



CITY DEAL

Preston, South Ribble & Lancashire

**Preston, South Ribble and Lancashire City Deal Stewardship Board
and Executive - Combined Meeting**

**Friday, 8th January, 2016 in Cabinet Room 'D' - The Henry
Bolingbroke Room, County Hall, Preston, at 2.00 pm**

Agenda

Part I (Items Publicly Available)

- 1. Welcome and Apologies for Absence**
- 2. Minutes of the City Deal Executive / Stewardship Board meetings held on
17th July 2015 (Pages 1 - 18)**
- 3. Matters Arising**
- 4. Declarations of Interest (Pages 19 - 20)**

Stewardship Board Items (Chaired by Karl Tupling)

- 5. HCA BDP Progress Report - Year 2 Quarter 2 (Pages 21 - 28)**

Joint Stewardship Board and Executive Items (Chaired by Jim Carter)

- 6. Monitoring Report Update - Year 2 Quarter 2 (Pages 29 - 58)**
- 7. Finance Monitoring Update - Year 2 Quarter 2 (Pages 59 - 66)**
- 8. City Deal Skills and Employment Study / Plan (Pages 67 - 136)**
- 9. Community Infrastructure Update (Pages 137 - 142)**

- 10. Marketing and Communications Strategy and Communications Update**
(Pages 143 - 164)
 - a. Progress Update
 - b. Marketing and Communications Strategy January 2016 – March 2017

Executive Committee Items (Chaired by Jim Carter)

11. IDP Update

- (a) IDP Update - Reprogramming of Public Transport Priority Corridor/Local Centres - Preston Western Distributor to Salmesbury (New Hall Lane section) and Bamber Bridge/City Centre Corridor (Station Road section)** (Pages 165 - 166)
Report from the City Deal Programme Board meeting held on 20th November 2015.
- (b) IDP Update - Review of the Reprogramming of the Public Transport Priority Corridor/Local Centres - Bamber Bridge/City Centre Corridor (Station Road section)** (Pages 167 - 170)

12. Any Other Business

13. Date of Next Meeting

The next Combined City Deal meeting will be held on Monday 21st March 2016, 9.30am in Cabinet Room 'D' – The Henry Bolingbroke Room, at Lancashire County Council, County Hall, Preston.

Part II (Items that are Private and Confidential)

- 14. Resources Review - Scope and Terms of Reference** (Pages 171 - 176)
- 15. City Deal Reappraisal - Findings Report** (Pages 177 - 190)
- 16. City Centre Development - Markets Quarter** (Pages 191 - 194)



CITY DEAL

Preston, South Ribble & Lancashire

Preston, South Ribble and Lancashire City Deal - Executive

Minutes of the Meeting held on Friday, 17th July, 2015 at 2.00 pm at the Cabinet Room 'C' - The Duke of Lancaster Room, County Hall, Preston

Present

Mr J Carter (Chair)

Dr M McVicar

County Councillor J Mein

Councillor P Rankin

Councillor M Smith

Observers

County Councillor C Crompton

County Councillor K Sedgewick

County Councillor B Yates

Mr K Tupling, Homes and Community Agency

Ms L Norris, Preston City Council

Mr M Nuttall, South Ribble Borough Council

Ms J Turton, Lancashire County Council

In Attendance

Ms J Ainsworth, Lancashire County Council

Mr A Barrow, Lancashire County Council

Ms C Hall, Homes and Community Agency

Mr M Hudson, Lancashire County Council

Ms B Joyce, Head of Strategic Development, Lancashire County Council

Mr A Milroy, Company Services Officer, Lancashire County Council

Ms S Procter, Lancashire County Council

Mr S Sage, Homes and Community Agency

Mr T Seamans, Head of Communications, Lancashire County Council

Mr E Sutton, Lancashire County Council

1. Welcome and Apologies for Absence

The Chair, Mr J Carter, welcomed all to the meeting. It was noted that County Councillor's Barrie Yates, Keith Sedgewick and Carl Crompton were attending the meeting as observers. The Executive agreed that they could be present for the duration of the meeting.

There were no apologies for absence, all Executive members were recorded as present.

2. Minutes of the Stewardship Board / Executive meetings held on 13th February 2015

It was noted that the minutes were marked in error that they were private and confidential, it was agreed that the clerk would correct this error.

Resolved: That the minutes of the meeting held on 13th February 2015 be approved as an accurate record and signed by the Chair.

3. Matters Arising

None

4. Declarations of Interest

None

5. Governance Arrangements - Combined Meetings

Mr J Carter introduced a report (circulated) setting out the governance arrangements for the combined meetings of the Stewardship Board and Executive. Mr A Milroy added that the document formally set out the arrangements that were agreed verbally at the last meeting.

Resolved: That the combined meeting Governance Arrangements as set out be approved.

8. Preston, South Ribble and Lancashire City Deal: HCA Progress Report (Quarter 4, Year 1 and Quarter 1, Year 2)

Mr S Sage, HCA, presented a report (circulated) which provided an update on the progress made on the HCA land portfolio since the last Stewardship Board / Executive meeting held on 13th February 2015, and specifically reported on Quarter 4, Year 1 and Quarter 1, Year 2 progress.

It was reported that the land portfolio was performing well, in particular there was very good progress on Cottam Hall, with circa £4m Section 106 monies being paid to Preston City Council (PCC) and Lancashire County Council (LCC) in March 2015. Further to this the Conditional Legal Agreement for Cottam Hall Phase 2 was completed, which was an important milestone and a significant achievement made before the end of year 1 (2014/15). Prior to this the developer submitted the reserved matters application for Phase 2. This was to be presented at the planning committee on 9th July 2015.

Positive progress has been made at Whittingham Hospital with developers commencing on Phase 1 of the site. This is a key milestone as this site has faced

a number of challenges.

An overall site by site summary was presented in the circulated report which indicated to the Stewardship Board and Executive that the all projects were currently on track.

Resolved: The Stewardship Board and the Executive noted the content of the report and the progress made in the delivery of the HCA land assets in quarter 4 year 1 and quarter 1 year 2.

9. General Update

Mr E Sutton, Director of Development and Corporate Services, Lancashire County Council presented a report (circulated) that provided the Stewardship Board and Executive with an update on the Employment and Skills Plan and the appointment of a consultant to provide professional services in appraising commercial market viability and negotiation of financial contributions (CIL Negotiator).

Members were reminded that the February meeting of the City Deal Executive and Stewardship Board received an update on the preparation of the City Deal Skills and Employment Strategy. Further to that, the Brief was agreed and put out to the tender. Tenders were received and evaluated by a working group, comprising colleagues from the HCA, Preston City Council, South Ribble Borough Council and the LEP Skills Board. Following this evaluation process Ekosgen have been approved. The estimated work programme is of a three month duration.

Mr Sutton advised that the Chair of the LEP Skills Board, Ms Amanda Melton, would be invited to the next meeting of the Stewardship Board / Executive to report on progress made.

Mr M Hudson, Development Management, Planning and Environment, Lancashire County Council provided an update on the appointment of a consultant to provide professional services in appraising commercial market viability.

It was reported that the City Deal financial model contains an income stream to come from developer contributions, which will be secured and paid through a Community Infrastructure Levy (CIL) arrangements and Section 106 and Section 278 agreements.

This amount, approximately £90 million, is expected to comprise monies collected under CIL and other developer contributions secured for major development site infrastructure under s106 and s278 agreements or otherwise provided directly by the developer as part of the consented built scheme.

At its meeting in April 2014, the City Deal Executive endorsed the proposal to secure an additional resource and optimise the CIL and other developer contributions included in the Infrastructure Delivery Fund.

Following a soft market testing exercise in late summer 2014, an invitation to tender in early February, 2015 took place, followed by an evaluation exercise during March 2015. The preferred consultancy Keppie Massie was appointed, an establish firm of surveyors and property consultants whose services include the more traditional surveying and valuation fields, together with more specialist and diverse expertise in regeneration and strategic development. The firm demonstrated to the evaluation panel's satisfaction a thorough knowledge and extensive experience of the activities required as well as providing detailed recent examples in the local area.

The Framework Agreement commenced in May 2015 and runs until 30th April 2018, but may be extended for a further year, up to a maximum duration of four years. Updates on this important aspect of work will be brought to future meetings of the City Deal Executive / Stewardship Board.

The Executive and Stewardship Board welcomed the appointment of Keppie Massie and looked forward to receiving updates at future meetings of the Executive / Stewardship Board.

Resolved: The City Deal Executive and Stewardship Board noted the report as presented.

10. City Deal Implementation Update

Mr M Hudson presented a report (circulated) which provided the Executive and Stewardship Board with an update on the delivery and implementation for the City Deal, including a Year 1, Quarter 4 Project Status Report and Year 1, Quarter 4 Monitoring Report.

It was highlighted that in the circulated report all schemes and developments that have a blue colour for their RAG rating have been completed. It was reported that a number of schemes had been completed ahead of schedule with good overall progress reported on all schemes.

The Stewardship Board and Executive thanked officers for their work, and in particular, on the schemes that had been completed ahead of schedule.

Resolved: The City Deal Executive and Stewardship Board:

- (i) Noted and commented on the progress made on delivering the City Deal Infrastructure Delivery Plan during Year One, Quarter Four and for Year One as a whole; and
- (ii) Noted the City Deal 2014/15 Quarter Four Finance Monitoring Report.

11. Community Infrastructure Update

Ms L Norris, Chief Executive, Preston City Council presented a report (circulated) regarding the delivery of Community Infrastructure in support of development and growth under the City Deal.

It was highlighted that the report set out the scale and range of the delivery of Community Infrastructure to support new housing and business growth which has received a considerable amount of attention at all levels within the City Deal governance and delivery structures. This has been prompted, in part, by the recommendations set out within the AECOM report (City Deal Preston, South Ribble and Lancashire, Community Infrastructure Position Statement Final Report, March 2015), which concludes that the City Deal partners have considerable work to do in order that informed decisions on the type, amount and location of new Community Infrastructure. In addition, the report raises the very real prospect that the cost of this Infrastructure will outstrip funding and so partners will need to come together to determine priorities.

It was recommended that going forward the management of the CIP be reviewed in light of the recommendations in the first version. The following improvements, from the refreshed CIP working group, were recommended:

- An annual programme of CIP works, linked to an annual budget and review, is proposed. This provides better management and allows the CIP to link into the IDP and City Deal governance and reporting arrangements.
- The annual programme will address the wide range of sectors that have been identified in the first version of the CIP on a rolling basis until all thematic areas have been addressed. A partnership approach to engagement is to be developed.
- In the longer term it is proposed that a three year programme be developed to mirror the City Deal IDP and financial plan.
- In line with the above, it is proposed the first year budget of £50,000 be allocated to allow the population and housing research identified in CIPv1 to be commissioned. In addition the Working Group has identified a Sustainability Appraisal is required for City Deal going forward. A model to inform local partners decision making, such as Health and Education sectors, of changes to the local population is to be developed.
- The Working Group proposes that the first year prioritises engaging Health and Social Services/Housing providers to ensure they are prepared to the changes and opportunities that City Deal will bring.

Resolved: The City Deal Executive and Stewardship Board:

- (i) Noted the report.
- (ii) Endorsed the approach, and in doing so, agreed that officers undertake the Demographic Modelling which will inform the decisions around the sequencing of Community Infrastructure.
- (iii) Approved, in principle, the Existing Community Infrastructure (Phase 1)

subject to the City Deal partners providing further detailed information; and

- (iv) Agreed that the Community Infrastructure Phase 2 be delivered under the following four headings:
 - a. Health and Social Care
 - b. Education
 - c. Leisure and Culture
 - d. Community Infrastructure Improvements

12. Infrastructure Delivery Plan 2015 - 2018 Update

The Chair of the Executive, Mr J Carter, provided an overview of a report (circulated) which provided an update on the Infrastructure Delivery Plan for the period 2015 to 2018 and presented a final draft of the Plan to the Stewardship Board and Executive for approval.

Mr A Barrow, Programme Manager, Lancashire County Council provided background information regarding the Plan and explained that the annual production of an IDP is a requirement set out in the City Deal Delivery and Implementation Plan (DIP). The first City Deal Infrastructure Delivery Plan (IDP) was presented to and approved by the City Deal Executive on 25 April 2014. That Plan set out the delivery programme for all agreed strategic highway and physical community infrastructure as well as housing and employment site activity, to be delivered in Year 1 of the City Deal during 2014/15.

Officers across the City Deal Partnership have worked closely in drafting the three year infrastructure delivery milestones for 2015/18 to ensure an affordable and deliverable programme of work and one which aligns with the Business and Disposal Plan.

Executive members highlighted some minor changes required to the Plan, namely a change to the description of the Penwortham Bypass project, reference to new bridges across the Ribble and sought clarification to some of the timescales contained within the Plan. Officers agreed to incorporate the suggested amendments into the final version of the Plan.

Resolved:

The City Deal Executive approved, subject to the incorporation of the minor amendment discussed, publication of the 2015/18 Infrastructure Delivery Plan.

The Stewardship Board received the 2015/18 Infrastructure Delivery Plan and noted that its contents inform the development of the annual City Deal Business and Disposal Plan.

13. Communications Update

Mr T Seamans, Head of Service Communications, Lancashire County Council presented a report (circulated) which gave an update on City Deal Communications work.

It was reported that the last quarter has seen a number of milestones for public information, communication and consultation, activities have included:

- Consultation on the next phase of widening the A582.
- Consultation on the key corridor schemes for Bamber Bridge and New Hall Lane.
- Communicating the outcome of the consultation on the route of the Penwortham bypass.
- Communicating the completion of works on the northern section of the A582
- Pre-consultation with key stakeholders on improvements in Broughton village associated with the bypass scheme.

Mr Seamans also presented a series of videos that have been used to promote the City Deal, including time laps videos of the A582 widening work and fly over videos showing proposed routes for Broughton bypass. Work has also been done on an animated video describing the City Deal vision which is now at final production stage. A demonstration video was shown to the members present.

Resolved: The City Deal Executive and Stewardship Board are noted the report and presentation regarding the City Deal Communications work.

14. Preston Bus Station and Multi Storey Car Park

Mr E Sutton gave a verbal update on Preston Bus Station and Multi Storey Car Park.

Mr Sutton informed the members that a design competition has been held to produce designs for the Youth Zone that will intergrate with the Bus Station and Car Park. This unique competition has been held with the identity of the designers remaining secret. It has proved to be a good way of procuring the designs. 295 individuals or organisations registered with 93 designs submitted. Of those designs five have been shortlisted and the public are able to vote for their favourite either by viewing the displays at the Bus Station, or, online.

A further update will be provided to the September / October meeting on progress made.

Resolved: The City Deal Executive noted the update and also noted that further updates would be provided at future meetings.

15. Any Other Business

Mr K Tupling informed the Stewardship Board that there may be an opportunity to acquire a site that has stalled. Mr Tupling sought authorisation from the Stewardship Board to move forward with the purchase should the opportunity arise.

Resolved: The Stewardship Board approved that the purchase can be made should the opportunity arise.

Mr J Carter advised both the Stewardship Board and the Executive that the Chairs of the Stewardship Board and Executive would prepare a joint briefing update after each meeting which will be circulated to LEP Directors for information and to update on the work of both bodies.

16. Date of Next Meeting

It was noted that the next Combined City Deal Executive / Stewardship Board meetings would be held in September or October 2015 on a date to be arranged.



CITY DEAL

Preston, South Ribble & Lancashire

Preston, South Ribble and Lancashire City Deal Stewardship Board

Minutes of the Meeting held on Friday, 17th July, 2015 at 2.00 pm at the Cabinet Room 'C' - The Duke of Lancaster Room, County Hall, Preston

Present

Mr K Tupling (Chair)

Ms L Norris
Mr M Nuttall

Ms J Turton
Mr J Carter

Observers

County Councillor J Mein
Councillor P Rankin
Councillor M Smith
Dr M McVicar
County Councillor C Crompton
County Councillor K Sedgewick
County Councillor B Yates

In Attendance

Ms J Ainsworth, Lancashire County Council
Mr A Barrow, Lancashire County Council
Ms C Hall, Homes and Community Agency
Mr M Hudson, Lancashire County Council
Ms B Joyce, Head of Strategic Development, Lancashire County Council
Mr A Milroy, Company Services Officer, Lancashire County Council
Ms S Procter, Lancashire County Council
Mr S Sage, Homes and Community Agency
Mr T Seamans, Head of Communications, Lancashire County Council
Mr E Sutton, Lancashire County Council

1. Welcome and Apologies for Absence

The Chair, Mr K Tupling, welcomed all to the meeting. It was noted that County Councillor's Barrie Yates, Keith Sedgewick and Carl Crompton were attending the meeting as observers. The Stewardship Board agreed that they could be present for the duration of the meeting.

There were no apologies for absence, all Stewardship Board members were recorded as present.

2. Minutes of the Stewardship Board / Executive meetings held on 13th February 2015

It was noted that the minutes were marked in error that they were private and confidential, it was agreed that the clerk would correct this error.

Resolved: That the minutes of the meeting held on 13th February 2015 be approved as an accurate record and signed by the Chair.

3. Matters Arising

None

4. Declarations of Interest

None

5. Governance Arrangements - Combined Meetings

Mr J Carter introduced a report (circulated) setting out the governance arrangements for the combined meetings of the Stewardship Board and Executive. Mr A Milroy added that the document formally set out the arrangements that were agreed verbally at the last meeting.

Resolved: That the combined meeting Governance Arrangements as set out be approved.

6. Monitoring Update

Mr K Tupling, Homes and Communities Agency, introduced a report (circulated) which provided an update on the City Deal Monitoring Framework and the work being carried out by Local Partners in completing the 10 year output targets and the 2014/15 Annual Monitoring Report to be included in the City Deal Monitoring Return to Government. It was reported that this work was in addition to the quarterly progress reporting carried out as part of the implementation of the Infrastructure Delivery Plan.

It was reported that Government has confirmed that City Deals will now be required to report quarterly on the Core Metrics. This will be via a standard Information Management System (IMS) which Government will use to capture information on all Lancashire Enterprise Partnership (LEP) initiatives. Lancashire County Council, as accountable body for the LEP, is currently part of a pilot programme to test the IMS. This will supplement the monthly qualitative progress reporting.

The City Deal Monitoring Group has developed a consistent approach to the

preparation of the Monitoring Return which will measure output performance against the agreed baseline targets as set out in the report.

The Board thanked the Monitoring Group for their work in preparing the information presented.

Resolved: The Stewardship Board Members:

- (i) Noted the requirement to submit a City Deal Monitoring Report to Government on a quarterly basis;
- (ii) Considered the impact of the quarterly monitoring obligation on the previously agreed monitoring and reporting arrangements, and endorsed the reporting arrangements as set out in the report;
- (iii) Agreed that the Stewardship Board Terms of Reference be reviewed to reflect Government's monitoring reporting requirements;
- (iv) Recommended that the Monitoring Group prepare costed options to support the preparation of additional (quarterly) monitoring requirements;
- (v) Recommended that the Monitoring Group are tasked with developing additional output metrics that provide a wider perspective of the local investment and job contribution provided by the City Deal infrastructure programme;
- (vi) Recommended that the output metrics include a report on the Pension Fund investment contribution; and
- (vii) Agreed that the full Monitoring Reports based upon the data and commentary included within this report be submitted to the Lancashire Enterprise Partnership Board.

7. Preston, South Ribble and Lancashire City Deal: HCA Business Disposal Plan (BDP) Years 2, 3 and 4 - 2015-2018

Mr K Tupling introduced a report (circulated) that presented the Homes and Communities Agency (HCA) Business Disposal Plan (BDP) for the three year period from 2015 to 2018.

It was reported that the plan had moved from a one to a three year Plan. The Plan has been considered by the HCA Board who were supportive of the Plan and the City Deal and will ensure that the HCA follows through on its obligations.

Mr S Sage, HCA, explained that the report presented sought approval to the new BDP and that the revised BDP included key delivery milestones for the period 2015-2018 and a more detailed financial section focusing on the forecasted receipts and loan / grant payments that are to be made to LCC over the life time of the Deal.

Resolved: The Stewardship Board –

- (i) Noted the content of this report and the progress made in year 1, and
- (ii) Approved the HCA Business Disposal Plan (BDP) 2015-2018 as set out in the report.

8. Preston, South Ribble and Lancashire City Deal: HCA Progress Report (Quarter 4, Year 1 and Quarter 1, Year 2)

Mr S Sage, HCA, presented a report (circulated) which provided an update on the progress made on the HCA land portfolio since the last Stewardship Board / Executive meeting held on 13th February 2015, and specifically reported on Quarter 4, Year 1 and Quarter 1, Year 2 progress.

It was reported that the land portfolio was performing well, in particular there was very good progress on Cottam Hall, with circa £4m Section 106 monies being paid to Preston City Council (PCC) and Lancashire County Council (LCC) in March 2015. Further to this the Conditional Legal Agreement for Cottam Hall Phase 2 was completed, which was an important milestone and a significant achievement made before the end of year 1 (2014/15). Prior to this the developer submitted the reserved matters application for Phase 2. This was to be presented at the planning committee on 9th July 2015.

Positive progress has been made at Whittingham Hospital with developers commencing on Phase 1 of the site. This is a key milestone as this site has faced a number of challenges.

An overall site by site summary was presented in the circulated report which indicated to the Stewardship Board and Executive that the all projects were currently on track.

Resolved: The Stewardship Board and the Executive noted the content of the report and the progress made in the delivery of the HCA land assets in quarter 4 year 1 and quarter 1 year 2.

9. General Update

Mr E Sutton, Director of Development and Corporate Services, Lancashire County Council presented a report (circulated) that provided the Stewardship Board and Executive with an update on the Employment and Skills Plan and the appointment of a consultant to provide professional services in appraising commercial market viability and negotiation of financial contributions (CIL Negotiator).

Members were reminded that the February meeting of the City Deal Executive and Stewardship Board received an update on the preparation of the City Deal Skills and Employment Strategy. Further to that, the Brief was agreed and put out to the tender. Tenders were received and evaluated by a working group, comprising colleagues from the HCA, Preston City Council, South Ribble

Borough Council and the LEP Skills Board. Following this evaluation process Ekosgen have been approved. The estimated work programme is of a three month duration.

Mr Sutton advised that the Chair of the LEP Skills Board, Ms Amanda Melton, would be invited to the next meeting of the Stewardship Board / Executive to report on progress made.

Mr M Hudson, Development Management, Planning and Environment, Lancashire County Council provided an update on the appointment of a consultant to provide professional services in appraising commercial market viability.

It was reported that the City Deal financial model contains an income stream to come from developer contributions, which will be secured and paid through a Community Infrastructure Levy (CIL) arrangements and Section 106 and Section 278 agreements.

This amount, approximately £90 million, is expected to comprise monies collected under CIL and other developer contributions secured for major development site infrastructure under s106 and s278 agreements or otherwise provided directly by the developer as part of the consented built scheme.

At its meeting in April 2014, the City Deal Executive endorsed the proposal to secure an additional resource and optimise the CIL and other developer contributions included in the Infrastructure Delivery Fund.

Following a soft market testing exercise in late summer 2014, an invitation to tender in early February, 2015 took place, followed by an evaluation exercise during March 2015. The preferred consultancy Keppie Massie was appointed, an establish firm of surveyors and property consultants whose services include the more traditional surveying and valuation fields, together with more specialist and diverse expertise in regeneration and strategic development. The firm demonstrated to the evaluation panel's satisfaction a thorough knowledge and extensive experience of the activities required as well as providing detailed recent examples in the local area.

The Framework Agreement commenced in May 2015 and runs until 30th April 2018, but may be extended for a further year, up to a maximum duration of four years. Updates on this important aspect of work will be brought to future meetings of the City Deal Executive / Stewardship Board.

The Executive and Stewardship Board welcomed the appointment of Keppie Massie and looked forward to receiving updates at future meetings of the Executive / Stewardship Board.

Resolved: The City Deal Executive and Stewardship Board noted the report as presented.

10. City Deal Implementation Update

Mr M Hudson presented a report (circulated) which provided the Executive and Stewardship Board with an update on the delivery and implementation for the City Deal, including a Year 1, Quarter 4 Project Status Report and Year 1, Quarter 4 Monitoring Report.

