



## CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD – 20 JUNE 2017

**Preston, South Ribble and Lancashire City Deal:  
HCA Business and Disposal Plan (2016 – 2019) Progress Update**

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### 1.0 Report Overview

1.1 This report provides an update on the progress made by the HCA on the delivery of the City Deal housing sites from 10.02.17 to 14.06.17. It focuses on the key delivery milestones, finances invested, outputs and draws out key risks and emerging issues.

### 2.0 Recommendation

2.1 The Stewardship Board and Executive are recommended to:

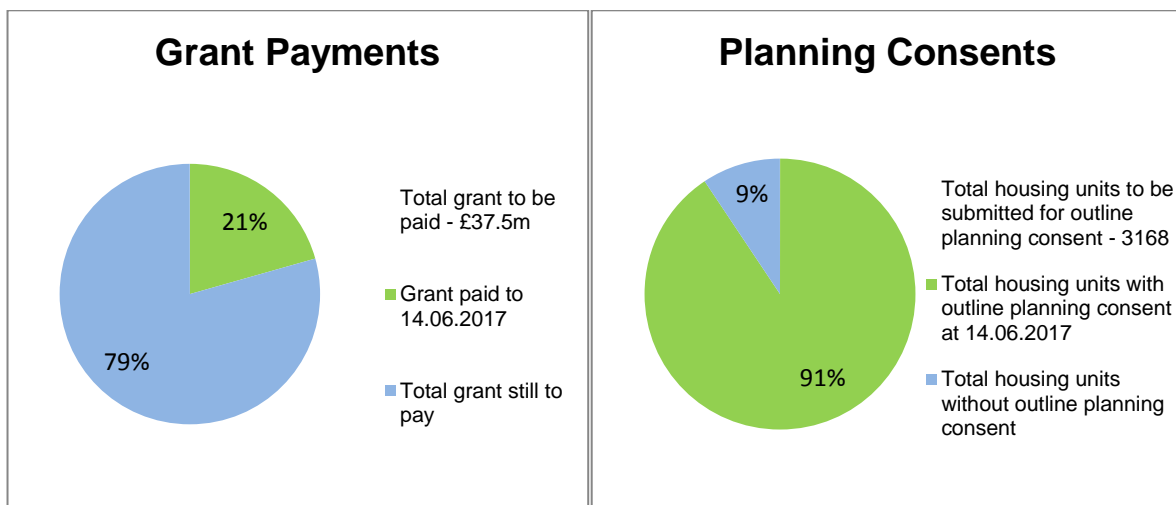
2.1.1 Note the content of the report and the progress made

### 3.0 Summary of Overall Progress against City Deal Milestones

The following charts summarise HCA progress against key criteria.

