

Document Reference 2.4S

Town and Country Planning Act 1990

Acquisition of Land Act 1981

Local Government (Miscellaneous Provisions) Act 1976

Inquiry into:

**THE COUNCIL OF THE CITY OF COVENTRY (CITY CENTRE SOUTH) COMPULSORY
PURCHASE ORDER 2022**

and

Town and Country Planning Act

Stopping-up of public highway

Summary of

Proof of Evidence

of

Andy Fancy

of Hill Residential Limited

On behalf of the Council of the City of Coventry

29th December 2022

1. INTRODUCTION

1.1 I, Andy Fancy, am the Managing Director for Special Projects at Hill Residential Limited ("HRL"), a subsidiary company of the Hill Group. I have overall responsibility for the delivery of the redevelopment project known as Coventry City Centre South (CCS) (the "**Scheme**").

1.2 My role at HRL is to lead end to end delivery, creating and implementing strategies which deliver the objectives of the Scheme to ensure delivery of the project. These responsibilities include leading a team of in house and external resources and agreeing a range of strategies: from marketing and leasing to construction and community engagement. I have ultimate responsibility for the day-to-day decision making on the project at HRL.

Qualifications

1.3 I graduated from Leeds Polytechnic University with a Building Studies degree (BSc Hons) in 1991.

Experience

1.4 Prior to joining the Hill Group, I was Managing Director for Countryside Properties Plc, responsible for the delivery of large and complex mixed-use schemes in partnership with local authorities and housing associations. An example project included Rochester Riverside which was a partnership between Countryside and Hyde Housing Group, in partnership with Medway Council.

1.5 In 2020, I was appointed by the Hill Group as Managing Director for Special Projects again working in partnership with local authorities and housing associations. I am responsible for the delivery of several key projects including the regeneration of the Teviot Estate in Tower Hamlets in partnership with Poplar HARCA.

My experience goes back thirty years, employed by the likes of Taylor Woodrow, Carillion and Wates, with many projects focused on the commercial and retail development sector across the UK and Republic of Ireland. This included major projects such as new department stores for John Lewis and city centre store extensions and refurbishments for the likes of Marks and Spencer, Selfridges and Primark. At Wates I was promoted to Regional Managing Director in 2013.

2. SCOPE OF EVIDENCE

1.1. I give evidence on behalf of HRL for the justification for the Council of the City of Coventry (City Centre South) Compulsory Purchase Order 2022 ("**Order**") made on 22nd April 2022.

1.2. The scope of evidence within my proof is as follows:

1.2.1. a summary of the Hill Group, its ability to act as both development partner and funder for the Scheme;

1.2.2. the procurement process for HRL to be selected as SPRL's funder and development partner;

1.2.3. a summary of the DA and Condition Precedents met to date;

1.2.4. the variations required to the executed DA to facilitate delivery;

1.2.5. a summary of the Scheme proposals and changes to the Outline Consent;

1.2.6. an overview of the CCS programme and the main stages of demolition and construction.

3. THE HILL GROUP

- 3.1 The Hill Group can demonstrate an impressive track record of award-winning partnerships, supported by an extensive level of expertise and skill. Our long-standing relationships with housing associations, local authorities and private landowners has led to numerous successful, award-winning JV partnerships, delivering a variety of mixed-tenure, mixed use developments.
- 3.2 The Hill Group is a financially robust and well capitalised group, with a strong balance sheet and net cash position.
- 3.3 Alongside utilising retained profits and working capital generated by contracting operations, the Hill Group utilises a RCF with an overall available commitment of £220 million.