It was highlighted that in the circulated report all schemes and developments that have a blue colour for their RAG rating have been completed. It was reported that a number of schemes had been completed ahead of schedule with good overall progress reported on all schemes.

The Stewardship Board and Executive thanked officers for their work, and in particular, on the schemes that had been completed ahead of schedule.

Resolved: The City Deal Executive and Stewardship Board:

- (i) Noted and commented on the progress made on delivering the City Deal Infrastructure Delivery Plan during Year One, Quarter Four and for Year One as a whole; and
- (ii) Noted the City Deal 2014/15 Quarter Four Finance Monitoring Report.

11. Community Infrastructure Update

Ms L Norris, Chief Executive, Preston City Council presented a report (circulated) regarding the delivery of Community Infrastructure in support of development and growth under the City Deal.

It was highlighted that the report set out the scale and range of the delivery of Community Infrastructure to support new housing and business growth which has received a considerable amount of attention at all levels within the City Deal governance and delivery structures. This has been prompted, in part, by the recommendations set out within the AECOM report (City Deal Preston, South Ribble and Lancashire, Community Infrastructure Position Statement Final Report, March 2015), which concludes that the City Deal partners have considerable work to do in order that informed decisions on the type, amount and location of new Community Infrastructure. In addition, the report raises the very real prospect that the cost of this Infrastructure will outstrip funding and so partners will need to come together to determine priorities.

It was recommended that going forward the management of the CIP be reviewed in light of the recommendations in the first version. The following improvements, from the refreshed CIP working group, were recommended:

- An annual programme of CIP works, linked to an annual budget and review, is proposed. This provides better management and allows the CIP to link into the IDP and City Deal governance and reporting arrangements.
- The annual programme will address the wide range of sectors that have been identified in the first version of the CIP on a rolling basis until all

thematic areas have been addressed. A partnership approach to engagement is to be developed.

- In the longer term it is proposed that a three year programme be developed to mirror the City Deal IDP and financial plan.
- In line with the above, it is proposed the first year budget of £50,000 be allocated to allow the population and housing research identified in CIPv1 to be commissioned. In addition the Working Group has identified a Sustainability Appraisal is required for City Deal going forward. A model to inform local partners decision making, such as Health and Education sectors, of changes to the local population is to be developed.
- The Working Group proposes that the first year prioritises engaging Health and Social Services/Housing providers to ensure they are prepared to the changes and opportunities that City Deal will bring.

Resolved: The City Deal Executive and Stewardship Board:

- (i) Noted the report.
- (ii) Endorsed the approach, and in doing so, agreed that officers undertake the Demographic Modelling which will inform the decisions around the sequencing of Community Infrastructure.
- (iii) Approved, in principle, the Existing Community Infrastructure (Phase 1) subject to the City Deal partners providing further detailed information; and
- (iv) Agreed that the Community Infrastructure Phase 2 be delivered under the following four headings:
 - a. Health and Social Care
 - b. Education
 - c. Leisure and Culture
 - d. Community Infrastructure Improvements

12. Infrastructure Delivery Plan 2015 - 2018 Update

The Chair of the Executive, Mr J Carter, provided an overview of a report (circulated) which provided an update on the Infrastructure Delivery Plan for the period 2015 to 2018 and presented a final draft of the Plan to the Stewardship Board and Executive for approval.

Mr A Barrow, Programme Manager, Lancashire County Council provided background information regarding the Plan and explained that the annual production of an IDP is a requirement set out in the City Deal Delivery and Implementation Plan (DIP). The first City Deal Infrastructure Delivery Plan (IDP) was presented to and approved by the City Deal Executive on 25 April 2014. That Plan set out the delivery programme for all agreed strategic highway and physical community infrastructure as well as housing and employment site activity, to be delivered in Year 1 of the City Deal during 2014/15.

Officers across the City Deal Partnership have worked closely in drafting the

three year infrastructure delivery milestones for 2015/18 to ensure an affordable and deliverable programme of work and one which aligns with the Business and Disposal Plan.

Executive members highlighted some minor changes required to the Plan, namely a change to the description of the Penwortham Bypass project, reference to new bridges across the Ribble and sough clarification to some of the timescales contained within the Plan. Officers agreed to incorporate the suggested amendments into the final version of the Plan.

Resolved:

The City Deal Executive approved, subject to the incorporation of the minor amendment discussed, publication of the 2015/18 Infrastructure Delivery Plan.

The Stewardship Board received the 2015/18 Infrastructure Delivery Plan and noted that its contents inform the development of the annual City Deal Business and Disposal Plan.

13. Communications Update

Mr T Seamans, Head of Service Communications, Lancashire County Council presented a report (circulated) which gave an update on City Deal Communications work.

It was reported that the last quarter has seen a number of milestones for public information, communication and consultation, activities have included:

- Consultation on the next phase of widening the A582.
- Consultation on the key corridor schemes for Bamber Bridge and New Hall Lane.
- Communicating the outcome of the consultation on the route of the Penwortham bypass.
- Communicating the completion of works on the northern section of the A582
- Pre-consultation with key stakeholders on improvements in Broughton village associated with the bypass scheme.

Mr Seamans also presented a series of videos that have been used to promote the City Deal, including time laps videos of the A582 widening work and fly over videos showing proposed routes for Broughton bypass. Work has also been done on an animated video describing the City Deal vision which is now at final production stage. A demonstration video was shown to the members present.

Resolved: The City Deal Executive and Stewardship Board are noted the report and presentation regarding the City Deal Communications work.

15. Any Other Business

Mr K Tupling informed the Stewardship Board that there may be an opportunity to acquire a site that has stalled. Mr Tupling sought authorisation from the Stewardship Board to move forward with the purchase should the opportunity arise.

Resolved: The Stewardship Board approved that the purchase can be made should the opportunity arise.

Mr J Carter advised both the Stewardship Board and the Executive that the Chairs of the Stewardship Board and Executive would prepare a joint briefing update after each meeting which will be circulated to LEP Directors for information and to update on the work of both bodies.

16. Date of Next Meeting

It was noted that the next Combined City Deal Executive / Stewardship Board meetings would be held in September or October 2015 on a date to be arranged.

Agenda Item 4

Committee Member's Declaration of Interest in Proposed Transaction or Arrangement

COMBINED CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD

Name	
Date of Notification	
Date of Consideration of Item (i.e. date of Board meeting)	08.01.16
Item Number (if relevant)	
Description of Transaction	
Nature of Interest	



CITY DEAL

Preston, South Ribble & Lancashire

CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD – 8th January 2016

Preston, South Ribble and Lancashire City Deal: HCA Progress Report Quarter 2, Year 2
--

Report Author: Stuart Sage, Homes and Communities Agency, Head of Area Lancashire and Cumbria and Debra Holroyd-Jones, Homes and Communities Agency, Area Manager Lancashire and Cumbria.

Executive Summary

This report provides an update on the progress made on the HCA land portfolio since the last Stewardship Board (SB) / Executive meeting held on 17th July 2015. The HCA Business & Disposal Plan (BDP) forms the key monitoring document for the HCA land assets included within the Deal. This report covers the progress made in quarter 2 of year 2 (July – Sept. 2015/16).

Overall, positive progress was made in quarter 2 (year 2) with the majority of schemes being progressed / delivered in line with the targets and milestones as set out in the BDP. There are a small number of milestones which have now been moved into quarter 3. This is mainly due to unforeseen technical or legal matters that are being discussed with LCC and developers. The direction of travel within quarter 3 (year 2) onwards is positive.

In terms of specific sites; there was very good progress made on Cottam Hall with the reserved matters application being granted for phase 2. The Altcar Lane Masterplan was finalised and endorsed for consultation by SRBC Planning Committee (Consultation commenced in October for 6 weeks with a number of community consultation planned). And, the HCA instructed a consultant team to prepare the outline planning application for the HCA owned part of the site. The S106 for Croston Road North has moved forward significantly and is close to completion and there is agreement between all parties to ensure the S106 is signed promptly. LCC have commenced work at the tank roundabout following the successful transfer of land between the HCA and LCC to enable the works.

The focus over the next 6 – 12 months is to continue to progress on sites in line with the milestones as set out in the BDP (2015-2018). Moving forward, the key objective for the HCA is to get Croston Road North and Altcar Lane out to market and to secure developer partners as soon as possible to ensure their efficient delivery.

A review of year 2 delivery will take place at the end of 2015 with the preparation of the updated BDP being finalised by the end of March 2016.



CITY DEAL

Preston, South Ribble & Lancashire

Recommendation

The City Deal Executive and Stewardship Board are requested to note the content of this report and the progress made in the delivery of the HCA land assets in quarter 2 year 2.

Sites Update

The HCA are responsible for the progress of the 11 land assets. Since the last meeting on 17th July 2015 the HCA Lancashire & Cumbria (L&C) Team has made good progress, ensuring continued delivery of the land portfolio. The key milestones achieved in quarter 2 (year 2) are summarised below:

- **Croston Road South** – The conditional legal agreement with the preferred developer has progressed and is expected to be signed in quarter 3. The developer is progressing with the preparation of the reserved matters application, which is due to be submitted to SRBC shortly.
- **Altcar Lane** – The consultation masterplan has been finalised and endorsed for consultation by SRBC Planning Committee (Consultation on the masterplan started on 1st October 2015.) Consultant team now on board to prepare outline planning application for HCA site.
- **Cottam Hall** – Phase 2 Reserved Matters application approved.
- **Eastway** - Conditional legal agreement has been delayed slightly, this now planned for quarter 3. Storey Homes are currently concentrating on the Cottam Hall site, due to resource matters involving the developer/ legal resources. The HCA have a strong relationship with developer and agreement will move forward shortly.
- **Pickering's Farm** - Positive discussions are continuing with Taylor Wimpey in terms of a joint approach to delivering the site, however, the collaboration/ legal agreement is now expected to be signed in quarter 4 due to legal complexities and to ensure all matters are dealt with appropriately.
- **Croston Road North** – The S106 is close to finalisation. A number of meetings have been held between HCA and the authorities to ensure this moved forward. LCC have commenced work at the tank roundabout based on the exchange of land between the HCA and LCC.
- **Brindle Road** - Continuing to build out at a good rate.
- **Walton Park Link Road** - Reserved Matters application determined and discussions between all parties with regards to delivery of the Cross Borough Link road have moved on positively.



CITY DEAL

Preston, South Ribble & Lancashire

An overall site by site summary including milestones for quarter 3 is provided in the attached spread sheets within Annex 1.

Financial Update

The response from housing developers and the market so far demonstrate that the receipts generated by the sale of the HCA sites are either in line with, or have exceeded the HCA's receipt forecasts. These financial forecasts will regularly be reviewed and updated within the BDP. The BDP contains information on financial forecasting set out per site, which will be sensitivity checked on an annual basis to ensure the forecasts align with the current local housing market conditions.

Future Receipts and Payments

The table below shows the forecasted receipts and loan/ grant payments the HCA anticipate to be made/ paid over the next 3 years. As these figures are forecasts, they are subject to change as deals are finalised with developers (and housing market conditions). The HCA are working closely with LCC to plan the programme of payments and the procedure in which this takes place.

	2015/16	2016/17	2017/18
¹ Cash Receipts	£5,198,593	£7,261,999	£9,274,637
² Loan payable	£8,233,354	£1,505,612	£4,768,135
³ Cash Grant payable	£0	£2,249,413	£6,130,544

Table 1 – HCA's three year forecast financial profile in relation to City Deal is set out within the table above.

HCA City Deal BDP (2015-2018) – Financial Forecasting

The BDP is in a similar format to the Year 1(2014/15) BDP, with the key difference relating to the fact it covers a three year time period and contains more financial information.

The additional financial information has been included to assist both HCA / DCLG finance teams in terms of forecasting the likely amounts and timing of loan and grant payments to LCC. Table 3 in the BDP (2015/18) provides a forecast for the level of loan and grant anticipated to be achieved from each site/ phase disposed of.

¹ Profile of actual cash receipts received.

² Total loan is payable in one payment related to the sites book value. The sum is not paid in line with cash receipts, it is paid in full when the sites disposal goes unconditional i.e. the DEL receipt is recognised.

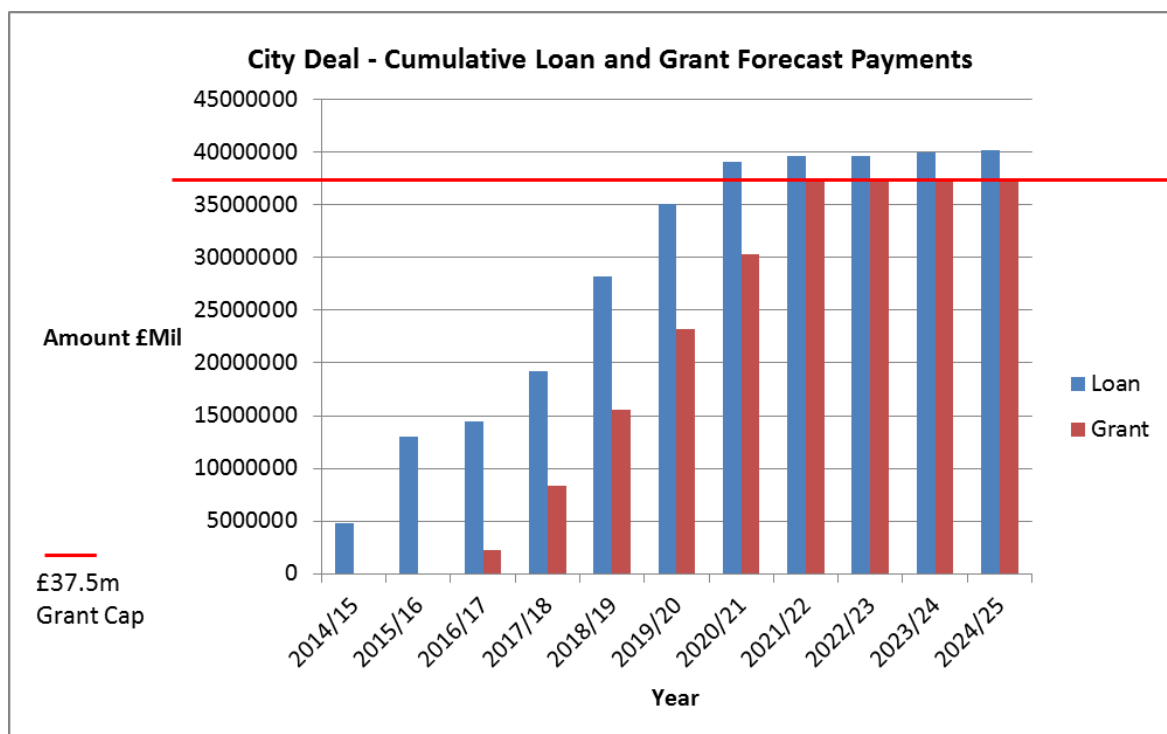
³ Timing of grant payment matches the cash receipt it relates to.



CITY DEAL

Preston, South Ribble & Lancashire

The BDP illustrates (on a cumulative basis), the amount of grant and loan payments for each year of the Deal. It provides an indication of when the £37.5m grant cap is likely to be reached, which currently stands at year 2021/22 (see graph below).



Graph 1 - BDP Cumulative Loan and Grant Payments

* It should be noted that the figures contained in the above graph are predominantly forecasts and are subject to change.

Performance and Risks

Assessing a sites delivery is based on the milestones and targets set out within the BDP. These milestones cover the whole site delivery cycle from master planning and planning applications, through to marketing and the site disposals. Annex 1 benchmarks the 11 HCA sites against these milestones and uses a RAG performance rating to provide the direction of travel. It should be noted that the majority of the projects are rated green and there are no red ratings.

The key risks may be summarised as follows:

- Assumed land receipts fall short of expectations
- Rate of sites take up/ market demand is slower than forecast
- Sub-optimal alignment of housing with infrastructure delivery

The HCA has a responsibility to achieve best consideration in the disposal of the sites, which ultimately controls whether and when sites are sold. The HCA team



CITY DEAL

Preston, South Ribble & Lancashire

mitigate these risks through agent advice, appropriately timed disposals and the phasing of sites to make them attractive to as many house builders as possible.

Annex 1 - HCA BDP Progress Report Spread sheet – Quarter 2, Year 2.

DRAFT PRESTON, SOUTH RIBBLE AND LANCASHIRE CITY DEAL – HCA STATUS REPORT							
Project Status Report							
To		City Deal Stewardship Board - HCA Sites Update, Year 2, Quarter 2 - September 2015					
Project/Programme Name		Preston, South Ribble and Lancashire City Deal					
Report Author		Stuart Sage / Debra Holroyd-Jones					
Management Summary							
Project No.	Projects	Lead HCA Officer	Previous RAG	Current RAG	Direction of Travel Rag	Progress Statement/Comments	Year 2 Q3 Milestone / Forward Looking Issues and Mitigation
HCA City Deal Sites							
1	COTTAM BRICKWORKS	Nick Alderson				S106 discussions still underway. Positive discussions being held.	Planning consent issued once S106 finalised
2	LAND AT EASTWAY, BROUGHTON	Martin Reynolds and Mark Phillips				Conditional Legal Agreement not in place - Story Homes are currently concentrating on Cottam Hall Site due to internal resource matters / legal colleagues. HCA relationship with developer is good though and agreement will move forward shortly.	Conditional Legal Agreement in place with housing developer.
3	COTTAM HALL	Mark Phillips				Reserved Matters application approval for Phase 2.	Pre commencement Ecological Mitigation - Phase 2. Preferred Developer selected - Phase 3
4	WHITTINGHAM HOSPITAL	Mark Vaughan				Ongoing discussions with developers on phase 2 due to large abnormalities on site. Revised bid due Sept/Oct 2015.	First Housing Completion - Phase 1 moved from quarter 2 to quarter 3. Preferred Developer selected for Phase 2 now moved to quarter 3. Conditional Legal Agreement - Phase 2, however this may move back to quarter 4 due to un quantified abnormalities.
5	PICKERINGS FARM	Nick Alderson				Collaboration negotiations with Taylor Wimpey are going well, however no agreement signed to date.	Agreement now due to be signed in quarter 3 /4 due to complexity of matters and 3rd party landowner.
6	ALTCAR LANE	Debra Holroyd-Jones				Consultation masterplan finalised and endorsed for consultation by SRBC Planning Committee. Consultant team on board to prepare outline planning application.	Masterplan Consultation commences 1st October 2015 for 6 weeks. Planning application consultant team on board.
7	HEATHERLEIGH AND MOSS LANE (Croston Road North)	Nick Cumberland				S106 discussions very near completion - Meetings held to finalise S106.	Finalise S106 and start Site Marketing Preparation - Phase 1.
8	HEATHERLEIGH AND MOSS LANE (Croston Road South)	Nick Alderson				Conditional Legal Agreement with preferred developer in place.	Finalise Reserved Matters application preparation and submit to SRBC.
9	HOSPITAL INN CROSSING (Brindle Road)	Mark Vaughan				Continue build out.	Continue build out.
10	WALTON PARK LINK ROAD	Mark Vaughan				Reserved Matters application determined.	Negotiations still underway between interested parties regarding link road matters - progress being made, more positive.
11	NORTH WEST PRESTON EA	Martin Reynolds				Local Plan Inspectors Report published.	Local Plan adopted ahead of timescales in BDP.



City Deal Executive and Stewardship Board – 8th January 2016

6 Monthly Monitoring Report update

Report Author: Report of the City Deal Monitoring Group

Executive Summary

This report provides an update to the Programme Board in respect of monitoring activities and reporting arrangements including the 6 monthly monitoring return for the period April to September 2015 (a mid-year programme overview) and the Infrastructure Delivery Plan (IDP) 2015-2018 Quarter 2 Monitoring update (project-level progress update) attached as Appendix 1. The report should be read in conjunction with the HCA Progress Report which provides an update in respect of the HCA land portfolio.

The Monitoring Group continue to work within a monitoring framework where Core and Supporting metrics are reported on a 6 monthly basis to the joint Executive/Stewardship Board. There is, however, an ongoing review of monitoring activities in respect of metrics that are collected and reported to the City Deal Team (monthly), CLG (quarterly) and Executive/Stewardship Board/HMG (6 monthly).

Dovetailing with this process is a review of metrics to provide more consistent data collection methods across all contributing parties, and to provide wider and more meaningful economic and social impact information. This includes establishing links with other groups such as the LEP Skills Hub and City Deal Construction Hub, whilst being prepared to respond to the information requirements of the LEP's Performance Committee.

To date, since the City Deal Negotiation Document was agreed, the number of new homes delivered is ahead of forecast - the 2014/15 actuals were 1,063 completions against a target of 338.

Progress on the main Core metric that drives the City Deal business model (housing completions) remains strong and generally on track to achieve the annual target. In the first 6 months of the year 371 new homes have been delivered, supported by a strong performance in office to residential conversions and bringing empty properties back into use. For future developments, housing planning consents on three large sites have had their milestones revised, but it is not anticipated that this will affect the construction start date.

Commercial floorspace activity remains more subdued (and is in the main limited to smaller scale industrial developments) but progress is being maintained on the two largest employment sites which are located in South Ribble, Cuerden and Samlesbury Enterprise Zone, and floorspace completion in respect of these sites remains as per the existing 10 year forecast. There was also a significant logistics letting in South Ribble (Amazon) at Lancashire Business Park. Preston continues to



position itself well in the IT and business processing operations market having recently benefitted from a large Global inward investment at Tulketh Mill.

There are signs of recovery in the retail and leisure market with planning applications submitted for a range of new uses, whilst there have been a number of new prestigious tenants in the retail core.

Recommendations

The City Deal Executive and Stewardship Board are requested to:

1. Agree that the data and commentary included within this report is included as part of the Monitoring Return to HMG and the LEP,
2. Note the Infrastructure Delivery Plan Quarter 2 Monitoring Report, attached as Appendix 1,
3. Note the ongoing review of monitoring activity (to encompass the adoption of metrics and resource requirements), including HMG requirements and those of the LEP,
4. Note the linkages established with other groups, for example the Growth Deal Management Board, City Deal Construction Hub, LEP Skills Hub (and the City Deal Sub-Group) to support co-ordinated monitoring activity,
5. Note that Terms of Reference have been prepared for the Monitoring Group in the light of points 1-4 above.

1. Background

- 1.1 This report provides an update on the progress with the City Deal Monitoring Framework and the work being carried out by Local Partners in completing the 6 monthly Monitoring Report (a mid-year programme overview) to be included in the City Deal Monitoring Return to Government and the accompanying IDP Quarter 2 Monitoring Report (project-level progress update) attached as Appendix 1. This work is in addition to the Monthly project updates and Quarterly updates to CLG (via LOGASNET). The report should also be read in conjunction with the HCA Progress Report which provides an update in respect of the HCA land portfolio. A review and greater co-ordination of these monitoring and reporting activities is ongoing, which will include HCA reporting, and further information is provided elsewhere in the agenda.
- 1.2 The Executive/Stewardship Board is reminded that the City Deal and subsequent Stewardship Board Agreement state the purpose and commitment towards monitoring progress in delivering the City Deal, supporting the joint objectives of the Board, Local Partners, HCA and Government. Through the ongoing monitoring review these mechanisms are being enhanced.



- 1.3 The Monitoring Framework, appended to the Stewardship Board Agreement, sets out a range of information relating to delivery, receipts, expenditure and completions.
- 1.4 The Stewardship Board Terms of Reference set out the responsibility of the Executive/Stewardship Board to provide periodic monitoring reports to central government. Following a previous consultation with HMG, the Executive/Stewardship Board receive two sets of monitoring outputs on a 6 monthly basis;
 - Firstly, a Core Output data set, to include housing units (consented and completed), commercial floorspace (consented and completed), private sector investment and jobs accommodated. It was agreed that this data-set should form the substantive part of the Monitoring Return to Government, and;
 - Secondly, a Supporting Output data set to include metrics to track planning consents, development activity on specific sites (including HCA sites), retail vacancy outputs, and outputs to monitor progress with transport and community outputs. It was agreed that this data-set should be presented to the Executive/Stewardship Board for consideration by the local partners.
- 1.5 As a core part of the implementation arrangements, the City Deal Project Board established a City Deal Monitoring Group, made up of representatives of the three Councils and the HCA, who meet to provide effective monitoring to meet the above purposes.
- 1.6 The monitoring role will become increasingly important in supporting the delivery of the City Deal Programme as well as demonstrating the benefits of the programme to the Lancashire economy to a wide range of audiences. The sub group reports to the City Deal Project Team and Board and is currently chaired by the City Deal Programme Manager.

