



1.0 Report Overview

1.1 This report provides an update on the progress made by Homes England on the delivery of the City Deal housing sites from 01.10.18 to 31.12.18. 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 Homes England Site Highlights – Q3 2018/19 (01.10.18 to 31.12.18)

3.1 Between the period 01.10.18 and 31.12.18, good progress has been made on a number of Homes England sites. Key highlights and future milestones for this quarter can be found in the table below:

Site	Project	Status	Completions/ total units	Completions (Oct-Dec)	Finance (Oct-Dec)	Summary	Milestones for next quarter (Jan-March)
1	Cottam Hall Phase 1 (Site K)	Barratt on site	91/104 (87%)	4	N/A	There have been 4 further completions within this reporting period. The site is anticipated to complete during 2018/19	Ongoing build out
	Cottam Hall Phase 2	Story Homes on site.	70/283 (25%)	13	N/A	Story Homes building out well, with 13 completions this reporting period.	Ongoing build out

Site	Project	Status	Completions/ total units	Completions (Oct-Dec)	Finance (Oct-Dec)	Summary	Milestones for next quarter (Jan-March)
	Cottam Hall Phase 3	Unconditional deal with Morris Homes in place.	0/119 (0%)	N/A	£3.9m loan payment	Unconditional deal was achieved in July 2018, there have been ongoing issues with newt trapping but there was a formal start on site made by Morris Homes in January 2019.	Ongoing build out
	Cottam Hall Phase 4	Site has been marketed	0/135	N/A	N/A	Rowland Homes is the preferred bidder for this phase. Reserved Matters Application for 135 homes was submitted on 29 th January 2019.	Expected to have entered in to a Conditional Contract by the end of March 2019.
	Cottam Hall Phase 5 and 6	Phase 6 is currently being Marketed	Phase 6 – 0/176 Phase 5 – 0/233	N/A	N/A	Market Testing across the Cottam sites shows lots of activity – current and pipeline. On that basis a decision was made to bring forward Phase 6 ahead of Phase 5. Survey work has since been undertaken on Phase 6. Abnormals relate to drainage and the site is to be split in to two parcels. Western part of Phase 6 (52 units) is currently out to the market on a Freehold basis. Strategy on the remaining 124 units is currently being considered.	Bids due back on 10 th April 2019 with the Evaluation of Bids to take place soon thereafter.
2	Cottam Brickworks	Recommence d negotiations with land owner and	0/206 (0%)	N/A	N/A	Meetings and negotiations have taken place (January 2019) with Homes England, LCC, PCC and BXB.	Further meetings to be held between Homes England, LCC and the landowner's

Site	Project	Status	Completions/ total units	Completions (Oct-Dec)	Finance (Oct-Dec)	Summary	Milestones for next quarter (Jan-March)
		LCC				BXB have recently appointed a Project Consultant Team to progress a planning application on this which they expect to submit during Spring 2019.	representatives to revise Heads of Terms for new access agreement.
3	Land at Eastway (resi)	Story Homes on site.	48/300 (16%)	10	£345,692 grant payment	<p>Story Homes building out well with 10 completions this reporting period.</p> <p>Grant payment of £345,692 paid to LCC in December 2018 upon receipt of an overage payment from Story Homes.</p>	Ongoing build out
	Land at Eastway (commercial)	Conditional contracts exchanged with HBS Healthcare Ltd – not yet on site.	N/A (commercial)	N/A	N/A	<p>Contracts were exchanged with HBS Healthcare Ltd in May 2018 on a conditional basis.</p> <p>Access works have since been delayed until September 2019; this is due to the ongoing issues related to the phasing of the required highway works.</p> <p>Unconditional disposal to HBS Healthcare is now to be delayed as the access needs to be built before the relevant condition(s) attached to the planning permission can be discharged.</p>	Access works to commence
4	Whittingham	Taylor Wimpey on site (phase 1 only)	Phase 1 - 118/150 (79%)	15	N/A	<p>Good progress on Phase 1 with 15 completions in this reporting period.</p> <p>Masterplan has been consulted on with PCC;</p>	Finalise preparation and submission of an outline planning application.

