan (BDP) contains output forecasts around planning permissions and housing completions. Progress towards these targets is shown in paragraphs 5.2/3 below.

3.2 New homes consented for planning (As forecast in 2015-2018 BDP)



Graph 1: Outline and Reserved Matters planning permissions on HCA sites



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- The HCA has already secured Outline Planning permissions on our land for 2,871 units and Reserved Matters permissions have been secured by developer partners for 1,177 units.
- It is anticipated that the HCA will secure the forecast outline permissions for 3,168 units by March 2018.

### 3.3 In terms of new homes:

- 159 new homes have been completed on HCA sites to 10 February 2017

## 4.0 Risks, Emerging Issues and Milestones

### 4.1 The key milestones to be met by the end of this quarter (March 17) relate to the:

- Submission of the Reserved Matters (RM) application at Cottam Hall Phase 3
- S78/S38 agreement for Croston Road North to be signed by the end of February
- Commence marketing of Altcar Lane and Croston Road North
- 8 completions at Whittingham Phase 1
- 10 completions at Croston Road South
- 3 completions at Cottam Hall Site K anticipated by the end of the quarter, with the first grant payment of c£450,000 to be paid to LCC this quarter.
- First completion at Eastway (resi), and;
- 19 completions at Cottam Hall Phase 2

### 4.2 As set out in 5.3 there have been 159 completions on HCA sites to date against a target of 192 completions by the end of March 2017. Therefore, over the next two months, 33 new homes need to be completed for this to be achieved. Given the information we have been provided from our developers, we now forecast that a further 41 new homes will be completed by 31st March 2017, meaning we are on track to exceed the target completions.

### 4.3 The HCA are committed to new delivery approaches to help increase the number of new homes being built. We have identified Altcar Lane and Croston Road North for Accelerated Construction, and we are currently considering this approach on other City Deal sites. Starter Homes schemes are being worked up with LA partners which could bring new sites into the Deal and help increase delivery on HCA owned sites.