#### 3.1 Grant Payments

#### 3.2 Planning Consents

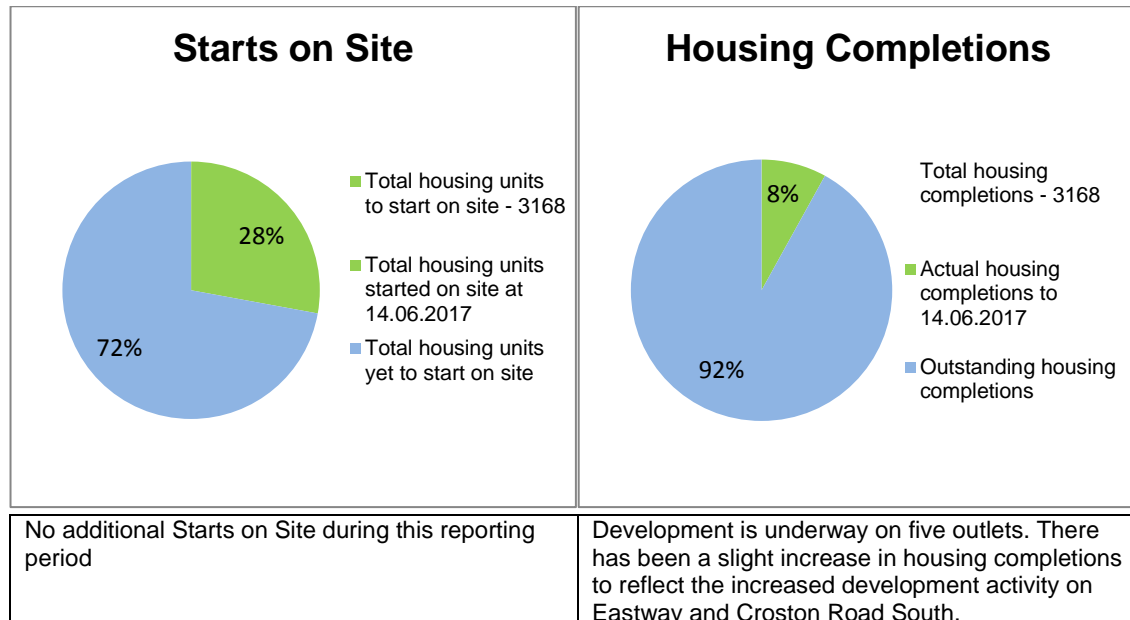


£3,360,968 of grant paid in this reporting period.	No additional planning permission secured in this reporting period
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### 3.3 Starts on Site

### 3.4 Housing Completions



## 4.0 HCA Site Highlights 2016/17 & 2017/18 (10.02.17 to 14.06.17)

4.1 Between the period 10.02.17 and 14.06.17 progress has been made on a number of HCA sites. Key highlights include:

### 4.2 Preston

- **Cottam Hall Phase 3:** Following the agreement of the S106, the Reserved Matters application for 119 units was submitted in 20<sup>th</sup> March 2017 by Morris Homes.
- **Cottam Hall Phase 1:** A total of £905,228 has been paid to LCC in grant payments.
- **Whittingham** - There had been 42 housing completions on Phase 1 by the end of March (10 more than the forecast for 16/17). A further 16 have completed since 31.03.17. Preparations are underway to submit a revised outline planning application to address the market and delivery challenges that have prevented the site from coming forward to date from phase two onwards. Partners at LCC and PCC will be engaged throughout this process.



- **Land at Eastway (residential)** – the first 10 houses were completed by Story Homes.
- **Land at Eastway (commercial)** – contracts were exchanged on the commercial element of the Eastway site to deliver c.3,500 sq.m. of employment floorspace.

#### 4.3 South Ribble

- **Altcar Lane:** Marketing of the site commenced in February through HCA's Delivery Partner Panel. 11 expressions of interest were received. There were 6 responses to the sifting brief and 4 of these were shortlisted. An invitation to tender will go out to the 4 shortlisted parties in June 2017 following internal HCA approval.
- **Croston Road South:** LCC repaid the loan of £585,210 in April and the first grant payment of almost £2.5m was paid to LCC for this site. The first 11 houses were completed.

#### 5.0 HCA Investment into the City Deal

5.1 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. The difference is accounted for by the receipts from Whittingham Hospital which do not contribute towards the City Deal, as they are required for the repayment of funding to deliver the site.

5.2 To date (14.06.17), the HCA's total loan payments are £14.3m with grant payments now totalling £7.7m (See table 1 below).

