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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

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. I graduated from Leeds Polytechnic University with a Building Studies degree (BSc Hons) in 1991.
- 1.3. It is my role at HRL 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.
- 1.4. My experience in city centre regeneration goes back to 1989 when I worked on the new Cascade Shopping Centre in Portsmouth as an engineer. From 1994 to 2016 I worked for Taylor Woodrow, Carillion and Wates focusing 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 in Liverpool, Stratford and Cardiff 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.
- 1.5. In 2016, I was appointed as 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, transforming a 50-acre brownfield site into a new riverside destination for the area providing around 1,400 new homes along with a new primary school, nursery, hotel, 2.5km river walkway, commercial units, and extensive public realm. The project is in the final phase of delivery.
- 1.6. 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 a number of key projects including:
 - 1.6.1. Teviot Estate, Tower Hamlets: In January 2021, the Hill Group were selected to lead the regeneration of Teviot Estate in east London in joint venture with Poplar Housing & Regeneration Community Association (HARCA). This followed a resident's ballot where 86% of residents backed proposals for regeneration. Proposals include up to 1750 new homes (35% affordable), new community and faith facilities, improved infrastructure, and new green spaces. Since the ballot, consultation with the Residents' Steering Group and the local community has been ongoing, with residents contributing to the scheme's procurement and designs. A hybrid planning application will be submitted in the first half of 2023.
 - 1.6.2. Former Citroen Site, Brentford: A joint venture partnership between Hill and L&Q to deliver 441 new homes of which 50% will be affordable. The plans comprise five buildings of heights up to 18 storeys. Construction began on site at the end of 2022. The partnership will also provide a range of social benefits for the local area during construction, including investment in significant employment, training, and community focused opportunities.
 - 1.6.3. Lampton Parkside, Hounslow: A joint venture with Notting Hill Genesis which has redeveloped the old Hounslow Civic Centre for 780 residential homes (40% affordable), car parking and new public open space. The first phase is currently being delivered on site.

- 1.6.4. Fish Island Village, Hackney Wick: now complete, with 580 new homes and extensive new commercial offering, a vibrant new neighbourhood has been created among an existing artistic and creative community.
- 1.7. Hill has experience of other major projects, for example:
 - 1.7.1. The Arcade, Walthamstow - The former Arcade shopping centre had been demolished and many attempts to redevelop the site by others had failed over an eight-year period. Waltham Forest Council wanted a partner to realise the potential of the land as a viable mixed-use development as part of Walthamstow town centre regeneration and supporting an inclusive and integrated community. Hill unlocked the planning position by working collaboratively with the Council & Islington & Shoreditch Housing Association. The regeneration is anchored by the new 9 screen 1,200 seat cinema alongside 18,000sqft of restaurant and retail space to bring vibrancy and revive the night-time economy. The project has acted as a catalyst for wider regeneration and socio-economic benefits to Walthamstow.
 - 1.7.2. Woolwich Leisure Centre, Greenwich – The Hill Group are working collaboratively with the Royal Borough of Greenwich via a development agreement delivering 482 mixed tenure homes including affordable homes, ground floor commercial and a new community square and public realm alongside a new Leisure Centre (delivered by the Council). The site proposals received unanimous planning approval at planning committee in Q3 2022.
- 1.8. I have strong experience working in and around environments where members of the public and existing businesses have been at the forefront of the planning and sequencing of the demolition and/or construction works, ensuring the highest level of health and safety is achieved, whilst day to day lives are uninterrupted as far as possible.