Site	Project	Status	Completions/ total units	Completions (Oct-Dec)	Finance (Oct-Dec)	Summary	Milestones for next quarter (Jan-March)
						an Outline Planning Application for up to 750 homes is expected to be submitted by the target date of 15 th March 2019.	
5	Preston East EA	Site not yet marketed	N/A (commercial)	N/A	N/A	There is a range of interest in the site. Homes England's internal approval for the required investment into the site, and the proposed disposal strategy, is required, and following this, site investigations and de-risking works will commence.	Homes England's internal approval for the required investment into the de-risking works to commence
	Preston East – Sector D	Deal completed with Inchcape Estates – now on site	N/A	N/A	N/A	Inchcape Estates are site and construction is underway.	Ongoing build out
6	Pickerings Farm	Masterplan and outline application preparation	0/297 (0%)	N/A	N/A	Ongoing technical studies to support the preparation of the outline planning application. Masterplan was approved for consultation by SRBC in November 2018. Ongoing discussions and dialogue with SRBC and the Steering Group throughout the process.	Final Draft Masterplan and Outline Planning Application to be submitted, for 1,350 homes, by the end of March 2019
7	Altcar Lane	Reserved Matters application approved	0/200 (0%)	N/A	N/A	Since entering in to an Unconditional Sale, Lovell have commenced development on-site (during February 2019)	Site preparation and build out

Site	Project	Status	Completions/ total units	Completions (Oct-Dec)	Finance (Oct-Dec)	Summary	Milestones for next quarter (Jan-March)
8	Croston Road North	Marketing commenced	0/400 (0%)	N/A	N/A	Soft market testing has been undertaken which has included larger developers from the Homes England's panel as well as SMEs. Formal ITT is to be issued during the March 2019 – this was delayed due to outstanding s.106 discussions.	Bids are expected to be returned late April / early May 2019.
9	Croston Road South	Miller on site.	Phase 1 - 75/175 (43 %) Phase 2 – 10 / 79 (13%)	1	N/A	Miller on site and building out – 1 completion during this reporting period.	Ongoing build
10	Brindle Road	Complete	46/46 (100%)	N/A	N/A	All units completed and all finances paid.	N/A
11	Walton Park Link	Morris on site	0/350 (0%)	N/A	N/A	Morris commenced early site clearance works on site in September. Remediation work and construction of link road means that the first housing completions are likely to be in Spring 2019.	Ongoing site works

4.0 Finance

- 5.1 Homes England is currently on track to pay the £37.5m grant by 2022/23. To date this year, three grant payments have been made to LCC, the first being c£2.49m in April 2018 in relation to Croston Road South with further grant payments of £2m (in August 2018) and £345,692 (overage uplift) in December 2018 paid in relation to Land at Eastway (residential). A loan payment of £3.9m was also paid to LCC in August 2018 in relation to Cottam Hall Phase 3 (Morris Homes) going

unconditional. There was a further grant payment made in January 2019 of c£448k related to Cottam Hall Phase 2 (Story Homes).

6.0 Risks

- 6.1 There are two large sites in Homes England's ownership (Pickerings Farm and Whittingham Hospital) where unforeseen challenges have presented themselves due to a complicated mix of land ownerships and detailed technical matters. Very good progress is being made. Comprehensive masterplans have been prepared for both sites and have been subject to consultation in preparation of planning applications which are due to be submitted in March 2019. There is also an emerging risk on Land at Eastway (Commercial) as the highway access works are further delayed due to phasing complications.

7.0 Summary of Delivery

- 7.1 Overall, across the portfolio, good progress is being made on site delivery and related payments. During Q3 delivery successes included:
- Whittingham – Masterplan has been agreed with PCC and an Outline Planning Application is currently being prepared for submission by end of March 2019;
 - Pickerings Farm – Masterplan was approved by SRBC for Consultation in November 2018 with the outline planning application to be submitted by the end of March 2019;
 - Cottam Brickworks – Recommended discussions with land owners representatives in regards to the site access agreement and the submission of the related planning application is imminent; and
 - Cottam Phase 6 – currently out to the Market for a Freehold Disposal;

Other milestones to note since 1st January 2019:

- Altcar Lane – Lovell have since started on site (February 2019);
- Cottam Hall (Phase 4) – Reserved Matters for 135 now submitted (January 2019); and
- Cottam Hall (Phase 3) – Morris Homes have since started on site (January 2019).