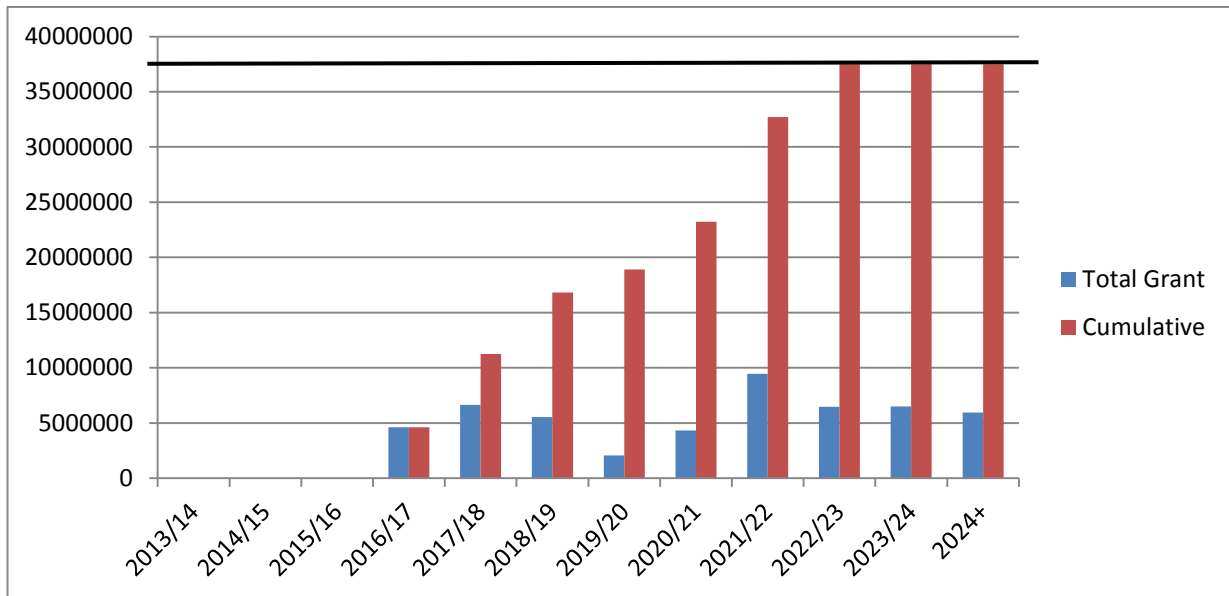
Total	Receipt	Loan (£)	Grant (£)	Total contribution towards City Deal (£)
<b>2016/17 Actual</b>	£9,599,105	£1,947,682	£4,623,920	<b>£6,571,602</b>
<b>2016/17 Forecast</b>	£8,637,943	£4,942,295	£3,359,124	<b>£8,301,419</b>
<b>Total (to 24.05.17)</b>	£19,201,186	£14,355,023	£7,727,896	<b>£22,082,919</b>

Table 1: HCA investment into City Deal



5.3 We anticipate that next grant payments will be of £59,404 in both July 17 and August 17 for Cottam Hall Site K. In August 17 a grant payment of £2,228,000 relating to a contracted receipt for Land at Eastway (residential) is forecast.

5.4 As shown in the graph below, the current forecast shows the grant payable will reach the 'cap' of £37.5m in the year 2022/23. This is one year later than has been previously reported, which is due in part to project related delays on some of the larger residential sites.



## 6.0 Outputs

6.1 Under the City Deal, HCA has committed to delivering new housing on our sites and is working closely with developer partners to achieve this.

6.2 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. A Reserved Matters application for a further 119 units at Cottam Hall Phase 3 is anticipated in 2017. It is anticipated that the HCA will have secured the forecast outline permissions on all of the 11 City Deal sites totalling 3,168 units by March 2020.

6.3 In terms of new homes, 212 new homes had been completed on HCA sites by the end of March 2017. This is 21 more than the 191 completions forecast in the 2016/17 BDP.