2. SCOPE OF EVIDENCE

- 2.1. 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.
- 2.2. The scope of evidence within my proof is as follows:
 - 2.2.1. a summary of the Hill Group, its ability to act as both development partner and funder for the Scheme;
 - 2.2.2. the procurement process for HRL to be selected as SPRL’s funder and development partner;
 - 2.2.3. a summary of the DA and Condition Precedents met to date;
 - 2.2.4. the variations required to the executed DA to facilitate delivery;
 - 2.2.5. a summary of the Scheme proposals and changes to the Outline Consent;
 - 2.2.6. an overview of the CCS programme and the main stages of demolition and construction.
- 2.3. My colleague, Tony Parker, HRL’s Finance Director, deals in his proof of evidence (DR2.10) with a summary of the financial aspects of the Scheme and consideration of viability matters by HRL. This compliments the proof of evidence of Alex Morton on behalf of Coventry City Council (DR2.5) in this respect.

3. THE HILL GROUP

- 3.1. The Hill Group is an award-winning, five-star housebuilder, creating a range of beautiful and award-winning new homes. Hill is the second largest housebuilder in private ownership. We

deliver in the region of 2,000 homes a year, many through joint venture (“JV”) partnerships. Hill acts as both a JV partner developer and contractor. Our partners benefit from an unparalleled level of accountability and genuine single point responsibility, rather than a prime contractor approach adopted by some, where responsibility is diffused and can result in inefficient allocation of risk.

- 3.2. Our flexibility, financial strength and continuity of leadership are strengths and a factor in our ability to maintain long lasting business relationships with both public and private sector partners. We possess a profound level of expertise in delivering projects across a wide range of sizes and scales.
- 3.3. Our regeneration and development approach are community-led, with our teams engaging with all stakeholders from the outset to ensure the developments we create in existing neighbourhoods benefit the local community and add value to residents and the administrative areas we operate within.

Financial Strength

- 3.4. The Hill Group is a financially robust and well capitalised group, with access to banking facilities from several high street lenders. The Hill Group is privately owned with no external shareholders or private equity investors, meaning it is in control of its accounting and cash management policies. The Group’s financial strength is founded upon the principle of reinvesting the significant majority of annual profits back into the business.
- 3.5. Over the past 22 years, this approach has grown the balance sheet of the Group more than £300 million. Key to the strength of the balance sheet is a strong net cash position of £100m which is utilised towards future projects.
- 3.6. Unlike several competitors, the Hill Group did not need to negotiate any relaxation of banking covenants with existing lenders during the recent period of uncertainty connected with Covid-19, remaining compliant with covenants throughout. The Hill Group did not take advantage of the UK Government’s backed loans available to support businesses during this period.
- 3.7. Alongside utilising retained profits and working capital generated by contracting operations, the Hill Group utilises a Revolving Credit Facility (“RCF”). The RCF is a facility agreement made between Hill Holdings Limited (“HHL”), National Westminster Bank, HSBC UK Bank Plc, Lloyds Bank Plc, Santander UK Plc and others with an overall available commitment of £220 million. In addition to the RCF, Hill has secured project-specific funding for 16 JVs, raising funds of nearing £230m through its extensive network of trusted funding partners built up over the past 12 years.
- 3.8. The proof of evidence of my colleague, Tony Parker, HRL’s Finance Director, provides more detail on the above.

Growth and Ambitions

- 3.9. The Hill Group has always operated with a five-year business plan, to give clear direction and focus to the business. The most recent business plan was updated due to Covid-19 in late 2020, and now runs through to 2025. Working to a long-term business plan has, without doubt, been key in taking the business from a start-up in 1999 to the second largest family-owned housebuilder in the UK in just 22 years.
- 3.10. Our latest business plan shows revenue broadly doubling within our current five-year business plan, to around £1.2 billion.
- 3.11. Appendix AF1 of my proof of evidence highlights the Hill Group’s growth across the UK and our office locations.

Summary of Key Points in Section 3

3.12. The key points to summarise from section 3 are as follows:

- 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.
- The Hill Group is a financially robust and well capitalised group, with a strong balance sheet and net cash position.
- 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.
- The Hill Group's business plan indicates revenue broadly doubling within our current five-year business plan, to around £1.2 billion.