2. Reporting Arrangements

- 2.1 It was previously reported to the Executive/Stewardship Board that at a 'stock take' meeting with Cabinet Office and DCLG in January 2015, attended by the LEP, the three Councils and the HCA, a review of the reporting frequency was discussed and it was agreed to consider approaches and frequency of reporting that will allow an alignment of monitoring arrangements with HMG as part of a general review of LEP reporting mechanisms. This HMG alignment exercise continues.
- 2.2 It was previously reported that City Deals will be required to report quarterly on the Core metrics, via a standard Information Management System (IMS) which HMG will use to capture information on all LEP initiatives.



This will supplement the monthly qualitative progress reporting. Discussions continue regarding the co-ordination and reporting of outputs to HMG.

3. Review of Monitoring activities

3.1 A review of monitoring activities is underway with the main purpose being to support the Executive/Stewardship Board in its programme management and governance arrangements, and to provide additional information to support programme delivery and risk management.

3.2 This review will take consideration of;

- a need to provide a more consistent approach to understanding progress on housing and employment sites following planning permissions,
- a commitment to understanding the wider economic and social impacts of the City Deal programme, including its contribution to the LEP's growth ambitions,
- the initiation of additional City Deal and associated supporting activities, such as the Growth Deal Management Board, City Deal Construction Hub, the LEP Skills Hub and the LEP's strategic marketing activities,
- associated performance and monitoring activities, such as the LEP's Performance Committee and the possible use of one Information Management System will streamline processes and reduce the amount of time required to report monitoring information and HMG's LOGASNET reporting system.

3.3 The review will have implications on the future activities and representation of the Monitoring Group, and may lead to the inclusion of extra metrics, which may require additional partner resources, and which will be captured in the Resource Review, reported elsewhere on the agenda.

4. Proposed 2015/16 - 6 monthly Monitoring Return

Purpose

4.1 This section of the report provides the basis of the 6 Monthly Monitoring Return that will be submitted to Government for the purpose of providing accountability in respect of public sector investment and real time feedback on performance to inform and improve the City Deal programme delivery. It is based upon the requirement to report upon a set of Core and Supporting Metrics, as per Tables 1, 2 and 3, and further project-level progress updates on a broader range of activities is provided in Appendix 1. To note, the information provided relates to the period April 2015 to September 2015, and takes no account of development progress and activity that has happened since then.



4.2 It should also be noted that the main progress is based upon an assessment against the equal division of annual targets. Unless otherwise stated, forecasts are similarly based upon an expectation of a continuation of progress.

Core Outputs

4.3 The table below shows progress against Year 2 Core output targets (for the first 6 months) which are the key Government performance measures.

Table 1

Core outputs – 2015/16	6 month Target	6 month Actual	Annual target	Comments
Total number of Housing units consented for planning	1,513	463	3,027	Milestones will need to be re-profiled for Pickerings Farm, Moss Side Test Track and Heatherleigh sites following anticipated planning delays
Total number of Housing units completed	400	371	799	On target to be met
Commercial floorspace consented (sq. m)	39,723	10,250	79,446	Original planning milestones revised for large employment sites. Completion targets unaffected
Commercial floorspace completed (sq. m)	2,372	4,602	4,745	On target to be met
Jobs accommodated - Via commercial floorspace completions*	55	107	110	On target to be met
- Construction jobs connected to Capital Investment**			245	Anticipated to be 245 based on public/private sector capital investment
Public Sector Investment (to support Infrastructure programme)	-	£15.391m	£15.850m	Contribution made up front
Private Sector Investment (to support infrastructure programme)		0	£5.522m	Target expected to be met via HCA land sale contribution
Pension Fund			£10m	Target already met in previous year

* Gross jobs based on an average of 43 sq. m per job, as per CLG guidance

** Based on one job per £86,945 of public/private capital investment



Housing outputs/forecasts

- 4.4 **Housing unit** completions continue to perform well with 371 completions to date – 136 in South Ribble against an annual target of 354, and 238 in Preston against an annual target of 445. Progress towards achieving a re-adjusted target of 799 is on track - the target has been re-adjusted due to site completions amended from the previous year, as some sites have completed ahead of schedule.
- 4.5 A significant number of completions in **Preston** are accounted for by a change of use from office to residential (72 units) and empty homes being brought back into use (53 units), and this over delivery compensates for a slight under delivery across a number of other sites. It is anticipated, however, that the annual assessment of site completions at a large number of the small sites (to be conducted at the end of the year) will confirm an increase in some of these predictions. In **South Ribble** progress is encouragingly being maintained towards completion targets and, despite there being a number of sites where construction has yet to start this year (against planned), others have completions ahead of schedule.
- 4.6 There are 12 sites (highlighted in blue on the Housing sites sheet of Appendix 1) that had no completions in the first 6 months where they had scheduled targets, although a small number of these are currently, or are soon to be on site. The reasons for these delays are wide ranging, and include commercial development technical matters, delays caused by landowners seeking housebuilder partners or planning applications either being revised or technical matters being progressed through the planning system.
- 4.7 To date, since the City Deal Negotiation Document was agreed, the number of new homes delivered is ahead of forecast - the 2014/15 actuals were greater than previously reported (with 1,063 completions against 956 previously reported against a target of 338).
- 4.8 From a **planning perspective** progress has been maintained with planning approvals in **Preston** against the annual target, with 404 consents against an annual target of 557. Three large sites in **South Ribble** are still progressing their planning applications, and for which there will be a re-adjustment of the milestones for this metric.

Commercial Floorspace outputs/forecasts

- 4.9 Year 2 targets were based on a small number of development sites, and the market for **commercial floorspace** has been more subdued, and remains so. The target this year is expected to be met, due to the bringing forward of an industrial site in Bamber Bridge (small light industrial units), whilst a target for commercial development at Cottam Hall, still going through the planning process, will not be achieved, nor will another at Eastway. However, work is underway to ensure that these sites are delivered shortly and to reflect this the targets will be re-profiled for the following year.



- 4.10 In terms of **planning** Samlesbury Enterprise Zone (covered by a Local Development Order) has had approval for a number of Prior Notice for Developments and construction has started on the Training facility (7,000 sq.m) and Logistics facility (15,000 sq. m) which are scheduled for completion late Summer 2016. Cuerden employment site has an approved Masterplan and the SRBC Site Allocations Plan was also approved in July 2015.
- 4.11 There is commercial activity to note in the City Centre with the start of construction on the Queens Shopping Park.
- 4.12 However, the commercial market is occupier-led and although there are signs of speculative development, in particular for smaller industrial units, significant other opportunities are yet to materialise. In the absence of speculative development there is evidence of a programme of refurbishment of secondary industrial property at business parks taking place until values recover.
- 4.13 Nonetheless there are encouraging market signs; occupancy rates at strategic locations and business parks (where significant levels of future outputs are expected) are in many cases high and have been bolstered by the recent letting of a large logistics unit to Amazon; there is a real shortage of available new and modern manufacturing and logistics buildings across virtually all size ranges in the key locations of the North West, whilst demand also continues to recover; there are pipeline developments at North East Preston employment sites which are being progressed through planning.
- 4.14 There have also been some recent lettings to note in the first 6 months of the year, but comprehensive market information is required to confirm the full extent of demand/lettings, benchmarking this within the North West market;
- ATOS IT Solutions (17,840 sq. ft. unit at West Strand)
 - HGS call centre operation (recruiting 450 staff at Tulketh Mill)
 - FDC Holdings (Pallet Delivery) c100,000 sq. ft. industrial unit at Lancashire Business Park
 - Test-Direct (4,261 sq. ft. office unit at Preston Docks)

Jobs

- 4.15 Related to commercial floorspace outputs, and in particular the light industrial development at Bamber Bridge, the associated **jobs** outputs are estimated at 107. However, in addition to this, year-end construction-related jobs (associated with the highways infrastructure) are estimated at 182 as per profiled (which are based on a cost-per job assessment).

Public/Private sector investment

- 4.16 A combined total £21.372m of public and private sector investment is anticipated by the end of the year; £15.85m of which is to be invested in transport infrastructure, which will result in the achievement of the infrastructure milestones below.



Supporting Outputs

4.17 The detailed list of supporting output targets enable a fuller picture to be provided on achievement and forecasts, measuring activities from pre-planning to post-implementation of projects, and the table below provides a summary of Year 2 achievements in the first 6 months of the year.

Table 2

Supporting output – 201/16	6 month target	6 month actual	Annual target	Comments
Total number of Housing units submitted for planning	1465	484	2,930	Milestones will need to be re-profiled for Pickerings Farm, Moss Side Test Track and Heatherleigh sites following anticipated delays
Quantity of Commercial floorspace from identified and agreed Employment sites submitted for planning	33,626	14,012	67,252	Planning milestones revised, from original targets, for large employment sites. Commercial floorspace completion targets will be unaffected.
Retail vacancy rates in city and town centres - Preston - Leyland	tbc	tbc	tbc	
Number of HCA sites submitted for planning permission	0	0	1	
Number of HCA sites granted planning permission	0	1	0	
Number of HCA sites where construction is actively taking place	3	3	3	
Total number of housing completions on HCA sites	38	44	76	Relates to Brindle Road/Cottam Hall
Total number of new floorspace completed on HCA sites	0	0	0	

4.18 From the **planning perspective** there will need to be revised milestones for three large sites – Pickerings Farm, Moss Side and elements of Heatherleigh/Croston Road due to delays in the submission of these planning applications.



Work is ongoing to progress these, and it is not anticipated to impact upon the start on-site dates. The masterplan for Moss Side is expected in June 2016 (housing unit completions are anticipated in year 4).

4.19 As noted above, commercial sites have been slower coming forward through the planning process, and may do so in a more phased manner than first anticipated. Nonetheless, progress is being maintained on the large employment sites where significant outputs are profiled, and completion targets remain on track.

4.20 There are positive signs of recovery in the retail sector;

- There have been a number of planning applications submitted for a range of new retail and leisure uses,
- St Georges Centre have announced a number of new lettings, including Swarovski, Tiger, Valerie Patisserie, The Entertainer and Jessops.

Infrastructure outputs/forecasts

4.21 Progress towards Highways and Transport Infrastructure and Community Infrastructure outputs are reported upon fully in the IDP Quarter 2 Monitoring Report (attached as Appendix 1), however the Stewardship Board Agreement includes specific infrastructure targets as Supporting Outputs (the major highways infrastructure projects) for which a summary update on 2015/16 milestones is provided in the table below.

4.22 It should be noted that a comprehensive Community Infrastructure Plan (CIP) is being developed where a full set of metrics and a reporting framework will be developed.

Table 3

Infrastructure Programme	2015/16 Target (Q1 + Q2)	2015/16 Actual (Q1 + Q2) Up to and including September 2015
A6 Broughton Bypass (M55 J1 & M6 J32 improvements)	Start construction drawings	Construction drawings completed
	Start Procurement process	Contract tendered
Preston Western Distributor	Continue with detailed design preparation	Detailed design preparation
	Continue with Business Case preparation	Business Case preparation ongoing
	Begin land negotiations	Land negotiations started
Penwortham Bypass	Continue with detailed design preparation	Detailed design preparation ongoing



	Begin land negotiations	Land negotiations commenced
A582 South Ribble Western Distributor Dualling	Ongoing concept design	Route adopted and approved
Public Transport Priority Corridor	2015/16 Target (Q1 + Q2)	2015/16 Actual (Q1 + Q2) Up to and including September 2015
Broughton-Fulwood (North of M55)	Concept design consultation Concept Design approval Outline design to be finalised	Concept design consultation completed Concept Design approved Outline design revised not yet finalised
Longridge/Grimsargh/Ribbleton/City Centre	Concept Design Consultation	Preparation for Concept Design consultation
Fishergate Central Gateway	Phase 2 –Lune Street to Minster Church Start on site	Construction works started and ongoing
Winckley Square THI (includes Cannon Street)	Outline Design to be agreed Planning application to be determined Ongoing Land & Property negotiations Full Business Case approval Phase 1 construction drawings to be completed , construction contract tendered and awarded	Outline design approved Full Business Case approved Phase 1: Construction drawings completed Construction contract tendered and awarded
Hutton to Higher Penwortham/City Centre	Preparation for Concept Design consultation	Ongoing preparation for Concept Design consultation
South of Lostock Lane	Preparation for Concept Design Consultation	Ongoing preparation for Concept Design consultation
Bamber Bridge /City Centre	Ongoing Concept Design consultation Concept Design approval	Slow progress with consultation Design work delayed Work continues on Outline Concept Design



Community Infrastructure	2015/16 Target (Q1 + Q2)	2015/16 Actual (Q1 + Q2) Up to and including September 2015
East Cliff Cycle Link	<p>Funding to be approved by City Deal Executive from the Community Infrastructure Plan (CIP)</p> <p>Commencement of Land and Property negotiations with Network Rail</p>	<p>Cabinet approval of additional CIP funding</p> <p>Land and Property negotiations underway</p>
St Catherine's Park	<p>Concept Design consultation and approval</p> <p>Planning application to be submitted</p> <p>Funding to be approved</p> <p>Procurement of Memorial</p>	<p>Concept Design approved</p> <p>Planning application submitted</p> <p>Funding approved</p> <p>Build has begun, completion of Memorial on target</p>

5. Monitoring Context

Local context

5.1 It was previously reported that, nationwide, tougher mortgage rules and a shortage of labour and materials had hit housebuilding over the past year, which represent some of the local challenges the City Deal area also faces. Some of these may be beyond the ability of local partners to directly influence (but will be important to report against), whilst there will be certain areas where local intervention can make a positive, albeit in cases limited, impact. In the immediate time period these issues remain relevant to the City Deal programme.

Risks

5.2 Whilst the City Deal Infrastructure Delivery Programme will deliver the critical infrastructure required to enable the full development of significant housing and commercial development schemes, the success of the programme (in so far as achieving its agreed core outputs) is subject to a series of cost, resource and timing risks associated with the infrastructure elements with other planning, commercial, policy and political risks associated with the whole programme but with particular relevance to the achievement of core outputs.

5.3 Any risks associated with the delivery of the key infrastructure is reported upon separately, and the completion dates for strategic highways are noted elsewhere.



5.4 The City Deal Programme area is a clearly defined city-area and as such is a tightly drawn geography subject to usual market forces and competition, with the result that development activity can and does vary from year to year.

It should be noted that there have been recent significant developments at Matrix Park, Buckshaw Village, South Ribble and Preston East which has boosted local commercial accommodation supply, therefore it is not surprising that there is a period of 'stock taking', especially in this economic climate, whilst demand and commercial values recover.

5.5 The risks that are more specific to housing and commercial development activity are reported below;

Planning risks

Risk	Mitigation
Planning Framework	<p>The City Deal area is supported by a Central Lancashire Core Strategy (2010-2026) that provides an over-arching development and planning framework, with a Local Plan for each of Preston and South Ribble offering more detailed policy on sites. The Community Infrastructure Levy (CIL) is also now in place.</p> <p>North West Preston development sites are covered by a Masterplan that was approved in February 2014, and which provides a comprehensive framework to guide the development process.</p> <p>A City Centre Action Plan covering a range of commercial sites has been prepared and submitted for examination.</p> <p>Other site masterplans have also been prepared for a number of large sites.</p>
Planning permissions not being consented and/or progressed through the planning system sufficiently quickly	<p>Planning consents are already in place for over a third of the housing planning permissions, and 10 year targets have been reviewed and updated which will enable an efficient and manageable processing of future planning submissions avoiding any unnecessary delays.</p> <p>However, it is recognised that greater priority needs to be given to progressing, in particular, large housing site planning applications and the discharge of conditions.</p> <p>More co-ordinated and efficient ways of handling</p>



	these priority sites are being investigated and are subject to consideration within a separate Resources Review report.
Planning officer capacity	<p>Housing Zone status has also been established for sites in Preston City Centre that cover c750 units, and will enable progress.</p> <p>As per above, capacity issues have been identified, in particular in specialist areas, which are subject to consideration within a separate Resources Review report.</p>
Infrastructure	A North West Preston Infrastructure Group has been established with the major house builders and land-owners to co-ordinate development and resolve land equalisation matters.

Commercial risks

Risk	Mitigation
Planning support	<p>Enterprise Zone is covered by a Local Development Order, and a number of Prior Notice for Developments have been completed to allow construction start on the Training facility and Logistics facility.</p> <p>Cuerden employment site has an approved Masterplan and SRBC's Site Allocations Plan was also approved in July 2015.</p>
Low commercial values	As speculative build remains low stock continues to be reduced which is supportive of the recovery of rental values with an anticipated increase in demand. A City Deal Marketing & Communications Strategy, co-ordinated with LEP-wide strategic marketing activity, will also support the increase in investor, developer and occupier demand.
Supply phasing	<p>Partner working groups, partnerships and alliances have been formed to share market intelligence and support the phasing of development activity to help co-ordinate sustainable development, particularly on the major employment sites.</p> <p>An outline development study has been produced with commercial land owners at Preston North East with the purpose of understanding constraints, aligning developer interests and identifying potential land uses to support incremental development.</p>
Investor awareness	A City Deal Marketing & Communications Strategy is being implemented to raise the profile of the City Deal area, and its impact on the Lancashire economy, on a local, regional and



	national level. Events include a 3 rd City Deal Investor & Developer Forum and a planned Lancashire Business View City Deal event.
--	---

Delivery risks

Risk	Mitigation
HCA site delivery	HCA has undertaken a detailed in-house resource capacity review and have streamlined their site disposal processes.
Site take-up/market demand is slower than anticipated	<p>HCA sites are being de-risked via a package of measures e.g. title due diligence, securing planning, and full engagement with agents and legal team in all land transactions.</p> <p>Carry out regular soft market testing to understand market trends i.e. the current position and future forecasts, and respond accordingly.</p> <p>City Deal Investor and Developer Forums held to ensure house developers and other investors are aware of City Deal site disposal opportunities.</p>
Housing and commercial construction and skills capacity	<p>A LEP Skills Hub has been established in order to understand skills and employment priorities, and introduce interventions to support industry to recruit and retain a skilled and productive workforce. The City Deal Skills and Employment Group will take City Deal-specific elements forward.</p> <p>A Construction Hub has also been established with one of its aims to build capacity within the local construction sector, including technical development.</p>

Policy & Political risks

- 5.6 It was noticeable that there was a slowdown in development activity prior to the election which was not unexpected but, given the anticipated continuation of planning policies and ongoing confidence in the market, 'business as usual' is likely to resume.
- 5.7 The housing market, particularly with relation to certain sectors of the market, will be more sensitive to developments and changes with Government policy which may have a bearing upon, for example, affordable housing, specific housing types and locations or the ability of different groups to enter the housing market.
- 5.8 For example the Right to Buy/Starter Homes policies may have local or site specific effects, whilst the expansion of the Help to Buy Equity Loan Scheme could present opportunities to help stimulate the market.



5.9 The Monitoring Group will begin to examine some of these possible effects and how it may impact upon the housing build programme and sales.

Risk	Mitigation
New Bonus/CIL/NNDR change – risk of Government policy change may reduce resources	This risk will be managed through negotiation between Government, the LEP and CD local authorities
Political administration change	This risk has been mitigated by the respective Cabinets for each of the 3 CD local authorities endorsing the CD. City Deal governance arrangements provide the mechanism for managing this.



6. Future Monitoring Activity

6.1 In order to effectively monitor the City Deal programme and provide meaningful information to the Executive/Stewardship Board in order for it to

be able to, firstly, review the performance of the programme; secondly, inform the ongoing delivery of strategic infrastructure as per the IDP and; thirdly, report back to the LEP and Government on broad achievements and investment benefits, the Monitoring Group will undertake a programme of activities in 2015/16 set within the context of the revised reporting requirement to HMG;

- Review of metrics, to encompass outputs indicators that will support a better understanding of;
 - i) economic impacts,
 - ii) social value, and
 - iii) individual housing and employment site metrics.
- Ongoing review of stakeholder monitoring requirements (HMG) and information needs (LEP),
- Development of a Terms of Reference to reflect the broader monitoring task as per the above, and the additional linkages with other associated groups (for example the LEP Skills Hub and Construction Hub).

- 1 - North West Preston
- 2 - North East Preston
- 3 - Preston City Centre
- 4 - Penwortham and Lostock Hall
- 5 - Bamber Bridge
- 6 - Leyland and Cuerden

-  Housing Developments
-  Employment Sites



CITY DEAL
Preston, South Ribble & Lancashire

APPENDIX 1:

**Year 2, Quarter 2 Project
Status Report**

PRESTON, SOUTH RIBBLE AND LANCASHIRE CITY DEAL

Highways & Transport Infrastructure Quarterly Monitoring Report

To	City Deal Executive	Programme Manager	Sarah Parry
Project/Programme Name	Preston, South Ribble and Lancashire City Deal	Reporting Period	Quarter 2 - 1 st July 2015 - 30th September 2015

ZONE	DEVELOPMENT	SCHEME	IDP Pg No.	LEAD ORGANISATION	LEAD OFFICERS	MILESTONE	Activity Timeline				RAG RATING		KEY DELIVERABLES ACHIEVED THIS QUARTER - YEAR 2, QUARTER 2	SUMMARY STATEMENT THIS QUARTER - YEAR 2, QUARTER 2 (please include whether the scheme is on programme and on budget. Where there are issues including slippage, please state how this will be addressed)	KEY DELIVERABLES/MILESTONES PLANNED FOR NEXT QUARTER - YEAR 2, QUARTER 3
							QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	ACTUAL RAG FOR QUARTER 2	PREDICTED RAG FOR QUARTER 3			
Zone 1 - North West Preston	Highways and Transport Hubs	Broughton Bypass	20	LCC	Martin Galloway	Business Case	Full Business Case approved			12			Key deliverables/milestones for Q2, construction drawings were completed and the contract tendered for in Quarter 2. 1. Secretary of State confirmed CPO and SRO on 17th July 2015 2. 2nd September DC committee approved discharge of Planning conditions. 3. The challenge period for the CPO expired on 4th September 2015. 4. Tenders returned on 11th September 2015. 5. Business case finalised for October TfL and LEP Board decisions, and published on website.	Scheme is on programme with all target deadlines met Tender price is in line with construction estimate and therefore on budget	Approval of funding based on submitted business case at TfL 2nd October 2015 and LEP Board 6th October 2015 Cabinet Member approval to accept Tender and signing of contract is scheduled for 10th November 2015. Access to land is programmed for 7th December 2015.
						Land Assembly	Land Access under CPO powers (after inquiry)			9					
						Procurement	10 - Construction drawings completed and contract tendered 11- Construction contract awarded		10	11					
						Works	Start on site				13				
	Highways and Transport Hubs	PWD	24	LCC	Phil Wilson	Plan	Detailed Design Preparation						Preparation for Detailed Design is ongoing. Structural concept agreed Work is ongoing for submission of planning application in Q4 Business Case preparation for submission is on target Y3 Q2 Land negotiations progressing well. No issues identified	Overall progress is good Scheme on programme and on budget No risks or issues identified	Appointment of ECI subject to approval from Cabinet Member at Nov. DMS Continue with land negotiations Preparation for Q4 Public Consultation and Planning Application submission
						Planning Application	Outline Design agreed (Planning Application Submission)				3				
						Business Case	Major scheme Business Case prepared and submitted								
						Land Assembly	Commencement of Land and Property negotiation	7							
	Highways and Transport Hubs	East West Link	28	LCC	Phil Wilson	Plan	Outline Design agreed (Planning Application Submission)						Preparation for Detailed Design is ongoing. On programme and with no risks identified Work is ongoing for submission of planning application in Q4 Land negotiations progressing well. No issues identified	Overall progress is good Scheme on programme and on budget No risks or issues identified	Appointment of ECI subject to approval from Cabinet Member at Nov. DMS Continue with land negotiations Preparation for Q4 Public Consultation and Planning Application submission
						Planning Application	Detailed Design submitted and determined								
						Land Assembly	Land negotiations/land assembly								
						Procurement	Contract drawn up and tendered								
	Highways and Transport Hubs	Cottam Parkway	30	LCC	Phil Wilson	Plan	Concept Design and Consultation			1			Ongoing negotiations on design delivery	Good progress made Scheme is on programme and on budget	Concept Design Consultation to be completed Preparation for Outline Business case to start in Q4
Business Case						Outline Business Case for funding submitted				4					
Public Transport and Priority Corridor/Local Centres	Broughton /Fulwood North	32	LCC/PCC	Martin Galloway	Plan	1 - Concept Design and Consultation 2 - Concept Design approved 3 - Outline Design agreed (Planning Application Submission)	1 - 2		3			Outline design revised - but not yet finalised.	Submission of Planning Application now anticipated to be Q4 ,slippage is due to rescheduling of Public Engagement Events	Finalise outline design. Public engagement event likely early December. Planning application submission in Quarter 4.	
Public Transport and Priority Corridor/Local Centres	Broughton /Fulwood South	34	LCC/PCC	Phil Wilson	Plan	Concept Design and Consultation						N/A	N/A	N/A	
Public Transport and Priority Corridor/Local Centres	NW Preston/Cottam/Ingo I	36	LCC/PCC	Phil Wilson		No milestones identified this year						N/A	N/A	N/A	
Public Transport and Priority Corridor/Local Centres	Warton to PWD	38	LCC/PCC	Phil Wilson		No milestones identified this year						N/A	N/A	N/A	

