



CITY DEAL

Preston, South Ribble & Lancashire

CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD

Private and Confidential: NO

Friday, 18 November 2016

Preston, South Ribble and Lancashire City Deal: 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 1.10.16 to 3.11.16. 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 recommended to note the content of the report and the progress made.

Background and Advice

1.0 HCA Site Highlights 2016/17 (1.10.16 to 3.11.16)

1.1 In the last month there has been further progress made on a number of HCA sites. Key highlights include:

1.2 Preston

- **Preston Sector D:** Discussions are taking place to finalise the deal with the purchaser. There have been some technical matters relating to highways which are close to being resolved. It is forecast this deal will be completed by the end of December 2016.
- **Cottam Hall Phase 3:** There has been a delay in the submission of the Reserved Matters (RM) application due to legal matters relating to the s106. HCA are working with LCC and PCC to expedite this. Morris Homes want to submit the RM application by end of November 2016.



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- **Whittingham Phase 1:** Discussions have been taking place to agree a solution for the Sports and Social Club with the support of Preston CC. The initial strategy and masterplan review has commenced for the remaining development site/parcels.
- **Cottam Hall, Site K:** The site was recently nominated for a “2016 House Builders Award” in the category for ‘Best Design for Three storeys or Fewer’.

1.3 South Ribble

- **Altcar Lane:** Meetings have been held between HCA and SRBC to finalise the s106 contents. The aim is to have the s106 agreed and signed by the end November/ early December 2016.
- **Croston Road North:** The Section 96a application has now been approved in relation to the amended planning conditions for the internal spine road. The discharge of conditions application has been prepared and the application is to be submitted to SRBC shortly.

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 £44.9m. These currently completed deals will result in the investment of £22.5m grant and £18.7m of loan into the City Deal.
- 2.2 To date (3.11.16), the HCA’s total loan payments are just over £14m with grant payments now totalling £1.8m (See table 1 below).

Total	Receipt	Loan (£)	Grant (£)	Total (£)
2016/17 (to 3.11.16)	£4,474,560	£1,754,587	£1,834,623	£3,589,210
2016/17 Forecast	£11,284,299	£5,135,390	£5,931,029	£11,066,419
Total to 3.11.16	£10,940,355	£14,161,928	£1,834,623	£15,996,551

Table 1: HCA investment into City Deal

- 2.3 By the end of the quarter (Dec 16) we are expecting that the Preston Sector D employment site will be in contract. This will result in two payments to LCC (subject to DCLG approving the rectifications of the Funding Agreement) of £193,095 in loan and £2,571,905 in grant.



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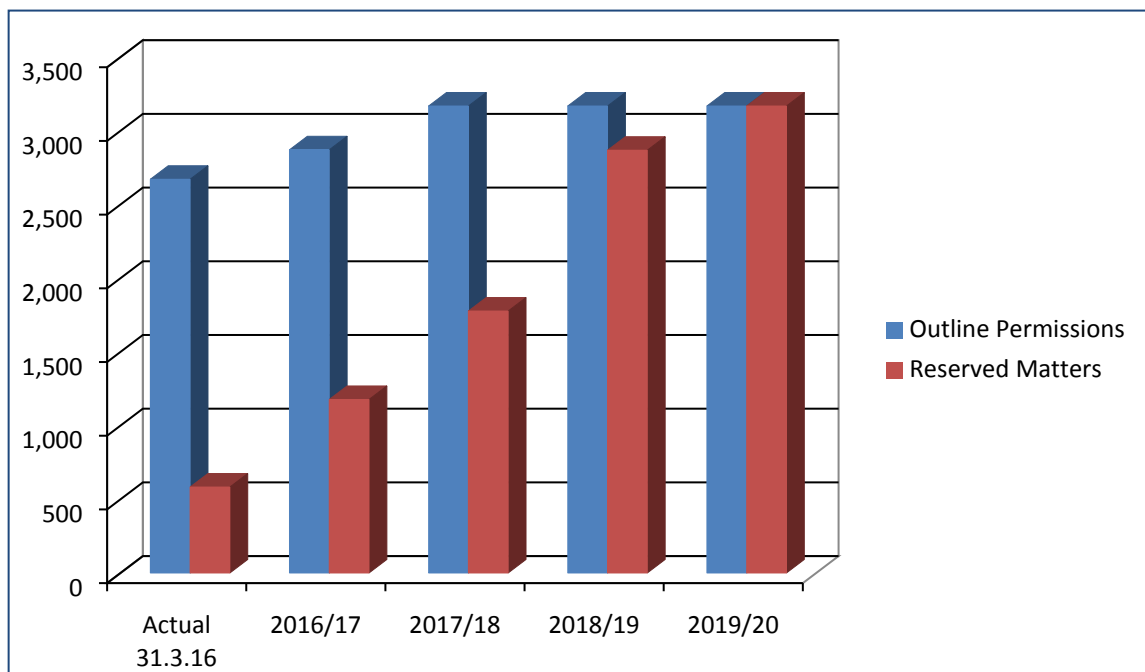
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2.4 Strong market activity for commercial sites, particularly in Preston East, has led to an increase in the forecast receipts on two sites. As a result of this, it is expected that there will be a significant grant payment which should see the £37.5m 'grant cap' being achieved in 2020/ 21, more than a year earlier than originally forecast.

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

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

3.3 In terms of new homes:

- 122 new homes have been completed on HCA sites to 3 November 2016



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4.0 Risks, Emerging Issues and Milestones

4.1 The key milestones to be met by the end of this quarter relate to the:

- Submission of the Reserved Matters application for Cottam Hall Phase 3
- The signing of the s106 for Altcar Lane
- First completions on Croston Road South, and
- The completion of the deal at Preston Sector D

4.2 It is currently forecast that the HCA will achieve all of the milestones outlined above, and the HCA plan to market the Croston Road North and Altcar Lane sites early 2017.

4.3 As set out in 5.3 there have been 122 completions on HCA sites to date against a target of 192 completions by the end of March 2017. Therefore, over the next 4 months 70 new homes need to be completed for this to be achieved. We are monitoring the information from developers constantly and will report on the most update position at next Stewardship Board meeting. There have been some delays in commencement of developments due to planning, legal and technical matters.

4.4 The HCA are committed to new delivery approaches to help increase the number of new homes being built. We have identified Altcar Lane for Accelerated Construction, and 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.