4. DEVELOPMENT PARTNER SELECTION

- 4.1. As set out in Adam Markwell's evidence (DR2.3), Shearer Property Group ("**SPG**") was confirmed as Coventry City Council's (the "**Council**") development partner for the scheme in January 2017.
- 4.2. Shearer Property Regen Ltd ("**SPRL**") is a Special Purpose Vehicle company. SPRL was formed by SPG to enter a development agreement (the "**DA**") dated 21st March 2019 with the Council to deliver a regeneration of the central urban area known as City Centre South in Coventry.
- 4.3. The DA places an obligation upon the Developer to take responsibility for securing a private sector funding and a delivery partner ("**Funder**"). The expectation is for this Funder to provide the necessary capital to meet the Developer's obligations up to the unconditional date – for example preparing detailed scheme design plans and procuring a main contractor, with a commitment in principle to fund the Scheme, subject to all pre-conditions having been met.
- 4.4. Following a competitive, open marketing process, HRL was selected by SPG as development partner for the CCS project, with HRL to act as the Funder as described in the DA, with the Hill Group's RCF being utilised to fund the debt in the construction delivery stages of the development.
- 4.5. SPG subsequently wrote to the Council on 22nd February 2022, seeking the Council's approval to HRL becoming the Approved Funder under the terms of the DA. The Council provided its written approval on 3rd March 2022.
- 4.6. HRL entered into a JV Agreement with SPG on 18th March 2022.
- 4.7. Simultaneously to entering into the JV Agreement, a Share Sale and Purchase Agreement (18th March 2022) was entered into between HRL and the three directors of SPRL, those being Guy Edwin Angus Shearer, Stewart Underwood, and Adam Charles Drury Markwell. The Share Sale and Purchase Agreement provides HRL with the ultimate controlling decision, to enable it to invest in the project subject to achieving the agreed milestones. This shareholding will incrementally increase HRL's share of SPRL to 80% once the conditions precedent in the DA have been satisfied.
- 4.8. As part of the JV Agreement, a business plan was executed between the parties that sets out the agreed project governance processes. This includes a monthly steering group board meeting containing up to four Directors of SPRL where workstreams and risks are overseen.

These meetings began in June 2022. A project implementation plan ensures all the workstreams and matters are established, and roles and responsibilities identified for the CCS scheme.

Management Contracting

- 4.9. All design and construction services for the CCS scheme are to be provided by Hill Partnerships Limited (“HPL”) who will be employed as the Contractor.
- 4.10. Delivering works through HPL offers a single point of responsibility, clear accountability, and confidence that our transparent approach will keep our goals aligned through joint decisions focused on driving value rather than simply managing costs. Fundamental to our approach to all JVs is offering transparency which in turn enables collaborative decision-making. SPRL will appoint an independent JV Supervisor who will have a duty of care to both members of the JV, providing the members with clear assurance.
- 4.11. SPRL has the benefit of the Hill Group’s in-house commercial, technical, design credentials, and sales expertise who are all highly experienced in delivering high quality complex urban regeneration projects and successfully managing cost and risk in procurement.
- 4.12. Given the current market conditions, access to the Hill Group’s strong supply chain ensures reliability, quality, and cost-effectiveness.
- 4.13. Management contracting ensures the JV can undertake early review and optimisation of design, savings generated can become a contingency pot to hedge inflationary pressures.
- 4.14. At the commencement of the project a budget will be allocated to the relevant packages. This is included in a reporting document, the Cost Value Comparison, which is updated on a quarterly basis. Any variations will be costed and issued to the JV in a timely manner for due consideration so as not to affect the progress of the works.

Why Coventry?