Zone	Localities	Project Name	Number	Authority	Lead	Stage	Description	Q1	Q2	Q3	Q4	Notes
Zone 2 - North East	Preston	Public Transport and Priority Corridor/Local Centres	50	LCC	Phil Wilson	Plan	Concept Design and Consultation				1	
Zone 3 - Preston City Centre	Highways and Transport Hubs	Preston Bus Station and Multi Storey Car Park	58	LCC	Andrew Barrow/Jason Homan	Plan	International design competition					
						Planning Application	Outline Design agreed (Planning Application Submission)			3		
	Public Transport and Priority Corridor/Local Centres	Fishergate Central Gateway	60	LCC/PCC	Phil Wilson	Plan	1 - Concept Design and Consultation 2 - Concept Design approved					Phase 3: 1 - 2
						Business Case	4 - Outline Business Case for funding submitted 5 - Outline Business Case for funding approved			Phase 2 & Phase 3 : 4 - 5		
						Works	Phase 2 :Construction start on site					
	Public Transport and Priority Corridor/Local Centres	PWD to Samesbury	64	LCC/PCC	Phil Wilson	Plan	1 - Concept Design and Consultation 2 - Concept Design approved 3 - Outline Design agreed (Planning Application Submission)	1	2	3		
						Procurement	10 - Construction drawings completed and contract tendered 11- Construction contract awarded				10 - 11	
	Public Transport and Priority Corridor/Local Centres	Winckley Square THI	62	PCC	Chris Hayward/Nigel Roberts	Planning Application	3.Outline Design 6.Planning Application determined		3/6			
						Business Case	Outline Business Case for funding approved	5				
						Land Assembly	12.Full Business Case approved 13. Start on site		12	13		
Procurement						10.Construction drawings completed and contract tendered 11.Construction contract awarded		Phase 1 : 10-11	Phase 2 : 10-11			
Works						13.Start on site 14. Scheme complete			Phase 1 : 13-14	Phase 2 : 13		

		N/A										Concept Design Consultation
												Preparation and submission of the application for Listed Building Consent Further to the completion of the international design competition for Preston Bus Station, and the subsequent appointment of the architect and other design team members, it has not been possible to prepare both the planning and listed building consent applications for submission in Q3 as originally planned due to the amount of design development work required following the competition. This delay will provide the time for a comprehensive stakeholder consultation with all interested parties to take place and to ensure that when the applications are submitted, which will be in April 2016, the response to them is a positive as it could be. On the basis that the Bus Station is a listed building, the County Council is applying significant resources in respect of consultations with Historic England and the Principal Urban Designer at Preston City Council.
												International design competition winner announced Tender awarded to John Puttick Associates On budget
												Phase 2a to be completed Nov 2015 Cabinet Member approval (retrospective) for Funding (on risk spending) to be approved in Q3.
												Phase 2a: Construction is ongoing for the Phase 2a, Lune Street to Lancaster Road section, which is on target, within programme and on budget. Good progress is being made towards achieving milestones for Q3, these are Outline Business Case funding to be submitted and approved at the October LEP Board meeting Lune Street section is on target, no issues
												Concept Design to be approved at Nov.DMS Good progress being made Achieving over target and within budget
												Outline design to be agreed Start on site moved forward to Feb 2016 Q4, 5 months in advance of programme
												Phase 1 due for completion in Dec 2015 Phase 2: Cannon Street tender deferred to January 2016 to allow completion of Fishergate Phase 2
												Outline design approved . Planning consent is not required. Full Business Case approved as part of the Fishergate Improvements Phase 1: Construction drawings completed Construction contract tendered and awarded

Zone 4 - Penwortham & Lostock Hall	Highways and Transport Hubs	Penwortham Bypass	72	LCC	Phil Wilson	Plan	Concept Design preparation and Approval				
						Land Assembly	Commencement of Land and Property negotiation				
	Highways and Transport Hubs	Stanfield Roundabout	76-78	LCC	Phil Wilson	Works	Scheme completed		14		
	Highways and Transport Hubs	Golden Way South	76-78	LCC	Phil Wilson	Works	13 - Start on site 14 - Scheme completed	13		14	
	Highways and Transport Hubs	Tank Roundabout	76-78	LCC	Phil Wilson	Works	Start on site		13		
	Highways and Transport Hubs	Croston Road Roundabout	76-78	LCC	Phil Wilson	Works	Start on site				13
	Highways and Transport Hubs	A582 SRWD Dualling	82	LCC	Phil Wilson	Plan	Concept Design approved		2		
						Land Assembly	Commencement of Land and Property negotiation			7	
	Highways and Transport Hubs	Pickerings Farm Link Road	84	SRBC/HCA	Phil Wilson	Plan	2 - Concept Design approved 3 - Outline Design agreed (Planning Application Submission)			2	3
						Land Assembly	Commencement of Land and Property negotiation				7
					Procurement	Construction drawings completed and contract tendered			10		
Highways and Transport Hubs	New Ribble Crossing	86	LCC	Phil Wilson	Plan	Environmental and ground surveys					
Public Transport and Priority Corridor/Local Centres	Hutton/Higher Penwortham/City Centre	88	LCC/SRBC	Phil Wilson	Plan	Concept Design Consultation				1	
Public Transport and Priority Corridor/Local Centres	North of Lostock Lane	90	LCC/SRBC	Phil Wilson		No milestones identified for this year	na	na	na	na	
Zone 5 - Leyland & Cuerden	Highways and Transport Hubs	Heatherleigh & Moss Lane (Croston Road) Spine Road	98	LCC/HCA	Phil Wilson	Plan	2 - Concept Design approved 3 - Outline Design agreed (Planning Application Submission)			2 - 3	
						Procurement	10 - Construction drawings completed and contract tendered 11 - Construction contract awarded			10	11
	Highways and Transport Hubs	Cuerden Strategic Site Road Infrastructure	100	LCC	Chris Dyson	Plan	1 - Concept Design and Consultation 2 - Concept Design approved		1	2	
						Planning Application	3 - Outline Design agreed (Planning Application Submission) 6 - Planning Application determined				3 - 6
	Highways and Transport Hubs	Moss Side Test Track	N/A	LCC/SRBC	Phil Wilson/ Mike Atherton		No milestones identified for this year				
Public Transport and Priority Corridor/Local Centres	South of Lostock Lane	102	LCC/SRBC	Phil Wilson	Plan	Concept Design Consultation					
Bridge					Plan	2 - Concept Design approved 3 - Outline Design agreed (Planning Application Submission)		2	3		

		Work ongoing for detail design in all areas including ecological and environmental surveys		
		Discussions ongoing regarding playing field relocation	Progressing well and on target	
		Land purchase agreed with Lancashire Constabulary	No issues identified	
		Scheme completed	Scheme completed within timescale and budget	
		Scheme work delayed due to negotiations with landowner over land issues which have now been concluded and resolved.	Slight delay due to land issues which have now been resolved	Construction work to be restarted and scheme to complete by Y2 Q4
		Work started on site	Construction work started	Work to progress for completion
		N/A	N/A	N/A
		Route adopted and approved	On programme and on budget	Develop design and Planning application Land and Property negotiations to commence
		Draft Traffic Modelling report produced Route options being developed and analysed	On budget and on programme No issues identified	Concept Design will not be approved in Q3, this is anticipated to happen in Q4 due to ongoing discussions on scheme objectives. This should not impact on start on site which is Y3 Q3
		Work continues to Commission ground survey and scope out Environmental surveys	Good progress and on programme	Work is continuing with : 1. Commission ground survey 2. Scope out Environmental surveys
		n/a	n/a	n/a
		n/a	n/a	n/a
		Agreement on construction and adoption of Spine Road	Spine Road remains on Programme for construction completion in Year 3	Commence and complete Design detail Design to be agreed Planning application submitted Construction drawings completed
		Concept Design Consultation milestone met		
		Concept Design approved and milestone met ahead of Quarter 3 South Ribble Site Allocations Development Plan Document (DPD) approved	Q3 milestone met ahead of schedule in Q2,	Commercial discussions ongoing
		N/A	N/A	N/A
		N/A	N/A	N/A

Zone 6 - Bamber B	Public Transport and Priority Corridor/Local Centres	Bamber Bridge/City Centre	112	LCC/SRBC	Phil Wilson/Howerd Booth	Works	10 - Construction drawings completed and contract tendered				10		Slow progress with consultation and design work has delayed the project. Work continues on Outline Design		Concept Design to be developed.
-------------------	--	---------------------------	-----	----------	--------------------------	-------	--	--	--	--	----	--	---	--	---------------------------------

PRESTON, SOUTH RIBBLE AND LANCASHIRE CITY DEAL

Community Infrastructure Quarterly Monitoring Report

To	City Deal Executive	Programme Manager	Sarah Parry
Project/Programme Name	Preston, South Ribble and Lancashire City Deal	Reporting Period	Quarter 2 - 1 st July 2015 - 30th September 2015

ZONE	DEVELOPMENT	SCHEME	IDP Pg No.	LEAD ORGANISATION	LEAD OFFICERS	MILESTONE	Activity Timeline				RAG RATING		KEY DELIVERABLES ACHIEVED THIS QUARTER - YEAR 2, QUARTER 2	SUMMARY STATEMENT THIS QUARTER - YEAR 2, QUARTER 2 (please include whether the scheme is on programme and on budget. Where there are issues including slippage, please state how this will be addressed)	KEY DELIVERABLES/MILESTONES PLANNED FOR NEXT QUARTER - YEAR 2, QUARTER 3
							QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	ACTUAL RAG FOR QUARTER 2	PREDICTED RAG FOR QUARTER 3			
Zone 1 - North West Preston	Community Infrastructure	Guild Wheel Upgrade Link	40	PCC	Chris Hayward/Nigel Roberts	Planning Application	3 - Outline Design agreed (Planning Application Submission) 6 - Planning Application determined			3 - 6			Phase 1: Project delayed pending Joint partner meeting which is due to take place in Nov 2015 PCC Cabinet Approval of additional CIP funding, Sept 2015	Overall project delay , scheme to be progressed as high priority in Q3	Joint discussions to be held and way forward to
						Business Case	Concept Design and Consultation	1							
						Procurement	10 - Construction drawings completed and contract tendered 11 - Construction contract awarded 3 - Outline Design agreed (Planning Application Submission) 7 - Commencement of Land and Property negotiation		Phase 1 : 10 - 11	Phase 2 : 10 - 11	Phase 3 : 7				
	Community Infrastructure	Lancaster Canal Towpath/Cycle Improvement	42	PCC	Chris Hayward/Nigel Roberts	Business Case	1 - Concept Design and Consultation 2 - Concept Design approved 3 - Outline Design agreed (Planning Application Submission)		1 - 2		3		Project delayed pending Joint partner meeting which is due to take place in Nov 2015 PCC Cabinet Approval of additional CIP funding, Sept 2015	Overall project delay , scheme to be progressed as high priority in Q3	Joint discussions to be held and way forward to
						Procurement	10 - Construction drawings completed and contract tendered 11 - Construction contract awarded			10 - 11					
						Works	Start on site				13				
Zone 2 - North East Preston	Community Infrastructure	Grimsargh Green	52	PCC	Chris Hayward/Nigel Roberts	Plan	2 - Concept Design approved 3 - Outline Design agreed (Planning Application Submission)		2 - 3			Concept design approved Outline design agreed	On programme and budget Planning application not required	Construction drawings completed and Contract tendered Construction contract awarded Report to Cabinet to confirm project in Capital programme and agree future maintenance requirements	
						Procurement	10 - Construction drawings completed and contract tendered 11 - Construction contract awarded			10 - 11					
						Works	13 - Start on site 14 - Scheme completed				13 - 14				
Zone 3 - Preston City Centre	Community Infrastructure	East Cliff Cycle Link	66	PCC	Chris Hayward/Nigel Roberts	Planning Application	3 - Outline Design agreed (Planning Application Submission) 6 - Planning Application determined			3 - 6		Land and Property negotiations underway PCC Cabinet Approval of additional CIP funding	On programme and budget CPO not required	Completion of project brief for bridge replacement and appointment of consultants Outline Design to be agreed Planning application to be agreed	
						Business Case	4 - Outline Business Case for funding submitted 5 - Outline Business Case for funding approved	4 - 5							
						Land Assembly	7 - Commencement of Land and Property negotiation 9 - Land access under CPO powers (after inquiry)		7	9					
						Procurement	Full Business Case approved				12				
						Works	Start on site				13				
	Community Infrastructure	Winckley Square Gardens	62	PCC	Paul Crowther	Planning Application	3 - Outline Design agreed (Planning Application Submission) 6 - Planning Application determined		3 - 6			Outline design agreed and planning application submitted. Slight delay with planning approval which is now expected in Dec 2015/Jan 2016 Construction drawings and contract award now anticipated in Q3 due to ongoing discussions regarding liabilities Full Business case approved	Phase 2: Expected delay to start on site due to nesting season, scheme to start again in Q4 Planning Application for Tree works to go to Dec Planning Committee for approval , for work to start in Q4		
						Business Case	Outline Business Case for Funding Approved	5							
						Land Assembly	12.Full Business Case approved 13. Start on site		12	13					
						Procurement	10 - Construction drawings completed and contract tendered 11 - Construction contract awarded		Phase 1 : 10 - 11	Phase 2 : 10	Phase 2 : 11				
						Works	13 - Start on site 14 - Scheme completed			Phase 1 : 13-14	Phase 2 : 13				

Zone 4 - Penwortham & Lostock Hall	Community Infrastructure	Landmark Features	92	SRBC	Denise Johnson/Howerd Booth	Plan 1 - Concept Design and Consultation 2 - Concept Design approved	Phase 1 : 1 - 2		Phase 2: 1	Phase 2: 2			Placement and timings have been discussed with Phil Wilson for both the Lorrypop and Leyland Tractor. This will enable designs to be progressed prior to planning applications.		Detailed design , eco and topo surveys underway for Planning application for the Phase 3 Leyland Tractor. Lorry Pop design requires structural reports to inform design options.
Zone 5 - Leyland & Cuerden	Community Infrastructure	St Catherine's Park	104	SRBC	Denise Johnson/Howerd Booth	Plan 1 - Concept Design and Consultation 2 - Concept Design approved	1 - 2						Build has begun. Completion of the borough memorial is on schedule for completion by 11th Nov (Remembrance day) Completion of the Park is due Dec/Jan with an opening planned after the flowers have grown in Spring/early Summer.		Completion of Borough Memorial Completion of the Park now not expected until June 2016
						Planning Application 3 - Outline Design agreed (Planning Application Submission) 6 - Planning Application determined	3 - 6								
						Business Case 4 - Outline Business Case for funding submitted 5 - Outline Business Case for funding approved	4 - 5								
						Land Assembly 7 - Commencement of Land and Property negotiation 9 - Land access under CPO powers (after inquiry)	7 - 9								
						Works 13 - Start on site 14 - Scheme completed			13	14					
	Community Infrastructure	Worden Park Improvements	106	SRBC	Denise Johnson/Howerd Booth	Plan 1 - Concept Design and Consultation 2 - Concept Design approved	Phase 1 : 2			Phase 2 : 1 - 2			Build has begun. Entrance work is underway and the scheme is on schedule for completion in 2015.		Scheme completion Dec 2015
						Works Phase 1: Scheme completed				14					

PRESTON, SOUTH RIBBLE AND LANCASHIRE CITY DEAL

Housing Sites: 6 Monthly Progress Report

To	City Deal Executive	Programme Manager	Sarah Parry
Project/Programme Name	Preston, South Ribble and Lancashire City Deal	Reporting Period	1 st April 2015 - 30th September 2015

ZONE	SCHEME	City Deal Reference Number	Developer	Year 2 Projected Housing Completion	Progress to date	Expected Progress in Q3
Zone 1 - North West Preston	Cottam Hall	Cottam Hall - Site K)	H1b BDW Trading	71	Construction started 2014/15 23 homes completed at end of Year 1. 15 homes completed at end of Sept 2015	
		Cottam Brickworks	H1a Tesco Stores Ltd & Cottam Hall Properties			Planning application expected in March 2016 for 51 affordable homes and possibly to be followed by one for market housing
	Haydock Grange	H4e Taylor Wimpey	30	Construction of Phase 1 build (205 homes) started 11 homes completed at end of Sept. 2015		
	Maxy House Farm	H4d Wainhomes Developments Ltd	15	Currently Under construction, no completions at end of Sept. 2015	First homes constructed	
	Lightfoot Lane	H4f Redrow Homes	15	Construction of Phase 1A started 2015/2016 5 homes completed at end of Sept 2015		
	Hoyles Lane	H4c CEG Land Promotions Ltd			Reserve Matters application expected in 2016/2017	
	Eastway	H4b Hollins Strategic Land LLP	15		Awaiting Reserve Matters application	
	Lighfoot Green Lane	H4g Connemara	15		Reserve Matters application decision to be made	
	Land off Our Lady's High School	H4i Hollins Strategic Land LLP	15	Currently under construction as building machinery on site, no foundations laid. (Sept 2015)	Foundations to be laid	
	Sandyforth Lane	H4j David Wilson Homes Ltd & Property Capital Plc	15	Some amended plans received	Revised scheme submission expected for application approval Expected decision of Full application	
	Lime Chase	H4h Charles Church Hollins		67 homes completed so far, site near completion: 51 homes completed at end of 2014/2015 16 homes completed at end of September 2015	Last of the 3 remaining homes to be completed 2015/2016. Site completed	
Zone 2 - North East Preston	Sharoe Green Hospital	H55 Kingsfold Developments Ltd		Construction on site began 2014/2015 20 homes completed at end of 2014/2015 Work has stalled on site though conversations are being had with developer	Continue with conversations with the developer	
	Whittingham Hospital (Phase 1)	H7 Taylor Wimpey	40	Phase 1 under construction		
	Land North off Whittingham Road	H8a Gladman Developments		Outline planning permission granted	Reserve Matters application is expected	
	Land South off Whittingham Road (Moss Farm)	H8 David Wilson Homes Ltd	18	Construction started on site (for 78 homes) in 2014/2015 2 homes completed at end of 2014/2015 12 homes completed at end of Sept. 2015		
	Inglewhite Road	H8b Gladman Developments		Outline planning permission granted	Reserve Matters application submitted	

ZONE	SCHEME	City Deal Reference Number	Developer	Year 2 Projected Housing Completion	Progress to date	Expected Progress in Q3
Zone 3 - Preston City Centre	Former St Joseph's Orphanage		PCC/Developer		Approved scheme in place but no developer interest to implement. Issues over poor condition of building and owners expectation of value holding up delivery.	PCC to commission Keppie Massie to obtain market valuation for site.
	Avenham Car Park		PCC/Developer		Applicant submitted scheme but issues with design. Needs a revised application	Appoint consultants to undertake Stonegate Masterplan work
	Former Tulketh High School	H51	PCC/Developer		Relocation of phone mast needed prior to making full application.	Agreement to be reached with EE on new mast location.
	Argyll Road Depot	H9	PCC/Developer		Complex site - PCC working with HCA to deliver viable masterplan for site	Undertake soft market testing with developer(s) through HCA's DPP2 Panel
	Winckley and Guild House (Winckley Square Opportunity Area)		PCC/Developer		HCA considering funding PCC to acquire properties for conversion to housing	Agreement on values and sale
	Alliance Mill, New Hall Lane (aka as Tetrad Mill, aka known as Somic Factory)	H45	PCC/Developer		Approval of 68 affordable homes on site of former Alliance Mill	Signing of S106 Agreement
Zone 4 - Penwortham & Lostock Hall	Lostock Hall Gasworks	H19	Morris Homes	40	Discharge to conditions expected imminently.	
	Pickerings Farm	H5	SRBC/Developer		Awaiting feedback from LCC Highways in respect of highway modelling work. This will then enable production of a masterplan	Modelling Report to be shared by LCC to help develop Masterplan
	Vernon Carus	H17	Bovis		Finalising Heads of Terms of the s106 agreement.	Heads of Terms to be finalised
	Wateringpool Lane	H27	Morris Homes North Ltd	39	Approval for 80 homes Close to completion of 2 Show Homes Sept 2015)	2 Show Homes completed
	Land off the Cawsey	H30	Rowland Homes	30	55 Homes completed so far: 16 homes completed at end of 2014/2015 39 homes completed at end of Sept. 2015	
	Liverpool Road/Jubilee Road	H40	Redrow & Hollinwood		Site completed in October 2014: 72 homes completed at end of 2014/2015	
	Land off Claytongate Drive	H22	SRBC/Developer		Permission granted for access through another site. No further application submitted to date.	
	Gas Holders, Lostock Hall	H24	SRBC/Developer		Land has recently been remediated. No application submitted to date.	
	Land off Long Moss Lane	H31	Wainhomes (North West) Ltd		Site completed in October 2014: 27 homes completed at the end of 2014/2015	
	South of Longton Hall	H32	SRBC/Developer		No developer interest in the site currently	
	Land off Liverpool Road, Hutton	H33	SRBC/Developer		Awaiting submission of application.	
	Land at Longton Hall, Chapel Lane	H39	Agents: Lee Hough		No application submitted	None for Q3 Planning Application expected in 2016 Development expected to start 2017/2018

ZONE	SCHEME	City Deal Reference Number	Developer	Year 2 Projected Housing Completion	Progress to date	Expected Progress in Q3	
	Land off School Lane	H38			No application submitted. Ransom issues causing delay		
	Rear of Chapel Meadow, Longton	H35	Wainhomes North West Ltd		Site completed in March 2015: 14 homes completed at the end of 2014/2015		
	Lostock Hall Primary, Avondale Drive	H41	SRBC/Developer		Dependent on LCC wanting to dispose of asset. No application submitted.		
Zone 5 - Leyland & Cuerden	Moss Side Test Track	H3	SRBC/Developer		Currently subject to discussions with County Highways.	Ongoing contract discussions.	
	Croston Road North - Southern Section (North of Bannister Lane & rear of 398 - 414 Croston Rd)	H2	Wainhomes North West Ltd		Croston Road North Section: s106 discussions very near completion, meeting held to finalise the details and sign off which is envisaged to be by mid October	Croston Road North Section: Signed s106	
	Croston Road South - Northern Section (Land between Heatherleigh & Moss Lane, aka Croston Road/South of Bannister Lane, aka Croston Road South aka Rear of 2 Leyland Lane - 420 Croston road North of Heatherleigh)	H2a	Private		Croston Road South Section Conditional Legal Agreement and preferred Developer in place. Good progress is being made and work is moving forward on target	Croston Road South Section: Reserve Matters application to be finalise and ready for submission to SRBC	
	Grasmere Avenue	H18	Bracken House Properties LLP		Outline application permission 07/2011/0711/ORM is due to expire March 2016.		
	Wheulton Lane	H15	Ainscough Brothers LLP & Taylor Wimpey	50	Construction started on site (for 234 homes) in 2014/2015 : 48 homes completed at end of 2014/2015 18 homes completed at end of Sept. 2015		
	Land south of Centurion Way	H21 & H21a	Miller Homes	29	Site completed in Sept. 2015 (68 homes): 19 homes at the end of 2012/2013 17 homes at the end of 2013/2014 23 homes at the end of 2014/2015 9 homes at the end of Sept. 2015		
	Former Prestolite site	H23 & H23a	Rowland Homes	31	Site completed in March 2015 (79 homes): 39 homes completed at the end of 2013/2014 40 homes completed at the end of 2014/2015 SITE COMPLETED AHEAD OF SCHEDULE		
	Roadferry Depot	H25	Peel Holdings	27		Reserved Matters application submitted	
	Group One Site	Group One - Land to the West of Central Avenue	H14b	Persimmon Homes		Site completed in March 2015 (220 homes): 24 homes completed at end of 2012/2013 106 homes completed at end of 2013/2014 90 homes completed at the end of 2014/2015	
		Group One - Eastern section of Parcel H5	H14c	Stewart Milne Homes			
		Group One - Land off Wigan Road	H14d	Bloor Homes NW Ltd			
		Dunkirk Mill aka Expac Factory	H26	Neil Kay Properties		Renewed Planning application made with a new timescale of 5 years and accepted for 35 Homes with a s106 agreed in March 2015 .	
		LCC Offices, Brindle Road	H34	Persimmon Homes		Site completed in Sept. 2015 (34 homes): 29 homes completed at the end of 2014/2015 5 homes completed at the end of Sept. 2015	
		Rear of Dunkirk Mill	H37			No application submitted.	
	er Bridge	Wesley Street Mill	H12			Site demolished by end of September 2015	Site clearance to allow construction
Land off Brindle Road		H13	Persimmon Homes			Planning Application to be re-submitted by year end.	

