



Homes
England



CITY DEAL
Preston, South Ribble & Lancashire

Making homes happen

CITY DEAL EXECUTIVE & STEWARDSHIP BOARD 13th July 2021

Homes England Quarterly Monitoring Progress Update Report

Quarter 4 2020 / 21

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1. Report Overview

- 1.1. This report provides an update on the progress that has been made in relation to Homes England sites that form part of the Preston, South Ribble and Lancashire City Deal. The update relates to activity that has taken place during the fourth quarter of the 2020 / 21 financial year, between 1st January and 31st March 2021.
- 1.2. The report focuses on key delivery milestones, finances invested, and outputs generated, and provides a breakdown of the key risks and any emerging issues relevant across the portfolio of sites.

2. Recommendation

- 2.1. Homes England recommends that the Executive and Stewardship Board:

Note the content of this report and the progress made by Homes England during the fourth quarter of 2020 / 21.

3. Homes England Site Highlights

- 3.1. As reported in previous quarterly updates; the global pandemic 'Covid-19' has impacted the delivery of development across all of Homes England's City Deal sites, with all developers ceasing operations for a period of time during the first national lockdown in the first quarter of the 2020 / 21 financial year.
- 3.2. Whilst the effects of Covid-19 continue to be realised, the delivery of development across Homes England's City Deal sites continues. A second national lockdown was in effect from 31st October – 2nd December, and a third lockdown from 6th January to 12th April 2021 but construction throughout this period and into the fourth quarter of 2020 / 21 has continued.
- 3.3. Key highlights from the fourth quarter of 2020 / 21 are set out in the table below:

Phase / Plot	Status	Completions/ Total Units	Completions (Jan – Mar)	Finance (Jan – Mar)	Summary
1. Cottam Hall					
Phase 1	Phase 1 completed by Barratt Homes	104 / 104 (100%)	n/a	n/a	Build-out of site complete
Phase 2	Story Homes on-site	134 / 283 (47%)	11	n/a	A further 11 completions have been achieved in Q4 2020 / 21. Site build-out continues.

Phase 3	Morris Homes on-site	25 / 119 (21%)	7	n/a	A further 7 completions have been achieved in Q4 2020 / 21. Site build-out continues.
Phase 4	Unconditional deal agreed with Rowland Homes March 2021	0 / 141 (0%)	n/a	n/a	In March 2021 the sale agreement became unconditional. Housebuilding is expected to commence on site in the 2021 / 22 financial year.
Phase 5	Barratt Homes selected as preferred developer partner.	0 / 215 (0%)	n/a	n/a	Barratt Homes selected as preferred developer partner in March 2021 under conditional contract. Reserved matters to be submitted during 2021 / 22 financial year, with estimated unconditional date of Q4 21 / 22, subject to planning.
Phase 6 (Plot 14)	Site disposed of on an unconditional basis to Countryside	0 / 68	n/a	n/a	Site build-out has commenced. Development was initially affected by lockdown, however first completions now expected Q1 2021 / 22.
Phase 6 (Plot 15)	Site disposed of on a conditional basis to Barratt Homes	0 / 114	n/a	n/a	Site disposed of on a conditional basis to Barratt Homes in March Q4 2019 / 20. Reserved matters consent achieved February 2021. Site anticipated to go unconditional at the end of Q1 2021 / 22 with subsequent start on site made Q2 / 3 of 21 / 22.
Local Centre	Site successfully disposed of to Thistlewood Properties in Q3 2020 / 21	n/a	n/a	n/a	Unconditional deal agreed with Thistlewood Properties in October 2020. Thistlewood anticipated to start on site Q1 2021 / 22, with handover to preferred retailer (Coop) and opening in Q3 and Q4 of 2021 / 22.
2. Cottam Brickworks					
Access agreement	Ongoing discussion regarding access into adjacent land via Homes England site	0 / 260 (0%)	n/a	n/a	Commercial discussions ongoing
3. Land at Eastway					
Residential Plot	Story Homes on-site completing build out	134 / 329 (41%)	24	n/a	Built out of site on-going. 24 completions achieved in Q4 2021 / 22.