- 4.15. Following several meetings with SPG and the Council to discuss and understand the CCS Scheme opportunity and the scale of ambition for Coventry through the selection process, it was clear that there was a shared determination to deliver a truly exemplar rejuvenation of this important part of the city.
- 4.16. As the UK City of Culture 2021, and a host city for the 2022 Commonwealth Games, Coventry is clearly on an upward trajectory. The investments made into the city centre are now evident for all who visit, from arrival at the regenerated train station, the transformation of Cathedral Lanes as a food and beverage destination, the state of the art ‘Wave’ leisure facility and, most recently, the city’s superb public realm redevelopment programme along the Precinct and Market Way are all now complete. Coventry University continues its own masterplan for state-of-the-art facilities.
- 4.17. The city is set to benefit from the High Speed 2 rail line. A new Birmingham Interchange Station, less than 10 miles from the centre of Coventry, will provide passengers with access to the NEC and Birmingham Airport from 2026. Coventry Very Light Rail (CVLR) is a light rail tram system to link Coventry to the proposed HS2 interchange.
- 4.18. Over several visits to the city, the entire Hill Group team were hugely impressed by the work delivered to date, none more so than the Group’s Chief Executive and founder Andy Hill.
- 4.19. As highlighted in Section 3, The Hill Group has ambitions for growth across the UK and the financial strength to do so. The opportunity to reintroduce a community back into the heart of a major UK city, building on the regeneration success of neighbouring cities in the midlands such as Birmingham, builds upon the principles of the Hill Group.

- 4.20. Since the Hill Group's creation over twenty years ago, working in partnership with the public sector has been at the heart of the business with over forty JVs with twenty partners, demonstrating repeat business at scale. This is a fantastic opportunity to partner with both the Council and the West Midlands Combined Authority to facilitate regeneration of one of the most tired and outdated areas of Coventry City Centre.

4.21. **Summary of Key Points in Section 4**

The key points to summarise from section 4 are as follows:

- 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.
- Collectively, both the Hill Group and SPG have proven project experience and funding capability to deliver the Scheme successfully.
- 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.
- 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.
- 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. The DA was entered into on 21 March 2019, with the parties being as follows:

- 5.1.1. The Council.
- 5.1.2. SPRL (as Developer); and
- 5.1.3. Shearer Property Group Limited (as Guarantor).

- 5.2. The Condition Precedents included in the DA are explained in Alex Morton's proof of evidence (DR2.5). In summary, the DA is a conditional contract, which provides for the grant of a long lease of 250 years to the Developer, subject to the following pre-conditions being satisfied:

- 5.2.1. Ground survey condition - the obtaining of a geotechnical and/or environmental reports for the Site which contain no matters which in the reasonable opinion of the Developer would result in a material variation in the costs the Developer will incur from that shown in its appraisal.
- 5.2.2. Planning condition - the grant of a 'satisfactory' outline planning permission, which is free from challenge, and Initial Reserved Matters having been approved by the Local Planning Authority (being the Council).
- 5.2.3. Highways condition - the confirmation of a relevant Highways Order to help facilitate the Scheme.
- 5.2.4. Site assembly condition – for the Council to have entered into agreements to acquire the necessary third-party rights and interests required to deliver the Scheme, and/or for the Council to have obtained a confirmed Compulsory Purchase Order.