ZONE	SCHEME	City Deal Reference Number	Developer	Year 2 Projected Housing Completion	Progress to date	Expected Progress in Q3
Zone 6 - Bambe	Arla Dairy - School Lane	H16	Persimmon Homes	40	121 homes out of 209 completed so far: 35 homes completed at the end of 2013/2014 45 homes completed at the end of 2014/2015 41 homes completed at the end of Sept 2015	
	Coupe Foundry	H29	Harrow Estates PLC		Previous planning application has expired. No further application submitted.	
	Fishwick's Depot (also known as Former Fishwick's Garage)	H20	Primrose Holdings Ltd		13 out of 33 homes so far: 13 homes completed at the end of Sept 2015	

PRESTON, SOUTH RIBBLE AND LANCASHIRE CITY DEAL							
Employment Sites : 6 Monthly Progress Report							
To	City Deal Executive			Programme Manager		Sarah Parry	
Project/Programme Name	Preston, South Ribble and Lancashire City Deal			Reporting Period		1st April 2015 - 30th September 2015	
ZONE	DEVELOPMENT	Responsible Officers	Year 2 Projected Commercial Floorspace (sqm)	Year 3 Projected Commercial Floorspace (sqm)	Year 4 Projected Commercial Floorspace (sqm)	Progress to date	Expected Progress in Q3
	Samlesbury EZ	Chris Dyson LCC /Rachel Peckham (SRBC)		19,360	18,000	First 2 units have begun construction on site - due for completion August 2016	Start on site for 2 BAE units - approx 22,497 sq m
1	Eastway	HCA	215	405	454		
	Cottam Hall Supermarket	HCA	4,366	0	0		
	Cottam Hall - Other	HCA	164	308	346		
	Whittingham Hospital	HCA					

ZONE	DEVELOPMENT	Responsible Officers	Year 2 Projected Commercial Floorspace (sqm)	Year 3 Projected Commercial Floorspace (sqm)	Year 4 Projected Commercial Floorspace (sqm)	Progress to date	Expected Progress in Q3
2	Preston East	HCA	0	0	0		
	Red Scar	Nigel Roberts on behalf of Tustin Developments	0	0	0	Confirmation of site within Local Plan	Contact owner/agent to explore future plans
	Roman Road Farm	Nigel Roberts on behalf of Mr W Dobson c/o Janet Dixon Town Planner	0	0	0	Confirmation of site within Local Plan	Contact owner/agent to explore future plans
	Bluebell Way	Gary Pearse LCC	0	0	18,211		Consideration to be given to placing land for sale on the open market.
3	UCLan	Nigel Roberts PCC/Paul Morris (UCLAN)	0	0	0		
	Preston CBD	Nigel Roberts PCC	0	0	8,000	Work with private sector to bring forward new Grade A office development	Complete marketing brochure for site
	Preston CBD	Nigel Roberts PCC	0	0	0		
	Winckley Square - Phase 1	Nigel Roberts PCC/ Gary Pearse LCC	0	6,431	0	Ongoing LCC discussions with PCC regarding potential disposal for residential PRS PCC discussions with private sector on need/demand for floorspace	LCC : Third party valuation to be obtained. PCC: City Centre Plan Examination to take place Nov 2015
	Winckley Square - Phase 2		0	0	0		City Centre Plan Examination to take place Nov 2015
	City Centre North	Nigel Roberts PCC	0	0	3,000		City Centre Plan Examination to take place Nov 2015

ZONE	DEVELOPMENT	Responsible Officers	Year 2 Projected Commercial Floorspace (sqm)	Year 3 Projected Commercial Floorspace (sqm)	Year 4 Projected Commercial Floorspace (sqm)	Progress to date	Expected Progress in Q3
	City Centre North	Nigel Roberts PCC	0	0	0		City Centre Plan Examination to take place Nov 2015
	Horrockses	Nigel Roberts PCC	0	3,820	0	Approval of Phase I scheme for construction of supermarket	City Centre Plan Examination to take place Nov 2015. Construction of Ph 1 commencing on site
	Horrockses		0	1,178	0		City Centre Plan Examination to take place Nov 2015
4	Cop Lane, Penwortham	Rachel Peckham SRBC	0	3,251	0	None in last 6 months	Potential submission of application for retail in next quarter.
	Pickerings Farm	HCA	0	0	0		
5	Cuerden - Phase 1	Chris Dyson LCC/ Rachel Peckham (SRBC)	0	0	0	Site Masterplan approved SRBC Site Allocations DPD approved	
	Cuerden - Phase 2		0	0	0		
	Lancashire Business Park	Gary Pearse LCC	0	0	0		
	Moss Side Test Track	Rachel Peckham SRBC	0	0		None in the last 6 months	None
6	South Rings	Rachel Peckham SRBC	0	5,444	6,750	Development commenced on 5,444 sqm of employment/commercial units	5444 sqm completed.

CITY DEAL

Finance Monitoring Report

Quarter 2 2015-16

Section A : 10 year Infrastructure Delivery fund (IDF) - current forecasts as at 30th September 2015

NB - expanded to show the 5 year extension period

1. Surplus / (Deficit)

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		Year 11	Year 12	Year 13	Year 14	Year 15	
Total	Pre-2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		£m	£m	£m	£m	£m	
Surplus/(Deficit)	-6.856	0.292	4.201	5.149	-28.034	-18.383	-7.343	-21.681	11.77	10.918	15.214	13.214		4.11	1.759	1.959	0	0
Cumulative Surplus/(Deficit)		0.292	4.493	9.642	-18.392	-36.775	-44.118	-65.799	-54.029	-43.111	-27.897	-14.683		-10.573	-8.814	-6.855	-6.855	-6.855

Key changes in surpluses and deficits.

-0.938

The deficit of 938k as at March 15 has moved by the following key items

1 inclusion of PBS into the IDF of expenditure of £15.042m and income of £6m	-9.042
2 adjustments to planned work on fisher gate central - additional expenditure of £3.6 and additional income of £5.9m from Growth deal and £0.221m from ERDF funding	2.521
3 Revised expenditure forecast on A582 south Ribble Western distributor of £0.829m	0.957
4 certain items of Revenue spend (transport modelling , HCA loan interest etc.) are now shown within the model - to date £0.094m ; these were previously paid from LCC revenue budgets and eff	-0.3
5 Reductions in CIL monies (£0.003) and S106 agreements (£0.085) - Preston	-0.088
6 various minor adjustments on forecast expenditure over schemes	0.035

The current deficit as at 30th September 2015 is £ 6.855m

-6.855

2. Expenditure Breakdown

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		Year 11	Year 12	Year 13	Year 14	Year 15
Total	Pre-2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		£m	£m	£m	£m	£m
Delivery Programmes																	
North West Preston																	
NW Preston Green Infrastructure	5.256	-	-	1.051	0.601	0.601	0.601	0.601	0.601	0.601	0.601						
Further Community Infrastructure	4.944	-	0.038	0.650	0.690	0.595	0.595	0.595	0.595	0.595	0.595						
East-West Spine Road	9.800	0.141	0.659	4.500	4.500												
Preston Western Distributor M55 to A583, M55 Junction 2 & Land Assembly	104.500	0.197	0.994	1.009	1.000	7.100	47.100	47.100									
Cottam Parkway	15.000		0.004					1.496	8.000	5.500							
Whittingham / Broughton / Preston East																	
A6 Broughton Congestion Reduction	24.283	3.189	0.892	2.351	16.514	1.337											
M55 Junction 1 Roundabout	1.716	1.602	0.114														
M6 Junction 32	8.000		8.000														
Preston City Centre																	
Preston Bus Station	23.640	0.003	0.211	1.110	10.608	11.708											
Fishergate Central Gateway	7.000	1.746	1.744	2.116	1.360	0.034											
South Ribble																	
Pickerings Farm Link Road	4.500		0.050	1.250	3.200												
Moss Side Test Track Road Infrastructure	2.050				0.025	2.025											
Land Between Heatherleigh and Moss Lane Spine Road	1.000		0.500	0.500													
Cuerden Strategic Site Road Infrastructure	5.050		0.050	5.000													
Community/ Green Infrastructure	7.400	-	0.645	0.993	0.823	0.823	0.823	0.823	0.823	0.823	0.823						
A582 South Ribble Western Distributor/ B2523 Flensburg Way	44.543	0.152	5.841	4.371	2.309	1.125	15.395	15.350									
Completion Penwortham Bypass	17.500	0.019	0.227	0.750	0.350	16.154											
New Ribble Bridge - Preliminary Works & Route Protection	2.000		0.005	0.750	0.250	0.250	0.745										
South Ribble Other	5.000											5.000					
Education Infrastructure - Preston																	
Education Infrastructure - Preston	28.495			6.739	0.018	0.018	0.018	5.426	5.426	5.426	5.426						
Education Infrastructure - South Ribble	11.203			3.629	0.386	0.386	0.386	1.604	1.604	1.604	1.604						
Community Provision - Preston CC																	
Community Provision - Preston CC	8.031		0.803	0.803	0.803	0.803	0.803	0.803	0.803	0.803	0.803						
Community Provision - South Ribble BC	4.922		0.492	0.492	0.492	0.492	0.492	0.492	0.492	0.492	0.492						
Public Transport Corridors & Local Centres- Preston																	
Public Transport Corridors & Local Centres- Preston	12.125	0.250	0.028	0.140	1.925	7.700	0.082	0.250	1.750								
Public Transport Corridors & Local Centres- South Ribble																	
Public Transport Corridors & Local Centres- South Ribble	12.125	0.250	0.068	0.380	2.950	1.125	4.750	2.602									
CL Transport Modelling costs																	
CL Transport Modelling costs	0.150	-	-	0.070	0.030	0.030	0.020										
Revenue costs to be included in City Deal																	
Revenue costs to be included in City Deal	0.094	-	-	0.014	0.010	0.010	0.010	0.010	0.010	0.010	0.010						
Cost of Capital																	
Cost of Capital	10.659		- 0.079	0.226	0.698	0.940	1.212	1.308	1.116	0.945	1.178		1.049	1.271	0.793	-	-
Total Delivery Programmes	380.986	7.408	19.564	16.219	63.139	58.809	74.784	71.738	21.411	16.970	11.298	16.531	1.049	1.271	0.793	-	-

3. Revenue Breakdown

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		Year 11	Year 12	Year 13	Year 14	Year 15
Total	Pre-2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25	2025/26	2026/27	2027/28	2028/29
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		£m	£m	£m	£m	£m
Resources																	
Upper Tier Councils - Lancashire County Council																	
LCC Capital Investment Programme	20.400	4.400	1.500	9.500	5.000												
Integrated Transport Block	24.250	0.500	1.250	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500						
Lostock Hall Land Receipt	0.228							0.057	0.057	0.057	0.057						
New Homes Bonus	12.953				0.116	0.492	0.920	1.394	1.943	2.440	2.773	2.876					
LCC Revenue Contribution - Capital Financing Cost	10.659	-	-	0.079	0.226	0.698	0.940	1.212	1.308	1.116	0.945	1.178	1.049	1.271	0.793	-	-
European Regional Development Funding for Fishergate Central Gateway Delivery Programme	1.601	1.000	0.380	0.221													
Central Government																	
Single Local Growth Fund																	
	79.500		4.880	15.220	6.270	28.800	23.240	1.090									
HCA - Locally Retained Landhold Receipts (1 year loan)	55.746	-	4.759	4.229	4.101	4.587	5.760	5.805	8.064	8.407	6.028	4.006					
HCA - Expected Land Value Realisation on HCA Sites	38.827	-	-	1.488	2.902	4.573	5.734	6.354	5.561	4.771	2.720	7.700					
HCA - Loan repayments	55.746	-	4.759	4.229	4.101	4.587	5.760	5.805	8.064	8.407	10.034						
HCA - Interest on Loans	0.060	-	0.004	0.005	0.004	0.004	0.005	0.006	0.008	0.008	0.010						
Highways Agency - Pinchpoint Funding for Broughton/ M55/ M6 Delivery Programme	8.600	0.600	8.000														
Highways Agency - Pinchpoint Funding for A582 Golden Way	2.109		2.109														
Highways Agency - Pinchpoint Funding for M55 Junction 2	27.500				13.750	13.750											
Developers Contribution																	
Community Infrastructure Levy - employment sites in Preston City Council area																	
	1.041		0.048	0.674	0.029	0.032	0.032	0.050	0.045	0.044	0.044	0.043					
Community Infrastructure Levy - employment sites in South Ribble Borough Council area																	
	2.648		0.005	2.334	0.034	0.041	0.043	0.045	0.040	0.038	0.035	0.033					
Community Infrastructure Levy - housing sites in Preston City Council area																	
	14.877		0.510	0.544	1.293	1.259	1.075	2.030	1.776	1.738	1.672	1.551	1.429	-	-	-	-
Community Infrastructure Levy - housing sites in South Ribble Borough Council area																	
	18.663		0.174	0.369	1.289	1.852	2.160	2.008	1.788	1.655	1.572	1.708	1.626	1.165	1.297	-	-
Community Infrastructure Levy Plus - housing sites in Preston City Council area																	
	4.697		-	-	0.414	0.390	0.297	0.784	0.707	0.698	0.664	0.602	0.141	-	-	-	-
Community Infrastructure Levy Plus - housing sites in South Ribble Borough Council area																	
	8.480		-	-	0.380	0.756	0.914	0.813	0.813	0.834	0.834	0.966	0.914	0.594	0.662	-	-
S106 / S278 Agreements - sites in Preston City Council area																	
	32.027	1.200	4.985	2.007	3.766	3.668	3.695	2.289	5.139	1.114	3.022	1.142	-	-	-	-	-
S106 / S278 Agreements - sites in South Ribble Borough Council area																	
	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Tier Councils - Preston City Council																	
Business Rate Retention at Strategic City Deal Locations																	
	5.135		0.031	0.042	0.307	0.670	0.692	0.714	0.345	0.629	0.746	0.961					
PCC Grants - lottery funding																	
	0.945			0.456	0.158	0.205	0.079	0.047									
New Homes Bonus																	
	28.051		-	0.066	0.391	1.068	1.952	2.883	4.074	5.384	6.343	5.890					
Lower Tier Councils - South Ribble Borough Council																	
Business Rate Retention at Strategic City Deal Locations																	
	4.350		0.042	0.085	0.671	0.774	0.877	0.980	0.103	0.188	0.273	0.357					
New Homes Bonus																	
	25.409		-	0.198	0.801	1.350	2.147	3.111	4.119	4.795	5.170	3.718					
Moss Side Test Track Land Receipt																	
	5.000											5.000					
	-																
Community Infrastructure Levy due to Parish Councils in Preston																	
	1.726	-	0.001	0.073	0.156	0.163	0.139	0.239	0.264	0.257	0.223	0.211					
Community Infrastructure Levy due to Parish Councils in South Ribble																	
	2.033	-	0.023	0.333	0.104	0.242	0.250	0.253	0.217	0.190	0.190	0.231					

Total Resources

374.130	7.700	23.765	21.368	35.105	40.426	67.441	50.057	33.181	27.888	26.512	29.745	5.159	3.030	2.752	-	-
---------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	---	---

3.1 Key changes in resources .

During July / August work was undertaken to review the assumptions of build out rates and therefore CIL monies that will flow into the IDF , the slippage in build rates has meant that CIL income is now not expected to be fully received until Year 13, this is 3 years into the 5 year extension plan . this is reflected in the above model and has led to us reporting over the full 15 years.

Section B : in year monitoring
Year 2 Quarter 2

	Total			Quarter 1			Quarter 2			Quarter 3			Quarter 4			Q1 Reported	Q2 Reported
	Original £m	Revised £m	Variance £m	Original £m	Revised £m	Variance £m	Original £m	Revised £m	Variance £m	Original £m	Revised £m	Variance £m	Original £m	Revised £m	Variance £m		
Central Government																	
Transport Funding																	in line with forecast and agreed capital programme. see note 9 below
	3.000	4.880	- 1.880	3.000	3.000	-	-	-	-	-	-	-	-	-	-		
HCA - Locally Retained Landhold Receipts	2.018	2.018	-	2.018		2.018	-	-	-	-	-	-	-	-	-		
	-	-	-	-		-	-	-	-	-	-	-	-	-	-		
Developer Contributions (less Parish Council share)	6.076	5.522	0.554	1.519		1.519	1.519	1.519	1.519	1.519	-	1.519	1.519	-	see note 5 below	see note 10 below	
	-	-	-	-		-	-	-	-	-	-	-	-	-			
Lancashire County Council																	
Capital Programme & Grants	12.000	12.220	- 0.220	12.000	12.000	-	-	-	-	-	-	-	-	-	-		
Capital Receipts	-	-	-	-		-	-	-	-	-	-	-	-	-	-		
Revenue Contribution - Capital Financing Cost	0.067	0.079	0.012	-		-	-	-	-	-	-	0.067	0.067	-			
	-	-	-	-		-	-	-	-	-	-	-	-	-	-		
Preston City Council																	
Business Rates Retention	0.263	0.042	0.221	-		-	0.042	- 0.042	-	-	-	0.263	0.263	-		see note 11 below	
Heritage Lottery funding	0.456	0.456	-									0.456	0.456				
New Homes Bonus	0.066	0.066	-				0.066	- 0.066				0.066	0.066				
	-	-	-	-		-	-	-	-	-	-	-	-	-			
South Ribble Borough Council																	
Business Rates Retention	0.085	0.085	-	-		-	0.085	- 0.085	-	-	-	0.085		- 0.085			
New Homes Bonus	0.198	0.198	-				0.198	- 0.198				0.198	0.198				
	-	-	-	-		-	-	-	-	-	-	-	-	-			
Resources Total	20.059	21.372	- 1.313	14.501	15.000	0.499	1.519	0.391	1.128	1.519	1.519	-	2.520	2.435	- 0.085		



City Deal Executive/Stewardship Board 08th January, 2016

City Deal Skills and Employment Study / Plan

Report Author: Dr Michele Lawty-Jones, Director of the Lancashire Skills Hub.

michele.lawty-jones@lancashire.gov.uk

Executive Summary

Earlier in the year, a study was commissioned to identify the skills and employment implications of the City Deal programme for Preston and South Ribble, and Lancashire as a whole.

A Skills and Employment Steering Group was established to oversee the study and the development of a skills and employment action plan; it is recommended that the group continue and oversee the implementation of the action plan.

The resulting implementation plan has been aligned and cross-referenced to the overarching Lancashire Skills and Employment Strategic Framework led by the LEP's Skills and Employment Board. It is thus recommended that the group report on progress to the City Deal Executive/Stewardship Board and the Skills and Employment Board.

The final reports are presented here for the endorsement of the City Deal Executive and Stewardship Board:

- (i) The City Deal skills and employment evidence base and development plans. (Annex 1)
- (ii) The City Deal skills and employment strategy and implementation plan. (Annex 2)

Recommendation

The City Deal Executive and Stewardship Board are asked to:

- (i) Endorse the final drafts of the reports and the implementation plan.
- (ii) Approve the continuation of the Skills and Employment Steering Group to oversee the implementation of the actions in the plan.

Skills in Lancashire:

**Skills and Employment Evidence Base and Development Plans for Preston,
South Ribble and Lancashire City Deal**

December 2015

Contents

Evidence and Development Summary	i
1 Introduction and Report Coverage	1
2 The Lancashire Skills and Employment Context	2
3 Key Sectors	10
4 The City Deal Programme	15
5 Forecast Employment and Skills Needs	31
6 Short to Medium Term Construction Requirements ..	39

Evidence and Development Summary

Skills and Employment in Lancashire

The Lancashire Local Enterprise Partnership (LEP) is one of the largest in the North, with a population of almost 1.5 million. The area is geographically diverse, with a network of urban centres surrounded by areas of countryside and rural fringe. Lancashire's key economic centres include Preston and Lancaster which contain leading universities, with the Enterprise Zone sites at Samlesbury and Warton driving advanced manufacturing growth, and Blackpool a leading destination in the UK visitor economy.

Just over 623,500 people work in Lancashire (2014), the equivalent of 72% of the working age population. Over most of the last ten years, Lancashire's employment rate has been below the national average resulting in a relative shortfall of 43,500 jobs.

The public sector is Lancashire's main employer accounting for 191,000 jobs in 2013, followed by wholesale and retail (106,000 jobs) and financial, professional and business services (93,000 jobs). Manufacturing remains a significant employer despite the loss of nearly 45,000 jobs between 1998 and 2003. Productivity remains a long term challenge for Lancashire with the latest statistics showing a rate just 83% of the national average.

The City Deal authorities of Preston and South Ribble make an important contribution to the Lancashire economy. They account for just over a fifth of employment (2015) but have experienced a slow economic recovery, only recently returning close to pre-recession employment levels. A programme of significant intervention, such as that proposed through City Deal, will be required to kickstart economic performance and drive growth.

While GCSE attainment in Lancashire is variable, the City Deal authorities perform close to the national average with strong progression into continued education and higher than average uptake of apprenticeships suggesting enthusiasm for learning. There is still work to be done to translate this through into a strong adult skills base with qualifications held typically lower than Lancashire wide.

Lancashire has strong economic ambitions with the Strategic Economic Plan setting out targets to create 50,000 new jobs, 40,000 new houses and add £3bn of additional economic activity to the Lancashire economy over a ten year period. Achieving these figures would represent a step change in the Lancashire economy.

Lancashire's Key Sectors

Lancashire's Strategic Economic Plan identified six priority sectors that sit at the core of the economy, based on current scale and/or opportunities for growth. They are:

- Advanced engineering
- Energy and environment
- Professional, financial and business services
- Creative, digital, media and ICT
- Logistics
- Visitor economy

In a City Deal area context there is a further leading sector – construction. The construction sector has a workplace employment figure of over 14,000, accounting for 10% of all employment across the local authorities. Whilst the City Deal authorities account for 23% of Lancashire's employment across all sectors, in the case of construction they account for 40%. The sector was severely affected by the recession (as it was across the UK) but there are signs of buoyancy with strong demands to be placed on the sector to support growth aspirations. A strong case is evident for construction to be recognised as a priority sector in the City Deal context.

City Deal Overview

The Preston, South Ribble and Lancashire City Deal was the first of 20 second wave agreements, signed in September 2013. The City Deal was developed by local partners to drive forward growth by empowering the area to make the most of its economic assets and opportunities. City Deal status is valid for ten years from 2013/14 to 2023/24.

Over a ten year period, the ask to government document forecast that the City Deal investments and flexibilities would generate:

- More than 20,000 net new private sector jobs, including 5,000 in the Lancashire Enterprise Zone;
- Nearly £1 billion growth in Gross Value Added (GVA);
- 17,420 new homes; and
- £2.3 billion commercial investment leveraged.

Given the emphasis on transport infrastructure improvements and the time needed to complete work, there is an issue of the timing of benefits. In effect, new investment will begin to have an impact from year three onwards, rather than from year one of the agreement.