Commercial Plot	Site under conditional contract with HSB Healthcare	n/a	n/a	n/a	Site under conditional contract with HSB Healthcare
4. Whittingham Hospital					
Phase 1	Taylor Wimpey has completed Phase 1	150 / 150 (100%)	n/a	n/a	Taylor Wimpey has completed build out of Phase 1.
Phase 2	Preferred bidder Barratt David Wilson selected Q4 2019/20.	0 / 248 (0%)	n/a	n/a	Reserved matters consent granted Q4 2020 / 21. Start on site anticipated Q1 2021 / 22.
Phase 3 (A,B and C)	De-risking of asset ongoing prior to disposal (forecast in 3 phases)	0 / 229 (0%)	n/a	n/a	De-risking of asset ongoing prior to disposal (forecast as 3 phases)
Phase 4	De-risking of asset ongoing prior to disposal	0 / 273 (0%)	n/a	n/a	De-risking of asset ongoing prior to disposal
5. Preston East					
Expansion Area	Marketing of site concluded Q2 2020/21.	c.62,500 sq m employment floorspace	n/a	n/a	Homes England finalising assessment of bids received. Exchange of conditional contract (subject to planning) anticipated Q1 2021 / 22
Sector D	Build-out of site complete.	n/a	n/a	n/a	Build-out of site complete.
6. Pickerings Farm					
n/a	Outline planning application withdrawn	0 / 275 (0%) no. of Homes relate to Homes England land only	n/a	n/a	Outline planning application withdrawn. Homes England and Taylor Wimpey working towards submission of a new planning application.
7. Altcar Lane					
n/a	Continued build-out of site by Lovell	71 / 200 (35%)	12	n/a	12 completions have been recorded during Q4 2020/21 as Lovell has resumed build out of the site after lockdown

8. Croston Road North						
n/a	Keepmoat selected as preferred developer in October 2019	0 / 400 (0%)	n/a	n/a		Hybrid application including reserved matters for the 400 units on Homes England land was approved Q3 2020/21. Homes England entered into an unconditional agreement with Keepmoat in Q4 2020 / 21. Start on site anticipated during 2021 / 22 financial year.
9. Croston Road South						
Phase 1	Miller Homes has completed Phase 1	96 / 96 (100%)	n/a	n/a		Miller Homes has completed build out of Phase 1
Phase 2	Miller Homes on-site	79 / 79 (100%)	1	n/a		Build out of site completed Q4 2020 / 21
10. Brindle Road						
n/a	Complete	46 / 46 (100%)	n/a	n/a		All units completed and all finances paid.
11. Walton Park Link						
n/a	Morris Homes on site	60 / 293 (21%)	15	n/a		15 completions have been recorded on this site in Q4 2020 / 21

4. Finance

- 4.1. Homes England is currently still on track to pay the majority of the £37.5 million grant by 2023 / 24, however this position has been reviewed as part of the Homes England Business Disposal Plans (BDP) Refresh (2020 / 21 – 2023 / 24) and some grant is now envisaged to be paid up to 2030 in relation to Croston Road North unless the grant cap is reached sooner in line with the Financial Agreement.
- 4.2. In summary, during Q4 of 2020 / 21, the following grant and loan payments were made:
- 4.2.1. A loan payment of £1,217,707 was made to LCC in March 2021 in relation to the unconditional sale agreement being made with Keepmoat Homes at Croston Road North;
 - 4.2.2. A loan payment of £1,561,010 was made to LCC in March 2021 in relation to an unconditional sale agreement being made on Phase 4 (Plots 1-3) at Cottam Hall; and
 - 4.2.3. A grant payment of £290,957 was made to LCC in March 2021 in relation to overage receipts secured at Eastway residential site.

5. Affordable Housing Provision

- 5.1. The table below provides a break-down of the on-site affordable homes provision achieved across Homes England’s City Deal sites.
- 5.2. All sites are delivering policy compliant levels of affordable housing either through on-site provision or off-site contributions (with the exception of Whittingham where viability issues have led to a lower level of affordable being provided).

City Deal Site	Total Units Across Site with Planning Consent		Total Units anticipated to be delivered across Homes England Land Only	Of which: Open Market Sales	Of which: Affordable / Social Rent / Shared Ownership	Of which: Percentage Affordable (on-site)	Off-site contribution made for affordable housing? (Y/N)	Completions to date across Homes England Land Only	Of which: Affordable / Social Rent / Shared Ownership	
	Granted	Awaited								
1	Cottam Hall	Up to 1,100	-	1,044	695	349	30%	N	284	107
2	Cottam Brickworks*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3	Land at Eastway	329	-	329	280	49	15%	Y	134	15
4	Whittingham Hospital****	900	-	900	743	157	15%	Y	150	17
5	Preston East EA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6	Pickering’s Farm **	-	275	275	TBC			0	0	
7	Altcar Lane	200	-	200	140	60	30%	N	71	36
8	Croston Road North	400	-	399	340	59	15%	Y	0	0
9	Croston Road South***	254	-	175	149	26	15%	Y	175	26
10	Brindle Road	46	-	46	46	n/a	n/a	Y	46	0
11	Walton Park Link*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total		3,229	275	3,369	2,393	701	n/a	n/a	860	201

* The landowner / developers at Cottam Brickworks and Walton Park Link are responsible for obtaining planning consent for the development proposed, not Homes England.