- 5.2.5. Funding condition - The exchange of a funding agreement between the Developer and the Approved Funder, providing for full and sufficient financing for the Developer's Financial Obligations under the DA.
 - 5.2.6. Funding security condition – the requirement for the Approved Funder to enter into a deed with the Council to observe and perform the obligations of the Developer under the DA, and to indemnify the Council for all costs required to achieve site assembly, to the extent such costs exceed a 'site assembly cap' (which includes costs in relation to CPO compensation, the consideration payable under private treaty acquisitions, surrenders, releases (including in relation to the rights of light) and/or extinguishment) all as approved in accordance with the terms of the DA.
 - 5.2.7. Viability condition – for the Developer to prepare an updated appraisal once all the other conditions have been satisfied. If the resultant appraisal shows a profit in accordance with a pre-stipulated target return, the Developer is to proceed. The Developer may opt to proceed with a lower level of project profit at its discretion.
 - 5.2.8. The funding condition and the funding security condition are to be satisfied shortly.
- 5.3. In this respect:
- 5.3.1. Once the CPO is confirmed, the project will move into the delivery phase including submission of the Phase 1 Reserved Matters application and discharge of the remaining Conditions' Precedent.
 - 5.3.2. SPRL are due to satisfy the Funding Condition and the Funding Security Condition within the DA shortly. To meet these Conditions, on 11th November 2022, HHL as Approved Funder executed a deed in favour of the Council to observe and perform the obligations of the Developer under the terms of the DA and to indemnify the Council against all costs required to achieve site assembly, outside of those costs being funded by the WMCA Grant Agreement ("GA").
 - 5.3.3. The Ground Survey Condition and Planning Condition will be satisfied in relatively short order.
 - 5.3.4. The Site Assembly Condition and Highways Condition will be largely dependent on the outcome of the CPO Inquiry.
 - 5.3.5. Subject to the satisfaction of these matters, the viability condition will be the final pre-condition to either satisfy or for the Developer to waive. The anticipated position in relation to this is dealt with in the evidence of my finance director, Tony Parker (DR2.10).
- 5.4. Since HRL was selected as SPG's partner, as part of ongoing CCS Scheme discussions and refinements, the Council has requested that 20% of the proposed homes are to be affordable tenure, a change from the Consented Scheme which provided no affordable homes, subject to viability reviews within the S106 Agreement ("S106 Agreement") (DR3.2(b)). Some variations to the DA are being agreed to reflect the up-to-date position, including:
- 5.4.1. HHL being the Approved Funder;
 - 5.4.2. variations to key timings and phasing of the Scheme to account for changes in the way the Scheme will be delivered. Key milestones have been agreed to provide the Council with security that development is being delivered;
 - 5.4.3. a commitment by both SPRL and the Acquiring Authority to prepare a Meanwhile Use Strategy whilst the Scheme is being constructed;
 - 5.4.4. variations to the Head Leases to account for changes in legislation, particularly for housing associations;

- 5.4.5. a legal structure for the retention and, where required, reconfiguration of the Empire Building and associated basement and ground floor commercial units; and
- 5.4.6. commitment from SPRL to a more detailed set of Minimum Design Requirements.
- 5.5. It is expected that the DA Variation will be concluded shortly.
- 5.6. **Summary of Key Points in Section 5**

The key points to summarise from section 5 are as follows:

- A DA was entered into 21st March 2019 between the Council, SPRL and SPG which sets out obligations for the Scheme's delivery.
- 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.
- Since HRL was selected as SPG's partner, two Condition Precedents have been satisfied, with good progress made towards the others.
- 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. As set out in Richard Brown's evidence (DR2.1), part-full, part-outline hybrid planning permission (OUT/2020/2876) for the City Centre South scheme was resolved to be approved by the Council on 22nd April 2021 (DR3.2(a)), subject to the completion of a Section 106 Agreement (DR3.2(b)). This permission was formally issued on 27th January 2022 following the completion of the s106. This is the '**Consented Scheme**'.
- 6.2. Following the selection of HRL as the development and funding partner for the development, SPRL appointed award winning architects Allies & Morrison to review the Consented Scheme.
- 6.3. This review process led to four key conclusions for the Refined Scheme (as more fully described and explained in Richard Brown's evidence (DR2.1)):
 - 6.3.1. An increase in the number of homes from the Consented Scheme up to a maximum parameter of 1500 units which would comprise 20% affordable housing.
 - 6.3.2. Adjustments to the minimum and maximum quantum of Use Class E Commercial, Business and Service / Use Class F.1 Non-Residential Institutions / Sui Generis (Cinema / Pub or Drinking Establishment / Hot Food Takeaway Uses). This resulted in revised parameters of 13,725sqm GIA as a minimum and 20,000sqm GIA as a maximum.
 - 6.3.3. Minor alterations to the footprint, height and massing of the approved Consented Scheme parameters.
 - 6.3.4. Retaining 21-25A Hertford Street which includes the HMV Empire (which was previously proposed for demolition) and flexibility to either retain or demolish 18-20 Hertford Street as appropriate.
- 6.4. The Refined Scheme formed the subject of a S73 application (the "S73 Application") which is detailed in Richard Brown's evidence (DR2.1). Work is also continuing in preparing a reserved matters application ("RMA") for the first phase of development. Indeed, SPRL have appointed over twenty specialist consultants to bring forward the phase 1 RMA with a detailed planning programme in place to submit this phase 1 RMA in Spring 2023 following planning permission being granted for the Refined Scheme. Ahead of this, the draft phase 1 RMA will be submitted