The City Deal Investment Programme

To achieve the targets, investments are focusing on the development of strategic transport infrastructure and bringing forward strategic sites to deliver both employment and housing growth. A series of prominent investments are being brought forward with many of the schemes long-term priorities. The planned programme of activities totals £375.883m¹ between 2013/14 and 2023/24. The schemes to receive direct investment focus on the provision of major highways and other transport infrastructure, examples of which include:

Major Highways/Transport Schemes	
Preston Western Distributor	£104.500m
Broughton	£33.999m
Preston Bus Station	£23.342m
South Ribble Western Distributor	£44.671m
Penwortham By-pass	£17.500m

Source: Draft City Deal Infrastructure Delivery Plan 2015/18

In addition, substantial funds are available for Public Transport Corridors and Local Centres and Education and Community infrastructure provision to support both existing and growing communities.

A nominal allocation of £100m from the £150m local property allocation has been identified for the City Deal Investment Fund. The Fund, invested as a new venture within the wider Lancashire Pension Fund, co-invests in housing and development schemes across the City Deal area. All investments are on a commercial basis.

Facilitating Wider Investment and Development

City Deal investments will unlock a considerable programme of development activity. Plans will deliver over 1 million m² of new employment floorspace and 16,950 homes over a 10 year period, a significant uplift on recent development levels. The City Deal area currently provides 158,000 jobs – 21% of the Lancashire LEP total.

This level of development will require significant investment by private sector property developers and housebuilders and at a level not seen in Lancashire for many years.

City Deal Employment Sites Overview

Scheme Name	10 yr Scale of Development	Primary Use	Start Year	End Year
Preston sites				
North East Preston	359,510 m ²	B2 and B8	2014/15	2023/24
Preston City Centre	146,788 m ²	B1	2015/16	2023/24
North West Preston	9,700 m ²	Retail	2014/15	Beyond CD
<i>Sub-total</i>	<i>515,988 m²</i>	-	-	-
South Ribble sites				
Penwortham/ Lostock Hall	27,593 m ²	B2	2016/17	2023/24
Cuerden	207,692 m ²	Mixed use	2018/19	2022/23
Moss Side Test Track	30,000 m ²	B2 and B8	2018/19	2020/21
Samlesbury EZ	145,360 m ²	B2	2016/17	Beyond CD
Bamber Bridge	12,194 m ²	B1	2016/17	2017/18
Lancashire Business Park	85,100 m ²	B2	2023/24	Beyond CD
<i>Sub-total</i>	<i>507,939 m²</i>	-	-	-
City Deal total	1,023,937m²	-	-	-

Source: DCLG monitoring returns and ekosgen analysis

The major development opportunities are in North East Preston and Preston City Centre, and Samlesbury EZ and Cuerden in South Ribble. These locations offer considerable potential to accommodate advanced engineering companies, logistics

¹ Contingency has been built into the current total in recognition that some scheme details remain to be finalised and cost estimates remain at an early stage of preparation

and distribution businesses and office based accommodation for high growth service sector activities. Securing new investment from advanced manufacturing and supply chain companies will be challenging.

While Preston City Centre is expected to deliver early in the next ten years, reflecting the timing of City Deal investment and the impact of some recently completed public realm works, the South Ribble contribution is expected in the second five years of the work, and is dependent on Cuerden delivering significant employment land for development from 2019/20 onwards.

The development profile picks up markedly from 2018/19 onwards as important new infrastructure works reach or near completion. This profile has implications for the timing of economic and employment benefits from City Deal investments. However, City Deal is effectively delivering a 20 year employment land and development potential legacy, reflecting the long term impact of the infrastructure investment.

Seven housing priorities have been identified in City Deal plans to form the focus of residential activity, providing a forecast 16,950 homes² – 15,750 through new build activity and 1,200 by returning vacant homes to active use.

Preston sites			
North West Preston	5,212 units	2014/15	2023/24
Preston City Centre	3,425 units	2014/15	2023/24
Re-use of vacant homes	1,200 units	2014/15	2023/24
Sub-total	9,837 units	-	-
South Ribble sites			
Penwortham and Lostock Hall	1,676 units	2014/15	Beyond CD
Leyland and Cuerden	2,606 units	2014/15	Beyond CD
Bamber Bridge	761 units	2014/15	2022/23
Other priority sites	2,070 units	2014/15	Beyond CD
Sub-total	7,113 units	-	-
City Deal total	16,950 units	-	-

Source: DCLG monitoring returns and ekosgen analysis

The development profile shows that annual completions are forecast to peak during 2019/20 at approximately 2,400 units per annum. In three of the ten years, completions will exceed 2,000 units per annum and in a further four years are forecast to exceed 1,500 units.

The increase in housing completions envisaged by local partners will require the availability of attractive sites and a very active and significant housing development industry. A significant number of housebuilders will need to be involved in the City Deal area and for the mortgage market to function effectively over the full ten years. This scale of development is also likely to require the provision of social and affordable homes for rent and home ownership, and is likely to involve a larger private rented sector.

City Deal Residential Sites Overview			
Scheme Name	10 yr Scale of Development	Start Year	End Year

² A figure marginally lower than identified in the ask to government, as development plans have been finalised

City Deal Policy on Employment Growth

A policy on scenario considers the impacts of delivering the planned programme of activity³. City Deal employment growth, based on the supply of sites, and driven by new investment in manufacturing jobs, predominantly in the Enterprise Zone, logistics and distribution with a leading role for South Ribble and office based employment in and around Preston City Centre.

Across all sectors, the policy on scenario represents an 12% uplift on 2015 employment levels and a 4% uplift on the policy off growth forecast. Planned investments are therefore expected to play an important role in supporting the City Deal area to increase its contribution to Lancashire's economic performance and raise the LEP area's overall performance.

The following table sets out a policy on forecast against the 2015 base employment levels. Successful delivery of City Deal employment ambitions will have significant implications for employment levels across a range of sectors and will support the rebalancing of the economy by increasing levels of private sector employment, whilst also helping to reduce the scale of anticipated manufacturing job losses.

Sector	2015 baseline	2025 policy on forecast	Jobs uplift
Manufacturing	11,159	12,659	1,500
Construction	19,641	22,641	3,000
Wholesale and retail	24,114	24,814	700
Transportation and storage	6,386	9,386	3,000
Information and communication	4,083	5,583	1,500
Financial and insurance	2,796	4,396	1,600
Real estate activities	2,695	3,675	980
Professional, scientific and technical	8,219	11,819	3,600
Administrative and support services	13,967	15,667	1,700
Public administration	12,446	13,146	700
Arts, entertainment and recreation	3,166	3,566	400
Other ¹			1,320
Total (selected sectors)	108,670	128,670	20,000
Total economy	160,000	180,000	20,000

Source: Oxford Economics Forecasts and ekosgen estimates

¹ Including care and higher education amongst others not captured by traditional employment floorspace

The policy on scenario is dependent on reversing manufacturing employment decline (including energy and environment, building products), and a much higher level of growth in business and professional services and digital and creative industries. In addition, construction employment potential needs to be fully supported.

If achieved in a ten year period, the City Deal area will have to accelerate its employment growth. The rate reduces if the employment target is stretched over 13-14 years (which is considered to be a more realistic build out period) to allow for the full impact of the road infrastructure to have an effect.

The impact of the policy on employment growth scenario will be to change the make-

City Deal Policy On Forecasts

³ This is in contrast to a policy off scenario whereby current trends in the Lancashire economy would continue in the absence of exceptional activities such as those proposed through City Deal.

up of the workforce, and a large proportion of the jobs will require a degree educated workforce, while others will require well qualified and skilled staff.

City Deal – Policy On Occupation Profile	
Occupation	
Managers, directors, senior officials	2,500
Professional	3,600
Associate professional and technical	4,000
Skilled trades	1,600
Administrative and secretarial	2,000
Process, plant, machine operatives	2,000
Sales and customer services	1,500
Caring, leisure and other services	1,800
Elementary	1,000
Total	20,000

Source: ekosgen estimates

This employment growth will also contribute to higher levels of apprenticeship places in some sectors and a marked increase in graduate recruitment.

While new sites and premises will accommodate this employment growth, new inward investment and the availability of a quality workforce will be critical in securing growth. The following points will need to be considered in planning future employment and skills requirements:

- The workforce will become increasingly better qualified and higher skilled, particularly the younger workforce, and local education and training providers have an important role to play over the next ten years.
- While FE provision covers a range of occupations and sectors, it will be important to focus on the types of business services and ICT employment which will dominate employment growth as well as catering for the needs of the construction sector to deliver infrastructure and site development.
- There needs to be a growing number of young people leaving school with good qualifications and moving on to appropriate academic and vocational training. This will need to be accompanied by strong STEM performance and high quality IAG at an early stage.

- Apprenticeships will play an important role in providing employers with a young well qualified workforce in many sectors. Working with employers to increase the provision of apprenticeships will be a key priority for local partners.
- FE colleges need to provide a regular supply of well qualified and motivated young people for the growth sectors, particularly those with STEM qualifications.
- Graduate recruitment will be important for employers, and promoting the availability of local graduates will help to attract investment and occupiers into the area.
- A large workforce catchment will be important for employers and strengthening the connectivity and accessibility of the City Deal area will contribute to economic growth.
- Housing is an important element of economic growth – providing housing for a young, well educated workforce will make a contribution to economic growth.

There are strong opportunities for the City Deal area to support growth in the priority sectors reflecting: existing sectoral strengths; target occupiers for new development sites; opportunities to accommodate a growing workforce through the provision of new homes; and a commitment through this Skills and Employment Strategy to support an uplift in skills to support sector needs.

Construction Industry Challenges

Lancashire accounts for a significant proportion of the North West construction business base at 22%, compared to 21% of businesses across all sectors. Similarly, Preston and South Ribble account for 18% of Lancashire’s construction business base, compared to 17% across all sectors.

Construction is an important employer in the City Deal area economy. In 2013 Preston and South Ribble had a workplace employment figure of 14,259 in the construction sector, which equates to 10% of the workforce. This is a significantly higher proportion than regionally and nationally, for example across Lancashire less than 6% of total employment is in construction (35,328).

Forecasts commissioned from the CITB Local Forecasting Model suggest that the City Deal investments alone will support over 4,300 construction job years. In terms of employment growth, this makes construction a local priority sector for the City Deal area.

It is not clear how the construction industry will be able to recruit the numbers of experienced personnel required over the next three to five years, and increasing demand will impact on some of the Lancashire infrastructure projects.

Given the planned infrastructure projects, the strong company and employment base and the recognised skills and recruitment difficulties, there is a rationale for local City Deal partners agreeing construction as a priority growth sector and developing new initiatives with the industry to tackle business, innovation and skills issues.

There are already a number of organisations involved in addressing the challenges facing the construction industry at both a regional and national level. More importantly there are strong local industry networks and experienced training providers involved with some of the company base. Resources are available from a number of sources, although funding can be short term and limited.

Some of the solutions for industry challenges will involve the provision of more partnerships and more industry relevant further education (FE) courses to recruit young people to the sector, although these respond to medium term challenges. At the same time, the industry may have to recruit older workers to meet some of the immediate challenges.

Given these challenges, along with the need to introduce new technologies and processes, a single initiative, well-resourced and with close industry involvement, could be the most effective way of addressing challenges and supporting company and employment growth.

1 Introduction and Report Coverage

1.1 City Deal is widely recognised as an important opportunity for the component local authorities and Lancashire as a whole. Prior to the start of this commission, limited work had however been completed to consider what the status meant in skills and employment terms.

1.2 This document provides the evidence base for City Deal interventions. It sets out:

- the baseline economic position and workforce characteristics, both across Lancashire and in the City Deal authorities;
- Lancashire's economic growth ambitions;
- the role of key sectors in delivering forecast growth, including consideration of known skills challenges;
- the programme of planned direct and indirect City Deal, including large scale infrastructure works and new residential and commercial development schemes to be unlocked; and
- economic forecasts under both policy-off and policy-on scenarios.

1.3 This analysis leads on to assessment of implications for Preston and South Ribble and Lancashire as a whole, including the overall scale of employment and skills requirements and the nature of opportunities expected to be created, relative to current conditions.

1.4 This exercise emphasises the importance of partners taking action to prepare for City Deal, ensuring that a workforce of sufficient scale and skills is available to deliver the ambition and that businesses and partner organisations (such as training providers and employment support services) are aware of requirements and able to respond. A range of partners will have an active role to play if City Deal is to deliver its full potential in Lancashire.

1.5 A Skills and Employment Strategy and Implementation Plan for Preston, South Ribble and Lancashire has been prepared to follow on from this evidence base. The accompanying document focuses on the overarching aim of skills and employment interventions, their alignment with wider strategic ambitions and sets out a series of actions to support delivery. Partners should therefore take account of both documents when considering the role they will play.

1.6 In summary, this document sets out the employment and skills context for intervention, planned City Deal activities and headline implications while the accompanying document outlines how the City Deal programme and partners will respond to the findings.

2 The Lancashire Skills and Employment Context

Key Findings

- Lancashire is a diverse economy which, in common with other parts of the country, has experienced extensive decline in manufacturing and recent losses in public sector employment. Continuing to diversify and grow private sector opportunities is a priority.
- The county has experienced a slow economic recovery post-recession causing the employment and GVA gap with national trends to continue to grow.
- Although Lancashire lags between national averages (excluding London) on the majority of economic indicators, there is a strong ambition to grow. Productivity has been a long term challenge for Lancashire and levels are currently equivalent to just 83% of the national average. In 2012, the Lancashire LEP area generated £24.7bn of GVA, the equivalent of £49,580 per FTE compared to £59,939 nationally.
- The City Deal authorities of Preston and South Ribble make an important contribution to the Lancashire wide economy accounting for 21% of employment.
- The City Deal area has recovered from the recession more slowly than Lancashire wide meaning that its contribution has fallen in recent years. Significant intervention, such as that proposed through City Deal, is likely to be required to allow the performance gap to substantively close and the proportionate contribution to Lancashire's success to increase.
- While GCSE attainment in the City Deal area is close to the national average and apprenticeship uptake is relatively high, this does not currently translate through into a strong adult skills base, with adult qualifications being lower than Lancashire wide.

The Lancashire Economy

2.1 The Lancashire LEP is one of the largest in the North, with a population of almost 1.5 million. The area is geographically diverse, with a network of urban centres surrounded by areas of countryside and rural fringe. Lancashire's key economic centres include Preston and Lancaster which contain leading universities, with the Enterprise Zone sites at Samlesbury and Warton driving advanced manufacturing growth, and Blackpool a leading destination in the UK visitor economy.

Employment and Unemployment

2.2 In 2014, workplace employment in Lancashire stood at just over 623,500, which is 72% of the working age population and equates to an employment density of 67,252 jobs per 100,000 working age residents. Concentrations of employment are found in Preston (13% of the Lancashire total and forming the economic centre of the county), Blackburn with Darwen (10%), Blackpool and Lancaster (9% each).

2.3 Lancashire's employment rate has been lower than the national rate for most of the past ten years. Between 2007 and 2009, recessionary pressures led to the loss of over 23,000 jobs in Lancashire – a 4% reduction compared to a 1% loss across the North West and no reduction nationally (excluding London). Despite bucking the national trend in 2010-2011, since 2011 the employment rate has continued to fall in Lancashire whilst being on an upward trend nationally and in the North West.

2.4 In 2013, employment in Lancashire was at a lower level than it was in 2009. If Lancashire matched the national average employment rate, an additional 43,500 residents would be in employment.

2.5 Unemployment in 2014 was in line with the regional average at 7.5% but higher than the national average (6.6%). Based on the UK's official measure of unemployment (ILO), 50,000 working age residents in Lancashire were unemployed in that year. Looking at trends over time, unemployment in Lancashire rose during the downturn from 40,700 in 2009 (5.9%) to 57,400 in 2012 (8.2%).

Sectoral Structure

2.6 Lancashire's traditional employment base has changed significantly as a reflection of economic conditions. Whilst manufacturing remains a key sector for Lancashire, the sector has declined significantly in recent years, accounting for 24% of total employment in 1998 down to 13% in 2013 – a loss of nearly 45,000 jobs. In 2013, the largest employment sector was the public sector (comprising education, health and public administration, accounting for 191,000 jobs), followed by wholesale and retail (106,000 jobs), and finance, professional and business services (93,000 jobs).

2.7 Between 2009 and 2013, Lancashire experienced high levels of growth and outperformed the national average in a number of key sectors including health and social work (+7,400 jobs, 8% growth); administration and support service activities (+5,500 jobs, 17% growth); and professional, scientific and technical activities (+4,500 jobs, 15% growth), although this was insufficient to compensate for the high levels of decline experienced in other sectors.

2.8 Over this period, the manufacturing sector declined by 12% (-11,100 jobs), and both the art, entertainment and recreation; and accommodation and food services sectors experienced employment decline (-5,800 jobs and -3,500 jobs, respectively) in Lancashire in contrast to low levels of growth nationally. Whilst remaining a significant employment sector in Lancashire, construction experienced a small decline of 4% between 2009 and 2013 (1,300 jobs).

Business Base

2.9 In 2013 there were approximately 49,800 active businesses in the Lancashire LEP area – a business density of 54 businesses per 1,000 working age population compared to 59 nationally. If Lancashire matched the national average, there would be an additional 4,000 businesses. Lancashire's business size profile is generally in line with the national economy but with a slightly smaller proportion of micro businesses, and a slightly larger proportion of small businesses (employing 10-49 people) than the national average. The largest number of businesses were in the professional, scientific and technical sectors and construction, with over 5,000 businesses in each. Preston has the highest number of active businesses in Lancashire, followed by Lancaster, West Lancashire and Blackburn with Darwen.

Productivity

2.10 Productivity has been a long term challenge for Lancashire and levels are currently equivalent to just 83% of the national average. In 2012, the Lancashire LEP area generated £24.7bn of GVA, the equivalent of £49,580 per FTE compared to £59,939 nationally.

2.11 GVA levels have risen by 15% since 2004, although this is substantially lower than the national increase of 25% over the same period. If Lancashire had kept pace with the national increase, GVA levels would be £2.7bn (11%) higher. As a recognised driver of productivity, an increased focus and requirement for higher level skills and occupations may help to address this challenge, although GVA growth will have to significantly outpace the national average to close the gap.

Travel to Work Areas

2.12 The Lancashire economy does not sit in isolation. Figures from the 2011 Census show the travel to work patterns across all sectors, and demonstrate that the flow of people commuting out of Lancashire for work is slightly greater than the flow of people commuting in - 14% of residents (80,600 people) work outside of Lancashire while 12% of employment (66,900) is accounted for by in-commuters. These patterns in part reflect Lancashire's employment gap, as residents seek employment outside of the county. The most significant outward flows are to Manchester and Bolton (7,500 each), followed by Sefton and Wigan (6,700 and 6,400 respectively).

Travel to Work Patterns 2011 (all sectors)

Residents and place of work

	Total Residents in Work	Inside Lancs.	Outside Lancs.
Residents – No.	556,742	476,105	80,637
Residents – %	100%	86%	14%

Workers and place of residence

	Total Workers in Lancs.	Lancs. Residents	Reside Outside Lancs.
Workers – No.	542,956	476,105	66,851
Workers – %	100%	88%	12%

Source: Census 2011

Economic Ambition

2.13 Lancashire LEP has embarked on a 20-30 year journey to transform the Lancashire economy. Lancashire's Strategic Economic Plan (SEP) sets out an ambitious plan to create 50,000 new jobs, 40,000 new houses and add £3bn of additional economic activity to the Lancashire economy over a ten year period. This represents a step change for an economy which currently underperforms compared to the national average.

2.14 The overarching vision for Lancashire is to re-establish the area as an economic powerhouse and to build on current strengths and capabilities in key sectors to establish Lancashire as a national centre of excellence in advanced manufacturing and focus on other sectors and services where market demand is growing and long term prospects are positive. Achieving the SEP targets would enable Lancashire to outperform the national employment growth rate and increase the value of the LEP economy by 10% over the next 10 years.

2.15 Key features of the Growth Deal include:

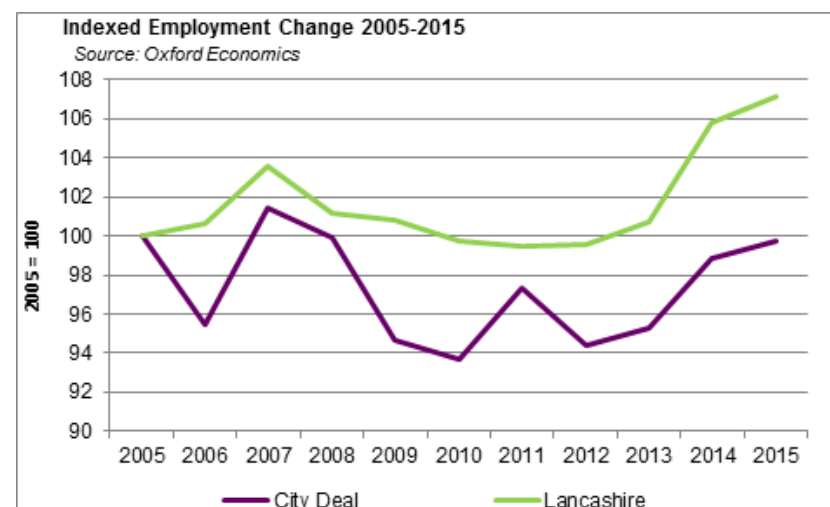
- releasing growth potential, with transport improvements to support job creation and enable the release of land for more homes and businesses;
- supporting the renewal and growth of Blackpool, with £9m to be invested in Blackpool to boost the visitor economy and improve housing standards; and
- growing the local skills and business base, including the development of Blackpool and Fylde College in preparation for a new energy HQ and support for the Business Growth Hub.

2.16 The City Deal area comprises the local authority areas of Preston and South Ribble. It is located in Central Lancashire and benefits from good mainline rail and motorway connections as well as a supply of strategically located development sites for both employment and housing use. As shown in the statistics below, it forms an important element of the Lancashire economy.

Employment

2.17 As of 2015⁴, the City Deal economy provides 158,000 jobs accounting for 21% of employment in the Lancashire LEP, a proportion that has fallen two percentage points over the last ten years. This reflects static employment levels in the City Deal area over the period (with annual peaks and troughs), at a time when employment grew 7% Lancashire wide. If the City Deal area performed in line with the Lancashire average, there would be an additional 14,000 jobs in 2015.

2.18 Employment in the City Deal area has only recently returned to close to pre-recession levels while the Lancashire wide recovery has been quicker with 2005 employment levels exceeded in 2013.



The City Deal Economy

2.19 Prominent employment sectors in the City Deal area are:

⁴ Oxford Economics Forecasts, April 2015

- Human health and social work activities (24,500 jobs);
- Wholesale and retail trade, (24,100 jobs);
- Construction (19,600 jobs); and
- Manufacturing (11,200 jobs).

2.20 Significant investment, such as that proposed through City Deal, will be required to allow the area to substantially grow its economic contribution.

GVA Contribution

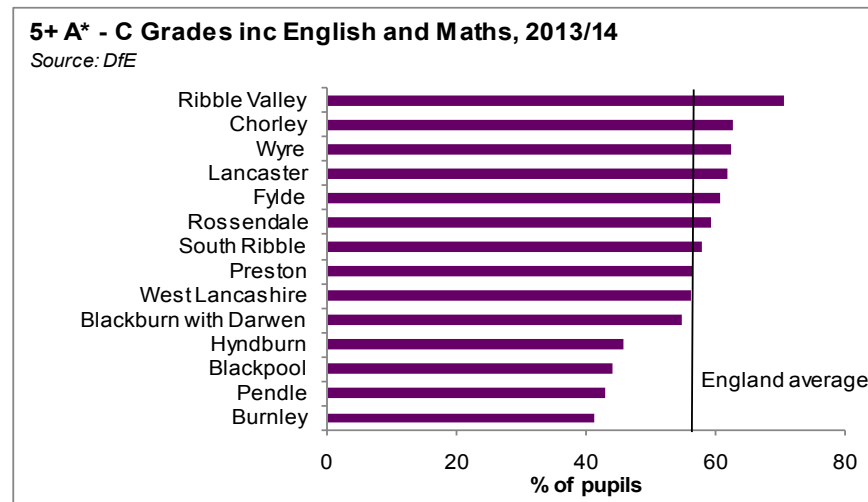
2.21 In line with their employment share, the City Deal authorities currently contribute 21% of Lancashire's Gross Value Added (GVA). As with employment, this contribution reduced between 2005 and 2015 with reductions focused in Preston. Preston's GVA per FTE is slightly lower than the Lancashire average (99% of Lancashire's).