4. DEVELOPMENT PARTNER SELECTION

- 4.1 Following selection as preferred delivery and funding partner for the Scheme in February 2022, the Hill Group have employed significant resources with appropriately experienced staff and consultant team at this early development stage and through to the delivery stage.
- 4.2 Collectively, both the Hill Group and SPG have proven project experience and funding capability to deliver the Scheme successfully.
- 4.3 A JV agreement has been entered into with a subsequent business plan which sets out how the project is to be governed. Clear roles and responsibilities are defined.
- 4.4 Contracting with HPL to deliver the design and construction services for the Scheme ensures consistency and quality of delivery, with access to HPL's strong supply chain, providing transparency and reducing risk to the JV.
- 4.5 This is an exciting opportunity to deliver regeneration to a top twelve UK city, complimenting the investments already made into the city centre.

5. THE DEVELOPMENT AGREEMENT

- 5.1 A DA was entered into 21st March 2019 between the Council, SPRL and SPG which sets out obligations for the Scheme's delivery.
- 5.2 The DA is a conditional contract, which provides for the grant of a long lease to the Developer, subject to several Condition Precedents being satisfied.
- 5.3 Since HRL was selected as SPG's partner, two Condition Precedents have been satisfied, with good progress made towards the others.
- 5.4 Variations are required to the DA to account for changes in the Scheme and the Hill Group's funding mechanisms. This variation is expected to be concluded shortly.

6. SCHEME REFINEMENT

- 6.1 Following the selection of HRL as the development and funding partner for the development, a design team was appointed to review the Consented Scheme.
- 6.2 The number of homes from the Consented Scheme has increased to up to a maximum parameter of 1500 homes including 20% affordable housing. Adjustments are required to footprint and massing of the Consented Scheme and the minimum and maximum quantum of commercial/retail/leisure space to account for significant structural changes in the retail market.

- 6.3 SPRL has appointed an extensive and skilled consultant team to prepare a S73 Application to amend the Consented Scheme, whilst concurrently preparing an RMA for the first phase of development.
- 6.4 SPRL has also appointed specialist consultants to prepare details required to discharge both pre-demolition and pre-commencement conditions attached to the Consented Scheme and submitted a planning application in December 2022 for a new Shop Mobility facility at Salt Lane Car Park.
- 6.5 Following confirmation of the requirement for 20% affordable housing, SPRL has undertaken a detailed tender process with Registered Providers to inform our financial appraisal and to agree an appropriate affordable housing mix which has been accepted by the Council's Housing department.
- 6.6 Since HRL were selected as SPG's preferred funding and delivery partner, HRL has invested over £4 million into SPRL and the Scheme to date, demonstrating HRL's commitment to the scheme along with the substantial progress towards delivery which has been made.

7. OVERVIEW OF SCHEME DELIVERY PROGRAMME, CONSTRUCTION AND SERVICING

- 7.1 With the expertise of the Hill Group's construction team, a set of achievable timescales has been outlined for bringing forward the development including a detailed construction programme, subject to the confirmation of the CPO.
- 7.2 Early surveys and engagements with statutory undertakers, utilities, and communication operators, demonstrates SPRL's understanding of the local networks, and ability to programme the works out.
- 7.3 Several objectors raised concerns about the impacts of construction on the city centre during the construction period, and its effect on retailers being able to maintain trading. I am confident that the Hill Group's experience and approach to the proposed construction of the Scheme, coupled with the mitigation measures secured by conditions attached to the Consented Scheme will ensure that such disruption is effectively minimised and managed, and the city centre will be able to continue to function.

8. CONCLUSION

- 8.1 My proof of evidence clearly demonstrates that the Hill Group, as part of SPRL and as Approved Funder of the Scheme pursuant to the DA, has the relevant project experience to successfully bring forward this exciting major city centre development in Coventry.
- 8.2 Both the Hill Group and SPG, as partners within SPRL, have the appropriate leadership and management skills to deliver this high-quality scheme together.
- 8.3 The Hill Group is financially robust and well capitalised, with no external shareholders or private equity investors, meaning it is in control of its accounting and cash management policies. The Group also benefits from a secured facility agreement with an overall available commitment of £220 million.