to the Council as landowner for approval, in accordance with the Planning Condition within the DA.

- 6.5. In the meantime, alongside the phase 1 RMA, SPRL has also appointed consultants to prepare details required to discharge both pre-demolition and pre-commencement conditions attached to the Consented Scheme. An example is in relation to the relocation of the Shop Mobility, a service that provides powered and un-powered wheelchairs and mobility scooters for people who have either permanent or temporary limited mobility; allowing them greater independence to use the pedestrianised shopping areas within Coventry city centre. The Shop Mobility unit is currently located on the ground floor of Barracks car park which will be demolished as part of the delivery of the Scheme. This means that Shop Mobility will need to move to a new permanent location. This is required by Condition no. 38 of the Consented Scheme to ensure continuity of service. A detailed planning application for a new Shop Mobility facility on land at Salt Lane Car Park in Coventry City Centre was submitted on 2nd December 2022.
- 6.6. In terms of affordable housing delivery for the Refined Scheme, a detailed affordable housing partner tender process has been undertaken by SPRL. The first tender stage was undertaken in April 2022. There was significant positive feedback from the stage one tender which confirmed that the Refined Scheme would be attractive to the Housing Associations that operated in the area. Following an assessment of the stage one tender returns, three housing associations were selected for stage two in June 2022. At this point, SPRL had appointed a design team to begin developing the Phase 1 RMA for the Refined Scheme. This included 20% affordable homes across two phases – 164 units in Phase 1 and 88 units in Phase 2. A detailed tender return was provided by all three housing associations on this basis.
- 6.7. In November 2022, a further round of tendering was undertaken with a shortlisted two housing associations based on 300 affordable homes to reflect the Refined Scheme.
- 6.8. Engagement with the Council's housing and planning teams has continued to agree an affordable mix which addresses feedback for RPs in terms of tenure and bed size to meet projected housing demand for city centre living.
- 6.9. In terms of design quality, through our in-house planning and design teams, HRL will drive the planning RMA process ensuring exemplar design quality is achieved. HRL's commitment to uncompromised design quality and specification has resulted in achieved sales values above neighbouring competitors, e.g. most recently at Fish Island in Hackney Wick in East London which achieved 'outstanding' design quality as assessed by the London Legacy Development Corporation quality review panels.
- 6.10. In terms of the commercial components of the Scheme, Adam Markwell's evidence (DR2.3) provides further details in that respect.
- 6.11. In terms of the Coventry Market, we have focused on the importance of Coventry Market, and its interaction with the Scheme. We have assessed the Coventry Market servicing proposals that form part of the Consented Scheme, and have engaged with market traders, market management and Royal London in this respect. With our design team, and as further explained in Russell Vaughan's proof of evidence (DR2.7), we have developed a solution that provides service access at grade as opposed to a new ramp into the Coventry Market basement. We have also refined the proposed servicing arrangements for Blocks A1 and A2 and this is further explained in Russell Vaughan's evidence.
- 6.12. Ahead of demolition and construction, SPRL will finalise plans to maintain continuity of trade at Coventry Market, as well as maintaining access and space for deliveries, ensuring this key interface is closely managed. We will continue to liaise with the Coventry market management team, Royal London and market traders in relation to this matter.
- 6.13. The Council's Local Plan Policy H1 'Housing Land Requirements' (DR3.9) states that provision must be made for a minimum of 24,600 new homes over the Plan period 2011-2031.