The Skills Context

Schools Performance

2.22 GCSE results for 2013/14 show that seven of Lancashire's local authorities perform above the England average with a significant range of GCSE achievement rates across Lancashire's local authority areas. The City Deal authorities are mid-performers in a Lancashire context and perform broadly in line with the national average.

2.23 Achievement rates in the City Deal authorities will help young people to prepare for accessing further education or employment. However, despite average performance in a Lancashire context, a considerable proportion of young people do not achieve the expected standards, which will have long-lasting implications for employment and skills challenges across the economy and may require investment beyond compulsory education to ensure employer skills needs are satisfied.



Post-16 Destinations

2.24 Statistics for 2011/12 show that the majority of pupils in Lancashire continued in education after the age of 16, with the 89% doing so being in line with the national average. Apprenticeships were more commonly selected (6% against 4% nationally) and 8% did not sustain an education destination (for the first two terms of the 2012/13 academic year) which again is slightly higher than the national figure.

Further Education Provision

2.25 Further education for young people and adults makes an important contribution to the overall level of skills within Lancashire's resident population. The data is drawn from two sources: the Statistical First Releases published by the Skills Funding Agency (SFA) and the Department for Business, Innovation and Skills, and the SFA's Data Cube.⁵

⁵ The data contained on the Data Cube was analysed under the terms of ekosgen's data sharing agreement with Lancashire Enterprise Partnership and the Skills Funding Agency. The agreement states that the Data Cube data must not be externally published, although following analysis of the data, it is permitted to make narrative statements about what it shows, such as trends over time, percentage change in the take up of particular provision etc. Data which is included in reports for publication must be drawn from publicly available data, such as that contained in the Statistical First Release publications.

2.26 The data included on the Data Cube counts the number of learning aims, rather than the number of learners, reflecting the fact that learners can be following numerous programmes of study at the same time, which may be at different qualification levels and cover different subject areas. The figures suggest that approximately 300,000 learners are entering and leaving FE provision per annum.

Learners Resident in Lancashire		
Category	Definition	No. of learning aims
Achievements	The number of learning aims, or apprenticeship frameworks, that have been achieved.	245,700
Enrolments	Number of apprenticeship framework/learning aim enrolments. An enrolment indicated that the learner was on an apprenticeship framework or learning aim at some point during the period covered by the dataset.	335,000
Leavers	The number of learning aims, or apprenticeship frameworks, that have a learning actual end date.	301,100
Starts	Number of apprenticeship framework/learning aim starts.	298,400

Source: Data Cube

Note: Starts based on learners with a 2013/14 start date and Achievements and Leavers based on learners with a 2013/14 leave data. Enrolments capture all learners who were learning in 2013/14.

2.27 Supporting learners to understand the range of employment opportunities currently available in the local area and anticipated in the future will be important to generate a workforce of sufficient scale and skills to support growth and personal career progression. The FE sector is expected to play an important role in providing an appropriately skilled young workforce so will require knowledge of the employment opportunities to be created at a high level and of specific sector/employer requirements in order to be responsive.

19+ Provision

2.28 There were 181,490 learner aim starts in Lancashire in 2013/14, a 1% decrease overall from the previous year. There were significant numbers of learning aims with regard to health, public services and care, ICT and arts media and publishing as well as business and administration.

Learner Aim Starts aged 19+ by sector					
	2012/13		2013/14		Change
	No.	%	No.	%	No.
Preparation for Life and Work	63,500	35%	71,070	39%	12%
Health, Public Services and Care	22,830	12%	21,770	12%	-5%
ICT	16,290	9%	16,380	9%	1%
Retail and Commercial Enterprise	13,640	7%	13,850	8%	2%
Arts, Media and Publishing	13,050	7%	11,590	6%	-11%
Business, Administration, Law	9,150	5%	8,310	5%	-9%
Construction, Planning and the Built Environment	8,660	5%	8,110	4%	-6%
Engineering and Manufacturing Technologies	6,120	3%	6,370	4%	4%
Languages, Literature, Culture	6,260	3%	5,340	3%	-15%
Leisure, Travel and Tourism	5,600	3%	4,510	2%	-19%
Education and Training	3,110	2%	3,260	2%	5%
Science and Mathematics	2,160	1%	2,160	1%	0%
Agriculture, Horticulture and Animal Care	2,190	1%	2,050	1%	-6%
History, Philosophy and Theology	1,610	1%	1,490	1%	-7%
Social Sciences	610	0%	430	0%	-29%
Unknown	6,740	4%	1,820	1%	-73%
Not Applicable	1,610	1%	2,970	2%	84%
Total	183,100	100%	181,490	100%	-1%

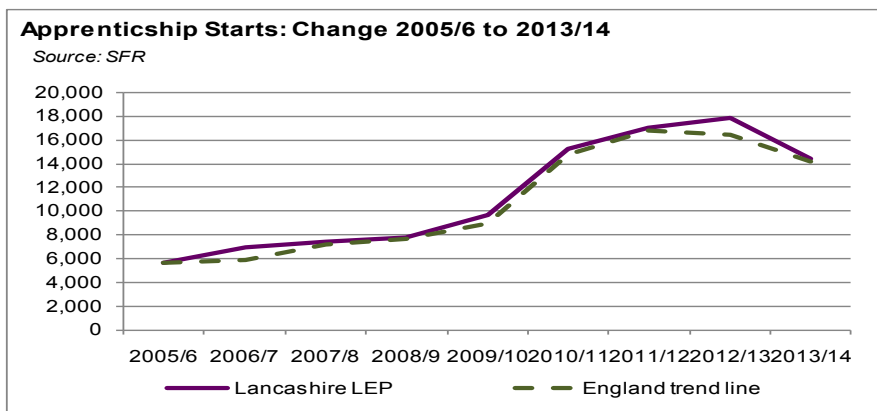
Source: Data Cube

2.29 When viewed against economic forecasts (see Section 5), it is important that engineering and manufacturing; construction, planning and the built environment; and training linked to the other growth sectors are maintained if Lancashire as a whole and the City Deal area are to achieve target growth rates.

Apprenticeships

2.30 Following a significant campaign to raise awareness and take up, government figures show that more school leavers are choosing to embark on apprenticeships in England, and the construction sector is a major exponent of these. In a 12 month period between March 2013 and 2014, the number of 16 to 17 year olds entering apprenticeship programmes jumped from 41,738 to 49,228 – an increase of 15%. Similarly in Lancashire, there has been a clear increase in total apprenticeships, peaking in 2012/13 – an uplift of 200%.

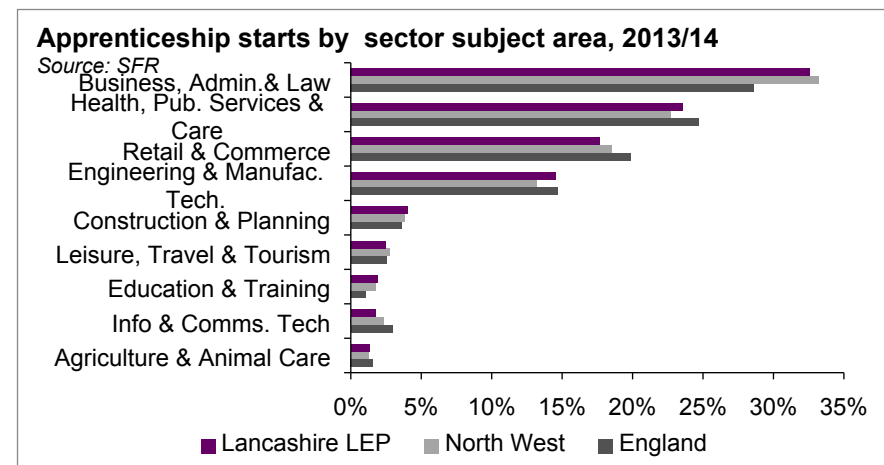
2.31 Since 2010 there has been a marked increase in apprenticeship starts by Lancashire residents, in line with national policy. The peak of apprenticeship starts across all sectors was in 2012/13 before falling in the following year. This reduction in overall starts was a result of fewer advanced level apprenticeship starts, which experienced a 42% decrease. This will at least in part reflect changes to 24+ advanced learning loans introduced from 2013/14.



2.32 Lancashire is similar to the national profile in terms of apprenticeship starts by sector, however business, administration and law are proportionately higher. When combined with health, public services and care; and retail and commercial these sectors account for almost 75% of apprenticeship starts in Lancashire.

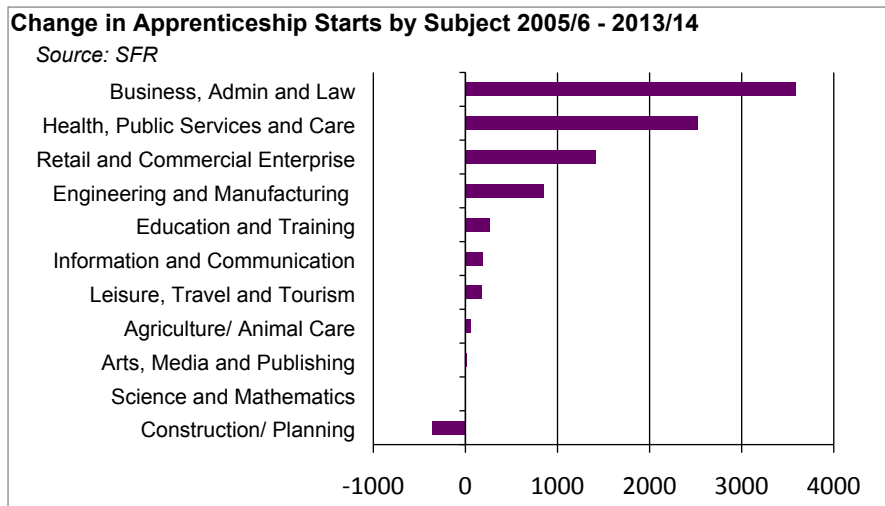
2.33 Manufacturing accounts for 15% of apprenticeships which reflects the importance of the sector. The similarly important construction sector is not however supported by a higher than average number of apprentices, with its number of starts being relatively small. In 2013/14 there were 1,090 apprenticeship starts in construction, planning and the built environment which equates to just 3.8% of total

starts. When compared to regional and national figures, Lancashire has a slightly higher percentage of starts in Construction and Planning related apprenticeships, however this is still disproportionate to the size of the business base and employment in the sector locally.



2.34 As demonstrated in the following figure, apprenticeship starts in construction have decreased in absolute terms in Lancashire between 2005/06 and 2013/14. This is likely to reflect the general trends in construction employment which peaked prior to the recession in around 2007. However as the industry has picked up following wider economic improvements, providers of construction apprenticeships say interest is climbing again.

2.35 With construction apprenticeships being recognised as a well-regarded training route to employment in the sector and with major regional construction projects in the pipeline (see Section 6), there is a clear opportunity to boost apprenticeship starts in the sector to ensure that a skilled workforce is established of significant scale to deliver both City Deal and wider development ambitions.



2.36 The other areas where apprentice numbers could be increased and which are particularly relevant to the City Deal partnership are ICT; arts, media and publishing; and leisure, travel and tourism.

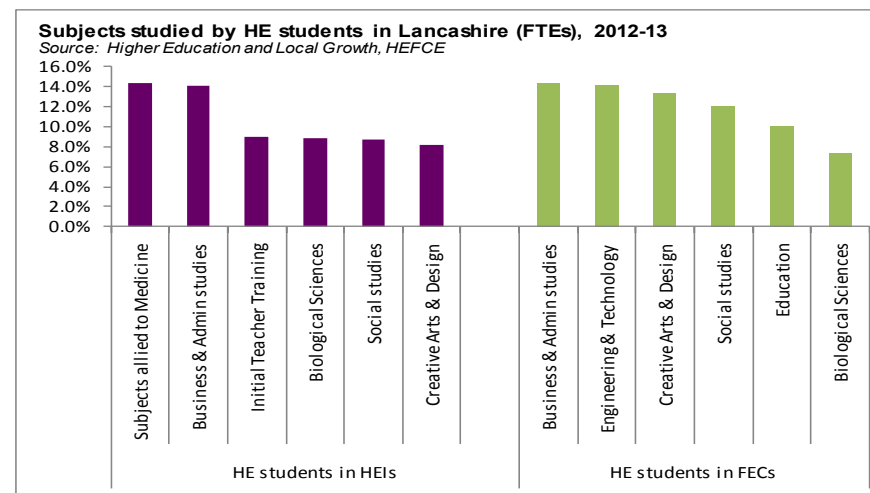
2.37 Employer numbers in ICT and arts, media and publishing are likely to be smaller than other sectors and many employers will be micro businesses. Increasing apprenticeship numbers may require additional assistance by local agencies. There remains a challenge of persuading and supporting more employers across all sectors of the economy to provide apprenticeship places, even in industries where the tradition of apprenticeships is strong and where skills shortages are a feature of the labour market.

Higher Education Provision

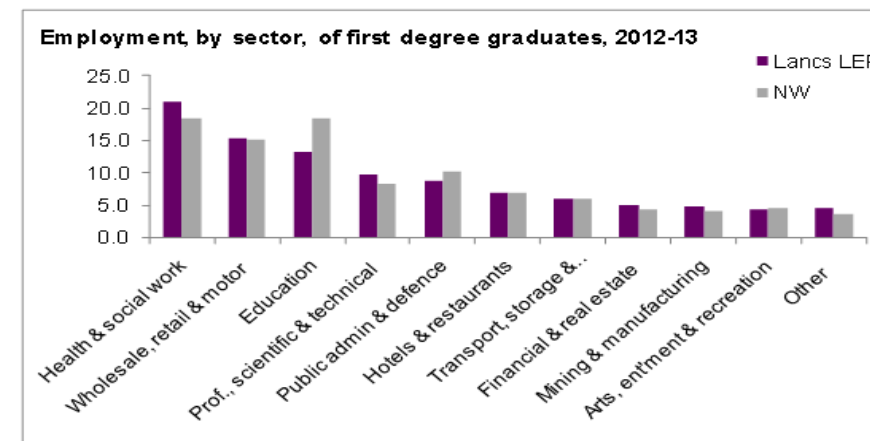
2.38 Higher education (HE) provides a regular supply of well qualified young people, although employers tend to draw from a range of institutions rather than solely local providers. Over 66,000 full time equivalent students are registered with higher education institutions located within the Lancashire LEP area, over 20% of which are post-graduate students.

2.39 Data for 2012/13 shows that while numbers were substantial in relation to many of the service sector growth industries, a much smaller percentage were enrolled in courses related to architecture, building and planning, accounting for 1.3% in higher education institutions and 1.7% in further education colleges, and

2.2% of students enrolled in courses related to engineering and technology, which is a key supporting subject for the construction industry.



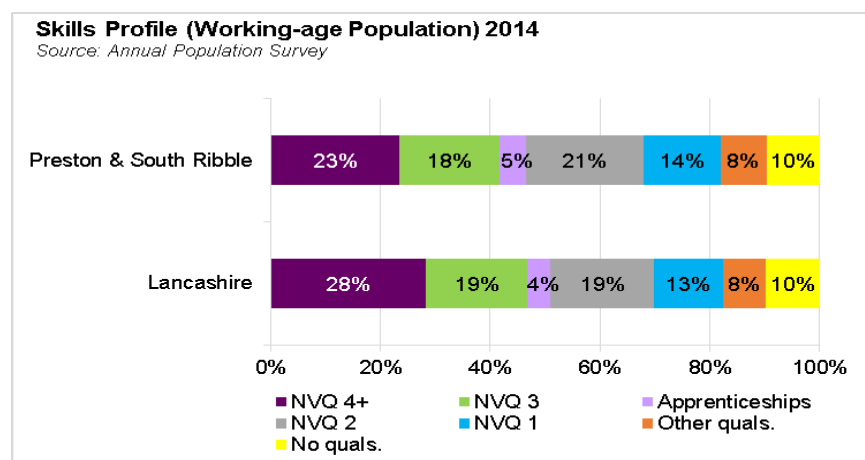
2.40 Wider subject provision will support the development of a workforce to occupy positions in priority sectors (e.g. business and admin studies for financial and professional services and creative arts and design for digital creative) and overall employment growth ambitions.



2.41 Potential investors and occupiers require an understanding of the scale and breadth of local HE provision. A strong HE base, generating a pool of highly skilled workers and that can build effective relationships with industry, will be an attractive feature, particularly where provision supports the growth of priority sectors (see Section 2). Promoting provision will also help to attract high quality students to Lancashire’s institutions and, aligned with the ambition of growth plans, help to retain graduates and attract skilled workers in from higher education institutions outside Lancashire to find work and progress their careers.

Adult Skills

2.42 Preston and South Ribble has a lower proportion of highly skilled residents than Lancashire as a whole. Across Lancashire, 47% of working age residents hold Level 3 qualifications or above compared to 41% in Preston and South Ribble. In contrast, the City Deal area has a slightly higher proportion of residents with apprenticeships and NVQ 2 skills.



2.43 The Lancashire economy has experienced significant turbulence through the recession and subsequent period of recovery. Reducing dependence on the public sector where further job losses are anticipated and building a diversified private sector economy are important considerations for the future as well as seeking ways to improve productivity.

2.44 As of 2015⁶, the City Deal economy provides 158,000 jobs accounting for 21% of employment in the Lancashire LEP, a proportion that has fallen two percentage points over the last ten years. This reflects static employment levels in the City Deal area over the period (with annual peaks and troughs), at a time when employment grew 7% Lancashire wide. If the City Deal area performed in line with the Lancashire average, there would be an additional 14,000 jobs in 2015.

2.45 The City Deal area will play an important role in delivering change. It already forms a significant element of the County’s economy but has seen its contribution decline in recent years with employment only recently returning to pre-recession levels. It has significant sectoral strengths to build on, including in construction.

2.46 While GCSE attainment in Lancashire is variable, the City Deal authorities perform close to the national average with strong progression into continued education and higher than average uptake of apprenticeships suggesting enthusiasm for learning. This does not currently translate through into a strong adult skills base with qualifications held typically lower than Lancashire wide.

2.47 The varied skills provision base can support residents to access and progress through qualifications and subsequently employment in a range of sectors and occupations. Lancashire’s HE base is a strength that will require promotion to attract both high quality students and investment that typically follows a strong graduate base. Building skills within the current workforce is however likely to be necessary as employer skills demands increase over time (see Section 5). Ensuring providers are aware of anticipated future growth areas and associated skills requirements will be important to ensure provision is responsive and the scale and breadth of demand is satisfied.

Conclusions

⁶ Oxford Economics Forecasts, April 2015

3 Key Sectors

Key Findings

- Six priority sectors – advanced engineering; energy and environment; professional, financial and business services; creative, digital, media and IT; logistics; and visitor economy – are expected to form the focus of growth opportunities in Lancashire.
- In a City Deal context, the most relevant priority sectors are:
 - Business, finance and professional – with the largest concentration of activity in Lancashire based around Preston and South Ribble.
 - Manufacturing – including being home to BAE Systems and the adjacent Samlesbury Enterprise Zone.
 - Energy – with South Ribble accounting for a third of Lancashire’s energy and environmental technologies employment.
 - The visitor economy – including Preston City Centre as an important attractor of visitors.
- Specific skills needs have been identified to affect each of the priority sectors but cross-cutting issues include ensuring the work readiness of new recruits, the offer of high quality of information, advice and guidance to inform career decisions and securing a strong supply of well qualified potential recruits.
- Lancashire accounts for a significant proportion of the North West construction business base at 22%, while Preston and South Ribble account for 18% of Lancashire’s construction business base.
- Construction is an important employer in the City Deal area economy. In 2013 Preston and South Ribble had a workplace employment figure of 14,259 in the construction sector, some 10% of the workforce compared to less than 6% across Lancashire.

Lancashire’s Priority Sectors

3.1 The Strategic Economic Plan identifies six priority sectors to sit at the core of the Lancashire economy, from the perspective of current scale and/or opportunities for growth. They are:

Advanced engineering: building on the presence of world class Original Equipment Manufacturers and an extensive supply chain. Aerospace plays a leading role in using new materials and production processes to maintain Lancashire’s strong contribution to UK trade.

Energy and environment: an important employer with new opportunities anticipated in energy production, waste management and environmental services to provide a major source of new employment over the next twenty years.

Professional, financial and business services: the main source of private sector employment in Lancashire at present, with clusters of employment in Preston, South Ribble, Lancaster, Skelmersdale, Burnley and rural Fylde, and home to both national and regional companies in key sub-sectors.

Creative, digital, media and ICT: opportunities identified to build on a number of emerging centres as well as a strong representation in many rural parts of the County, with new entrepreneurs taking advantage of the quality of life and the opportunity to work from or close to home in inexpensive offices and workshops.

Logistics: benefiting from the strategic road network and large sites available for distribution and logistics centres, as well as the county’s location as the gateway to the Scottish economy.

Visitor economy: combining coast, country, outdoor and heritage assets, offering a product and support services which meet the increasing demand, both domestic and international, for high quality leisure activities.

3.2 These sectors will be the main source of wealth generation in Lancashire’s future economy. Other sectors, such as retail, health, education and transport, will also play a role in providing the services needed to support strong local economies and communities.

3.3 The four priority sectors with the greatest relevance to the City Deal economy are business, finance and professional services, manufacturing, energy and the visitor economy. The current scale of each of these sectors in Lancashire is considered below, as well as the baseline of activity within the City Deal area.

Business, Finance and Professional Services

Scale of the Sector

3.4 The business, finance and professional services sector plays an important role in Lancashire's economy, employing 82,000 people (13% of total employment) and contributing £5.6bn GVA (22%) to the economy. The sector is particularly important for the City Deal area, with the largest concentration of activity in Lancashire being based around Preston and South Ribble. Dominant sub-sectors in Lancashire are legal and accounting activities, employment activities and real estate. The only sub-sector which is above the national average in terms of concentration is legal and accounting.

3.5 Lancashire has 10,200 financial and professional services businesses, which account for 22% of the business base. Key employers include National Savings and Investments, the Co-operative Bank and Chesnara Plc. The business size profile is generally consistent with the national profile, however notably two thirds of the sector's turnover is accounted for by medium sized businesses.

3.6 More than four fifths (82%) of employees in the FPS sector nationally are employed full-time, compared to 73% across the whole economy. Associate professional and technical and administrative and secretarial occupations are highly represented in the financial and professional services sector, accounting for 40% of the workforce.

3.7 In the business, financial and professional service sector, there were over 2,000 vacancies posted in Lancashire in 2014, an increase on the previous two years. A large percentage of these were in computer programming activities with around half of all vacancies in the sector (1,060). The next highest were in non-life insurance and insurance (290 and 100).

Known Skills Needs

3.8 As in other industries, employment growth and technological change are key drivers in demand for skills in the sector. Skills requirements in the sector cover both technical skills such as IT, analytical skills, legal, risk and change management as well as generic skills such as interpersonal and problem solving skills. There is a recognised shortage of skilled specialists and new recruits to the sector are often deemed not to be work ready, requiring early action to allow people to adapt to new roles.

3.9 The recession and wider perception issues have impacted on recruitment to parts of the sector. This is particularly true of financial and insurance services which has resulted in a limited supply of skilled workers.

Manufacturing

Scale of the Sector

3.10 Manufacturing is a further key sector within the Lancashire economy, employing over 80,000 people and contributing 20% of total GVA. A high proportion of activity is classed as advanced manufacturing, accounting for three quarters of total manufacturing employment, and 13% of GVA. Preston and South Ribble is home to BAE Systems, one of the UK's most important manufacturing and exporting companies, based next to the Samlesbury Enterprise Zone.

3.11 Manufacturing makes up a significant proportion of the business base in Lancashire, with 3,400 businesses, of which 2,100 are within the advanced manufacturing sector. As is the general economic profile, the majority of businesses in manufacturing are micro businesses, however 20% of Lancashire's large businesses are in the manufacturing sector.