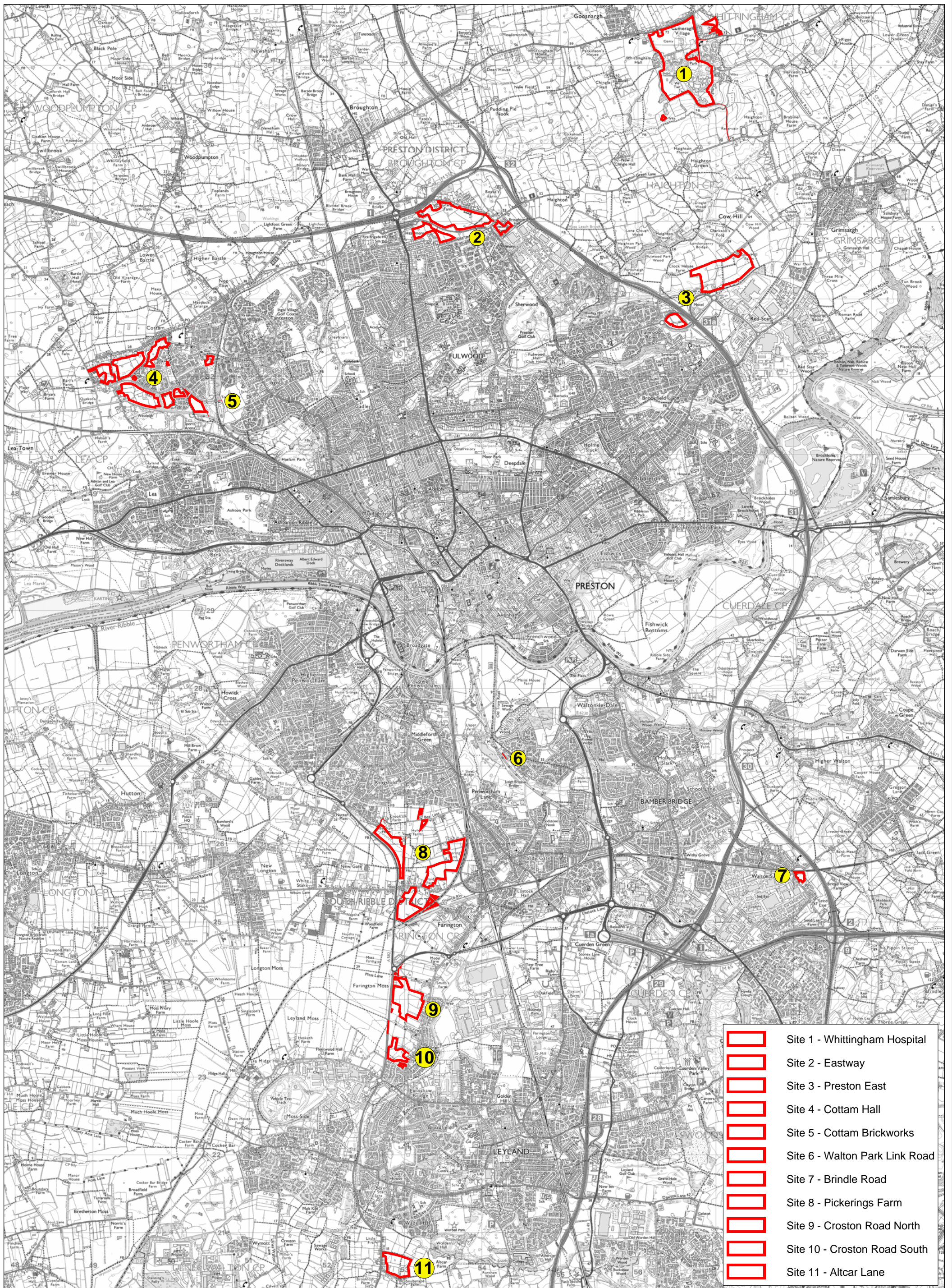


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## **7.0 Risks, Emerging Issues and Milestones**

- 7.1 There are no further milestones to be met by the end of this quarter (June 17).
- 7.2 The HCA are committed to new delivery approaches to help increase the number of new homes being built. HCA have commenced marketing of Altcar Lane under Accelerated Construction. All future HCA disposals will be evaluated to establish the suitability of the Accelerated Construction route to deliver the site.
- 7.3 A Starter Homes Equity Deal is being worked up between HCA LA/City Deal partners. This aims to bring together funding and land assets to deliver sites in the City Deal area.



Information shown is correct to the best of Spatial Intelligence Department's knowledge at date of issue.

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## HCA Preston City Deal Sites

APH24298 / 15/06/2017 / SCALE : N. T. S.



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