** The 275 units at Pickering’s Farm relate to the original Homes England land forming part of the original City Deal agreement.

*** The 254 units shown as granted comprise: Phase 1 (175 units) completed by Miller Homes, and Phase 2 (79 units) currently under construction.

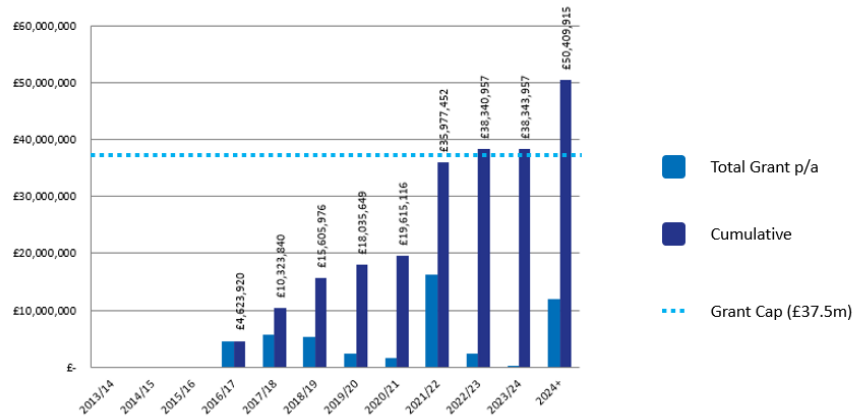
**** Due to viability a lower affordable housing percentage was agreed at the Whittingham site. The 15% on-site provision of affordable housing shown at Whittingham is an average taken across the site’s four development phases. Subject to local requirements, there is potential for an additional off-site contribution to be made towards affordable housing through the re-provision of an education contribution agreed for Phase 4.

6. Summary of Delivery

- 6.1. With housebuilders and developers having now returned to sites, delivery has progressed well across all Homes England sites in the final quarter of 2020 / 21, especially considering the downturn during periods of lockdown earlier in the year.
- 6.2. Several milestones and completions have been achieved including:
 - 6.2.1. Housing completions by Morris Homes totalling 28 new homes across both Phases 2 and 3 at Cottam Hall;
 - 6.2.2. Unconditional sales agreements and associated loan payments made at Phase 4 Cottam Hall and Croston Road North;
 - 6.2.3. Completion of site build out by Miller Homes at Croston Road South; and
 - 6.2.4. A grant payment was also made in relation to overage receipts secured at the Eastway residential site.

APPENDIX I - DASHBOARD

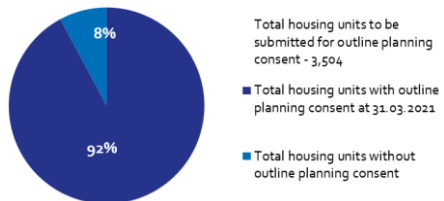
Summary of BDP Payments



BDP Forecast 2020 / 21

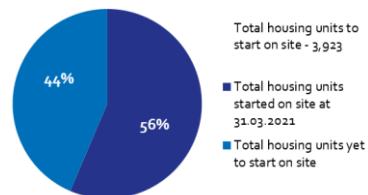
	Q1	Q2	Q3	Q4	In Year Actual
Grant	£0	£0	£1,288,509	£290,957	£1,579,466
Loan	£0	£0	£123,497	£2,778,717	£2,902,214
Housing Completions	3	24	35	91	153

Planning Consents



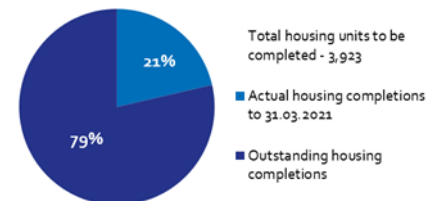
Of the Homes England residential City Deal sites, only Pickering's Farm is yet to achieve planning consent.

Starts on Site



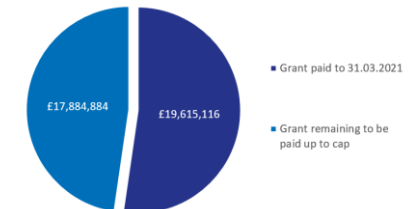
Housing starts have been claimed for 2,213 units on Homes England City Deal sites to date, out of a total 3,923 units (including Walton Park Link and Cottam Brickworks).

Housing Completions



There have been 860 housing completions to date across Homes England's 11 City Deal sites. There were 91 housing completions during this reporting period on Homes England sites.

Grant Payments



To date, £19,615,116 has been paid to LCC as grant, with around £18million remaining to be paid before the grant cap of £37.5million is reached



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