Following consent of the Refined Scheme, the proposed maximum quantum of residential development would meet over 6% of this target.

- 6.14. Overall, 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 alongside the substantial progress towards delivery which has been made since our selection as development and funding partner.

6.15. **Summary of Key Points in Section 6**

The key points to summarise from section 6 are as follows:

- Following the selection of HRL as the development and funding partner for the Scheme, a design team was appointed to review the Consented Scheme.
- 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 the 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.
- 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.
- 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.
- 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.
- 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. I highlight below the anticipated timescales of bringing forward the Scheme.
- 7.2. The precise timing of the construction programme for the Scheme will be dependent upon various factors including the timescales for the confirmation of the CPO and approval of the phase 1 RMA for the Refined Scheme.
- 7.3. Subject to the above and obtaining vacant possession, SPRL intends to commence demolition of the whole site under licence in Autumn 2023.
- 7.4. A detailed construction programme highlights the overall period for demolition of the site as approximately twelve months. Prior to the strip out and demolition activities commencing, existing services will be disconnected and made safe, and any asbestos identified in existing buildings removed. SPRL is working with the Council to carry out inspections of existing units that have been vacated.
- 7.5. The substantive construction works for the Scheme will be sequenced to follow the release of the demolished areas. It is proposed that the first block to be built will be Block A1.

- 7.6. The programme highlights the overall period for the main construction works being nine and a half years, commencing in Spring 2024 with Block A1. SPRL have sought to prioritise the delivery of new affordable housing first, with phase 1 currently proposed to deliver 72% of the overall affordable housing, including within Blocks A1 and A2.
- 7.7. Delivery of the programme is set out as two phases, with Blocks A1, A2, Block B Block C and Block E being within Phase 1. Phase 2 comprises Block D which is due to start in early 2029.
- 7.8. A set of milestones is being agreed as part of the DA variations which provide the Council with security that each Block is being delivered, prior to SPRL being able to drawdown the Headlease for another Block.
- 7.9. In relation to Utilities, early detailed utility searches have been undertaken and a ground penetrating radar survey has been carried out to ascertain exactly what utility services are present within the affected areas. The City Council Infrastructure team have also been engaged to provide support in identifying any private council infrastructure that may be affected by the development. A specialist consultancy has been engaged to compile the relevant information and develop strategies for disconnections, diversions, and new utility services. It is anticipated that all existing utilities that may require diversions can be diverted around/within the development and any above ground utility assets (substations etc.) that may require relocation can be incorporated into the new development.
- 7.10. A schedule of disconnections for buildings requiring demolition is being prepared and these will be programmed with the respective utility companies in line with vacant possession of the properties.
- 7.11. A utilities statement will be prepared to summarise the extent of required works once consensus is obtained from all relevant parties (including utility companies and the Council). Once consensus is obtained the legal process will commence to determine easements/wayleaves and the extent of adoption.
- 7.12. In terms of progressing the active planning of the development works, several meetings have been held with respective stakeholders, including objectors to the CPO. Measures will be put in place to provide environmental controls, maintain access to affected properties and facilitate continuity of trade for affected retailers and occupiers. As set out in Graeme Lawes' evidence (DR2.8), SPRL has supported Deloitte in meeting with those objectors who have provided themes of objection on the grounds of maintaining protection to their retailing operations and safety of staff ensuring the business' can continue to operate. These include Boots UK Ltd, New Look Retailers Ltd, Poundland Ltd and Glamis Estates Ltd. SPRL has assisted in preparing Deed of Undertakings and will continue to work with these operators as the Scheme develops.
- 7.13. The Consented Scheme provides for a Pre-Demolition condition for a Demolition Management Plan to be submitted and approved by the Local Planning Authority. The Consented Scheme also provides for a Pre-Commencement condition for a Construction Management Plan to be submitted and approved by the Local Planning Authority. These are also to be reflected for the Refined Scheme.
- 7.14. Regarding retained properties outside of the Site, we will ensure that businesses along the eastern side of Hertford Street and around Market Way will continue to trade during demolition and construction. This is to ensure key arterial routes through the city centre remain open and those businesses can continue to trade with no interruption.
- 7.15. We will set up regular update meetings with local stakeholders and businesses regarding the Scheme to answer queries and take feedback. We will prepare and implement a communication plan.
- 7.16. In relation to the Empire Building, now to be retained, SPRL has worked closely with both the Council and the occupiers of the Empire Building to understand its operations and the benefit s the events it hosts bring to the city of Coventry.

- 7.17. In relation to the highway works, continued engagement with the Council's Highways department to agree a strategy to complete the detailed design and the construction of the highway works is ongoing. SPRL anticipates that the design and approvals for the highways works will form part of a section 278 agreement. SPRL is planning to deliver this detailed design and s278 requirements early to ensure they are completed to meet the programme.

7.18. **Summary of Key Points in Section 7**

The key points to summarise from section 7 are as follows:

- 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.
- 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.
- 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 (and proposed to be repeated for the Revised 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. The JV has the credentials and proven track record to deliver the CCS Scheme for Coventry.
- 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.
- 8.4. In conclusion, I strongly believe for the reasons explained in my proof of evidence that SPRL has the appropriate experience, and capability to deliver this landmark Scheme.

9. STATEMENT OF TRUTH

- 9.1. I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.

A handwritten signature in blue ink, appearing to be 'Andy Fancy', with a stylized, cursive script.

Andy Fancy
29th December 2022

Document Reference 2.4

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

Appendices to Proof of Evidence

of

Andy Fancy

of Hill Residential Limited

On behalf of the Council of the City of Coventry

29th December 2022

Proof of Evidence of Andy Fancy DR 2.4

APPENDIX AF1

Offices



Hill

The Hill Group

	Location	Brief Description
Peabody strategic joint venture – Fish Island Village and Motion		
1	East London: Hackney Wick and Lea Bridge	A mixed use, mixed tenure, multi-site development in east London delivering 880 new homes and over 60,000 sq. ft. of commercial and retail space and affordable creative studio space
The Scene		
2	Walthamstow	Town Centre regeneration through the provision of 121 new mixed tenure homes, 18,000 sq. ft. of restaurant space and a nine screen, 1,200 seat cinema
St James Quay		
3	Norwich	88 riverside apartments in the city centre
Marleigh		
4	Cambridge	1,300 home urban extension with the delivery of a new school retail, office space and modern market square
Cambridge Investment Partnership		
5	Cambridge	Strategic delivery of city wide regeneration including the delivery of over 1,000 mixed tenure homes alongside commercial and community spaces

	Location	Brief Description
Woolwich Leisure Centre		
6	South London	482 new homes alongside a new state of the art leisure centre and new commercial space
Baltic Wharf, Park Furnishers		
7	Bristol	Hill is developing multiple sites across the city for the delivery of more than 300 mixed tenure homes
St Ann’s Hospital		
8	Haringey	The delivery of 900 new and refurbished homes alongside community space on the site of St Ann’s Hospital
Rushmoor Development Partnership		
9	Basingstoke and Fareham	City centre regeneration including the delivery of new homes, retail space, a “maker’s yard” and new hotel and student accommodation
Oxford North		
10	Oxford	The delivery of over 300 homes alongside a state of the art Science campus
???		
11	Dollis Hill, Wembley	Delivery of 1,800 homes across two sites in north west London