3.12 Lancashire's specialism in manufacturing is supported by a location quotient of 1.4 overall, with particularly high representations in the sub-sectors of manufacture of leather and related products (LQ of 7) and manufacture of other transport equipment (LQ of 5), predominantly aerospace.

3.13 In line with national trends, 10,000 job losses occurred in the advanced manufacturing sector between 2009 and 2013 (accounting for 90% of losses in the manufacturing sector), representing a decline of 15%. Further, the manufacturing sector is forecast to continue to decline over the next 15 years with intervention required to stem losses, particularly in advanced manufacturing.

Known Skills Needs

3.14 Despite falling employment rates in the manufacturing sector, there are continued skills shortages, with 4,000 vacancies between June 2014 and June 2015. The most common vacancies were for engineering technicians, welding trade roles and production managers, however they covered a broad range of roles. The main skills requirements by employers were industry experience, knowledge of machinery, experience in sales, repair and CAD. This in part reflects an ageing workforce representing a large proportion of the current employee base (45% of employees are aged 45 to 64 compared to 40% economy wide and only 18% are

aged 16 to 29 against an economy wide average of 24%) that will need replacing with suitable skilled personnel in the coming years.

3.15 Changes in technology are also expected to have a significant influence on the demand for skills, as manufacturing industries increasingly seek employees with technologically advanced and industry specific skills such as Computer Aided Design (CAD) and 3D printing. The advanced manufacturing sector has one of the highest levels of skills shortage vacancies in Lancashire.

Energy Sector

Scale of the Sector

3.16 The energy sector employs over 40,000 people in Lancashire, equating to 7% of the workforce. The sector has experienced employment growth in recent years, increasing from 2009 before levelling off in 2011. A third of energy and environmental technologies employment is located in South Ribble, which reflects the wider characteristics of the district and the presence of large companies.

3.17 Key energy sub-sectors in Lancashire include nuclear, offshore gas, oil and wind, onshore wind, waste recovery and environmental technology and manufacture. Sub-sectors which are significantly overrepresented in the area are construction of utility projects for electricity and communications (6,900 employees/LQ 31.2), the production of electricity (1,300 employees/ LQ 1.9) and the processing of nuclear fuel (1,300 employees, LQ 5). These notable sub-sectors are contributed to by the presence of several key employers such as Springfield Fuels, EDF and AMEC PLC.

3.18 The largest occupational category in Lancashire's energy sector is skilled occupations with 34% of the workforce. The next highest are managers, directors and senior officials with 18%, followed by process, plant and machine operatives with 14%.

Known Skills Needs

3.19 The sector is recognised to face several significant skills issues which are expected to increase in importance in coming years. Issues include reliance on an ageing workforce, causing high levels of replacement demand, and the low number of young people specialising in engineering (an issue that is recognised nationally). Further, the widening of job roles often requires recruits to possess multiple skills but there is also demand for specific technical skills as technology applied in the sector becomes more specialised.

Visitor Economy

Scale of the Sector

3.20 The visitor economy sector employs over 50,000 people which equates to 8% of total employment in Lancashire. A high proportion of this activity is centred around Blackpool, but it is represented across the county. When looked at through its sub-sectors, the largest source of employment is food and drink, followed by accommodation and sports and recreation, which account for 92% of the sector's employment. Other sub-sectors which are relatively overrepresented in Lancashire include amusement and theme parks, (LQ 2.4), event catering activities (LQ 1.8) and other amusement and recreation activities (LQ of 1.6).

3.21 There are 3,800 businesses operating in this sector in Lancashire, which account for 8% of the total business base. As in the wider economy, these are predominantly micro and small businesses with fewer than 50 employees.

3.22 Due to the nature of the industry, a significant proportion of the workforce are young people, with 34% of workers being under the age of 30 compared to 24% on average in Lancashire. The most common occupation in the Lancashire visitor economy is sales and customer service staff, accounting for nearly a quarter (24%) of the workforce.

Known Skills Needs

3.23 A series of skills and employment challenges have been identified to impact on the sector, in part reflecting the seasonal and transient nature of some employment. Key points to note are:

- High staff turnover – reflecting the seasonality of employment and a high proportion of young people working in the sector. This can act as a disincentive to invest in workforce training, resulting in skills gaps.
- High vacancy numbers – due to high staff turnover, with 17% of hotels and restaurants reporting vacancies, although fewer vacancies are classified as hard to fill than in other sectors. Employers are often looking for employees with the 'right attitude', rather than specific skills.
- Skills gaps are common – with hotels and restaurants accounting for 12% of all employers in the LEP reporting skills gaps. Soft skills, such as customer service skills and effective communication with colleagues, are particular priorities.

- Poor pay and conditions – are expected to continue to impact on recruitment in the sector as the economy recovers and competition for workers increases.

Cross Priority Sector Skills Challenges

3.24 Work readiness of new recruits is regularly highlighted by employers as a skills issue, with many candidates lacking key skills such as communication and interpersonal skills, as well as an appropriate attitude towards work. Many industries also have a skills challenge of requiring occupations with both specialist skills sets and wide-ranging abilities to be flexible to changing ways of working.

3.25 Given the scale of employment growth envisaged by City Deal partners and the move toward a higher skilled and well qualified workforce, it will be important that:

- Young people leave school with good qualifications and move on to appropriate academic and vocational training. This will need to be accompanied by strong STEM performance and high quality IAG at an early stage.
- FE Colleges are equipped to provide a regular cadre of well qualified and motivated young people for the growth sectors, particularly those with STEM requirements.
- Apprenticeship numbers are increased to provide a well trained younger workforce in sectors where apprenticeships have a strong tradition as an entry level route to skilled employment.

3.26 It is important that education and training providers anticipate the changes in the economy and the increasing demand from employers for well qualified work ready young people.

The Role of the Construction Sector

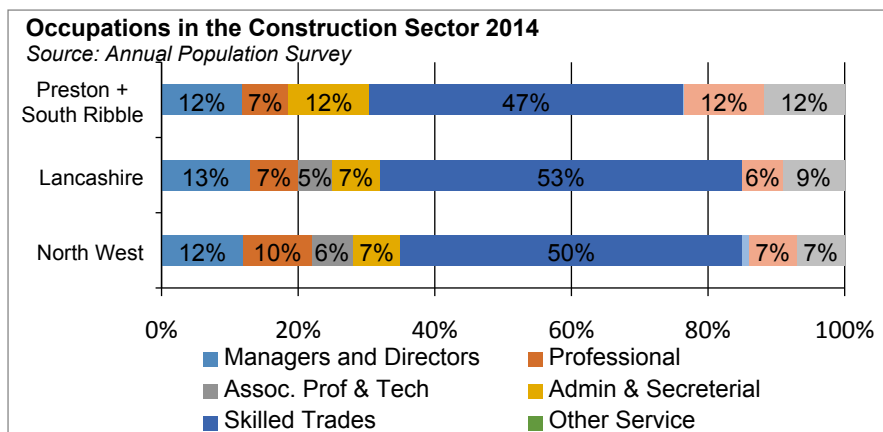
3.27 Although not a priority sector, construction has an important role to play in the Lancashire economy both in its own right and to support growth in other sectors. It also has an important role to play in the City Deal area due to existing concentrations of employment and the development opportunities to be created (see Section 6 for further details). The sector's current composition is therefore considered here to provide context for the delivery of City Deal activity.

3.28 Lancashire accounts for a significant proportion of the North West construction business base at 22%, compared to 21% of businesses across all sectors. Similarly Preston and South Ribble account for 18% of Lancashire's construction business base, compared to 17% across all sectors. Therefore construction is slightly overrepresented in Lancashire compared to the North West, and in Preston and South Ribble compared to Lancashire.

3.29 The construction sector is dominated by micro-businesses of fewer than 10 employees. Whilst the UK Business Count shows there are no construction businesses with over 100 employees in Preston and South Ribble, a number of significant construction companies do have a presence in the City Deal area (including their headquarters in a number of cases), such as Eric Wright Group, Kiernan Construction, Conlon Construction and John Turner Construction Group.

3.30 Construction is an important employer in the City Deal area economy. In 2013, Preston and South Ribble had a workplace employment figure of 14,259 in the construction sector, which equates to 10% of the workforce. This is a significantly higher proportion than regionally and nationally, for example across Lancashire less than 6% of total employment is in construction (35,328). Whilst the City Deal area accounts for 23% of Lancashire's total employment, it accounts for 40% of construction employment.

3.31 The predominant occupation in the construction sector is skilled trades, such as bricklayers and roofers, although the share of employment in Preston and South Ribble is slightly lower than the Lancashire figure, at 47% compared to 53%. Preston and South Ribble are slightly higher than the Lancashire figure for administrative and secretarial occupations, process, plant and machinery operatives and elementary occupations (i.e. typically the lower skilled, lower paid categories of employment). Professional and associate professional and technical occupations are under-represented in the City Deal area relative to regional figures.



Conclusions

3.32 The priority sectors have an important role to play in Lancashire’s economy both at present and in the future. Recognising existing assets can help to inform employment and skills initiatives and ensure that businesses and individuals are prepared to take forward growth opportunities.

3.33 Skills challenges are evident across the priority sectors with intervention required to allow them to be overcome and growth to be secured. Ensuring employers and training providers work together to determine requirements will be important to overcome existing skills challenges and other challenges that may arise over time.

3.34 Looking beyond the identified priority sectors, Lancashire accounts for a significant proportion of the North West construction business base at 22%, while Preston and South Ribble account for 18% of Lancashire’s construction business base. Construction is an important employer in the City Deal area economy. In 2013 Preston and South Ribble had a workplace employment figure of 14,259 in the construction sector, which equates to 10% of the workforce. This is a significantly higher proportion than regionally and nationally, Lancashire has less than 6% of total employment in construction (35,328). Opportunities for businesses and individuals in the City Deal area to capture benefits from supported activities could therefore be considerable, subject to adequate awareness and planning. Recognising construction as a priority sector for the City Deal area will be an important step forward in acknowledging the sector’s local value and ensuring initiatives are designed to support the sector’s growth.

4 The City Deal Programme

Key Messages

- City Deal represents an important opportunity to deliver transport infrastructure and drive forward employment and residential development across priority sites and locations in Preston and South Ribble.
- Over a ten year period, the ask to government document forecast that the investments and flexibilities would generate more than 20,000 net new private sector jobs, including 5,000 in the Lancashire Enterprise Zone and 17,420 new homes.
- There is an issue of the timing of benefits. In effect new investment will begin to have an impact from year three onwards, rather than from year one of the agreement. This reflects the City Deal focus on infrastructure investment.
- City Deal investments will unlock a considerable programme of development activity on priority sites. Plans are in place to deliver over 1 million m² of new employment floorspace and 16,950 homes over a 10 year period, a significant uplift on recent commercial and residential development levels.
- The major opportunities are in North East Preston and Preston City Centre, and Samlesbury EZ and Cuerden in South Ribble. These locations offer considerable potential to accommodate advanced engineering companies, logistics and distribution businesses and office based accommodation for high growth service sector activities.
- While Preston City Deal is expected to deliver early in the ten years, reflecting the timing of City Deal investment, the South Ribble contribution is expected to be greater in the second five year block, and is dependent on Cuerden delivering significant employment land from 2019/20 onwards.
- The increase in housing completions envisaged by local partners will require the availability of attractive sites and a very active and significant housing development industry.
- The proposed scale of new commercial and residential development is significantly higher than at any time in the past six years. It may take some time to establish the momentum needed to deliver the quantum of development.

The City Deal in Preston, South Ribble and Lancashire

4.1 The Preston, South Ribble and Lancashire City Deal was the first of 20 second wave agreements, signed in September 2013. The City Deal was developed by local partners to drive forward local growth by empowering the area to make the most of its economic assets and identified opportunities. City Deal status is valid for ten years from 2013/14 to 2023/24.

4.2 Over the period, the ask to government document forecast that the requested investments (£334m) and flexibilities would generate:

- More than 20,000 net new private sector jobs, including 5,000 in the Lancashire Enterprise Zone;
- Nearly £1 billion growth in Gross Value Added (GVA);
- 17,420 new homes; and
- £2.3 billion commercial investment leveraged.

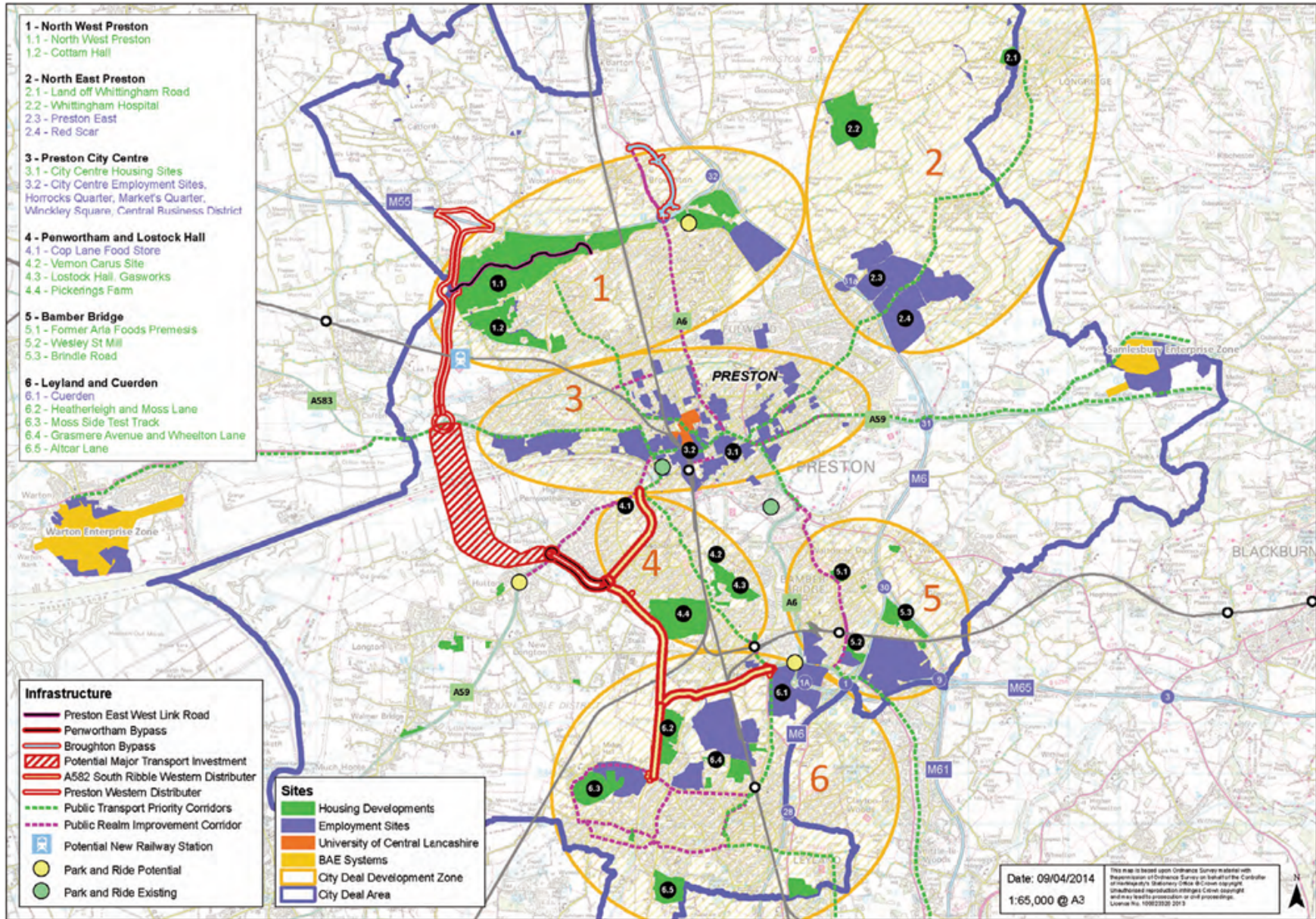
4.3 Given the emphasis on transport infrastructure improvements and the time needed to complete work, there is an issue of the timing of benefits. In effect new investment will begin to have an impact from year three onwards, rather than from year one of the agreement.

4.4 To achieve the targets, investments are focusing on the development of strategic transport infrastructure and bringing forward strategic sites to deliver both employment and housing growth. The core economic challenge that needs to be addressed is the need for critical infrastructure – a considerable programme of investment is required to overcome barriers to further sustainable housing and employment growth. Insufficient capacity on the highway network has been identified as a particular challenge. The City Deal investment will provide South Ribble and Preston with a 20 year land supply for commercial and residential development.

City Deal Investment Proposals		
	Overview of Activity	Costs £m)
Major Highways/Transport Schemes		
East-West Link Road	Introduction of an east-west link to connect the North West Preston housing area to the Preston Western Distributor.	9.8
Preston Western Distributor	A new road to link the A583/A584 to the motorway through a new junction on the M55 (including to improve access to the Warton Enterprise Zone) plus the provision of new link roads to proposed housing areas in Cottam and North West Preston.	104.5
Cottam Parkway	Development of a new 'parkway' style railway station to serve the North West Preston housing area and provide park and ride opportunities through car access from the Preston Western Distributor to Preston, Manchester, Liverpool, Blackpool.	15.0
Broughton	Introduction of a new bypass supporting congestion relief and improvements to M55 J1 and M6 J32. The scheme will support housing and employment land development in East Preston.	33.999
Preston Bus Station	Refurbishment and regeneration of the bus station and multi-storey car park to create a public service hub, including the creation of a refreshed bus station, a new Youth Zone and enhanced public realm.	23.342
Pickerings Farm Link Road	Introduction of a link road to connect the A582 Penwortham Way and the B5254 Leyland Road, to potentially include a new (or alternatively an improved) bridge across the West Coast Main Line, supporting a major development scheme.	4.5
Moss Side Test Track	Development of road infrastructure on the former Leyland Motors test track to enable residential development on the site.	2.05
Heatherleigh and Moss Lane Spine Road	Provision of a spine road through the Croston Road site to link the Flensburg Way roundabout with Croston Road and Heatherleigh to provide access to a housing development site.	1.0
Cuerden	Introduction of strategic site road infrastructure to unlock this major development site and allow development to commence.	5.05
South Ribble Western Distributor	A series of interventions to reconfigure junctions (at Chain House Lane, Golden Way, Stanfield roundabout, Tank roundabout and the Croston roundabout) and dual sections of the route (on the A582 from Cop Lane Bridge to the Broadoak roundabout, A582 Golden Way) to support the development of and access to the Cuerden site.	44.671
Penwortham By-pass	Completion of the Penwortham by-pass to complement the South Ribble Western Distributor capacity improvements and connect through to Ringway.	17.5
New Ribble Bridge	Designed to complete the Preston Western Distributor network between the M55 near Bartle and the M65 at Cuerden to relief pressure on the network in and around Riversway.	2.0
Other South Ribble Schemes	Details to be determined later in the programme.	5.0
Major highways sub-total		268.412
Local Highways and Public Realm Schemes		
Green infrastructure	Provision of green infrastructure to support development in North West Preston.	5.256
Fishergate Central Gateway	Investment in high quality public realm including re-configuration of gateways to improve connections to the bus station and rail station as well as catalyse private sector investment in the city centre.	6.914
Public Transport Corridors and Local Centres – Preston	<p>Broughton/Fulwood (north of the M55) – delivery of public transport, cycling and walking improvements along the A6 – one of the main routes into Preston City Centre from the north. Improvements may include more road space, redesigned junctions and public realm improvements. The corridor will also benefit from the introduction of the Broughton bypass.</p> <p>Broughton/Fulwood (south of the M55) – delivery of public transport, cycling and walking improvements to the southern stretch of the A6. Improvements may be as described above.</p>	12.125

	<p>North West Preston/Cottam/Ingol/City Centre corridor – the B5411 is one of the main routes into Preston City Centre from the north west. Improvements remain to be confirmed but will mirror the proposals above. This corridor will also benefit from the introduction of the Preston Western Distributor and East West link road.</p> <p>Warton to Preston Western Distributor – the corridor from Warton to Samlesbury will benefit from public transport, cycling and walking improvements. The scope of works remains to be confirmed but will mirror the items outlined above. This corridor will also benefit from the Preston Western Distributor.</p> <p>Longbridge/Grimsargh/Ribbleton/City Centre – this scheme will improve the B6243 – one of the main routes into Preston City Centre from the north east – to support public transport use, cycling and walking.</p> <p>Fishergate/Winckley Square – refurbishment of the Winckley Square Gardens and public realm improvements to retail areas leading on to the square.</p>	
Public Transport Corridors and Local Centres – South Ribble	<p>Hutton to Higher Penwortham/City Centre – improvements to the A59 – one of the main routes into Preston City Centre from the west – to potentially include more road space, redesigned junctions and public realm improvements. The corridor will also benefit from the delivery of Penwortham by-pass and the South Ribble Western Distributor.</p> <p>North of Lostock Lane – Lostock Hall – this corridor is one of the main routes into Preston City Centre from the south and will benefit from improvements to support greater public transport use, cycling and walking. The corridor will also benefit from delivery of the South Ribble Western Distributor.</p> <p>South of Lostock Lane – a programme of improvements to potentially include providing more road space, improved junctions and public realm improvements to a main route into Preston City Centre from the south.</p> <p>Bamber Bridge/City Centre – improvements to the A6/B5258 to enhance the experience of public transport users, cyclists and walkers on a main route into Preston City Centre from the south. The corridor will also benefit from delivery of the South Ribble Western Distributor.</p>	12.125
Local enhancements sub-total		36.420
Education and Community Infrastructure		
Community infrastructure – Preston	<p>Schemes identified to date are: Guild Wheel Upgrade Link, Lancaster canal towpath/cycleway, Grimsargh Green – and East Cliff Cycle Link</p> <p>Allowance has also been made pre-development stage works at this point in the programme to explore opportunities for community provision across the City Deal area.</p>	4.944 major sites 8.031 other
Education infrastructure – Preston	Scheme details remain to be determined but expected to include the provision of new schools to cater for a growing population.	28.495
Community infrastructure – South Ribble	Known schemes are: Landmark features – works to upgrade three local landmarks/gateway features – the lorry pop at the A582 Croston Road roundabout; the iron horse at Longmeanygate roundabout; and the Leyland tractor at Schleswig roundabout; and St Catherine's Park and Worden Park	7.4 major sites 4.922 other
Education infrastructure – South Ribble	Scheme details remain to be determined but expected to include the provision of new schools to cater for a growing population.	11.203
Education and community sub-total		64.995
Capital Financing Cost		
Capital financing total		6.056
City Deal total		£375.883
Source: Draft City Deal Infrastructure Delivery Plan 2015/18		

4.5 The plan overleaf shows the location of major infrastructure schemes and their relationship to priority development areas (considered below).



Timescales

4.6 An intense delivery period is proposed to coincide with City Deal timescales. The schedule below provides an overview of the anticipated delivery periods on a programme by programme basis.

City Deal Delivery Timescales by Programme										
Programme Name	Years 1-5 (year 1 = 2014/15)					Years 6-10 (year 6 = 2019/20)				
	1	2	3	4	5	6	7	8	9	10
Preston Delivery Programmes										
Major Highways/Transport										
East-West Link Road										
Preston Western Distributor										
Cottam Parkway										
Broughton										
Preston Bus Station										
Local Highways and Public Realm										
Green infrastructure										
Fishergate Central Gateway										
Public Transport Corridors and Local Centres										
Education and Community Infrastructure										
Community infrastructure – major sites										
Community provision										
Education infrastructure										
South Ribble Delivery Programmes										
Major Highways/Transport										
Pickerings Farm Link Road										
Moss Side Test Track										
Heatherleigh/Moss Lane Spine Road										
Cuerden										
South Ribble Western Distributor										
Penwortham By-pass										
New Ribble Bridge										
Other South Ribble Schemes										
Local Highways and Public Realm										
Public Transport Corridors and Local Centres										
Education and Community Infrastructure										
Education infrastructure										
Community infrastructure – major sites										
Community provision										
Capital Financing										
Capital financing										

Source: Draft City Deal Infrastructure Delivery Plan 2015/18

The City Deal Investment Fund

4.7 A nominal allocation of £100m from the £150m local property allocation has been identified for the City Deal Investment Fund. The Fund, invested as a new venture within the wider Lancashire Pension Fund, intends to be co-invested in housing and development schemes across the City Deal area. All investments are made on a commercial basis.

4.8 To date, one substantial award has been made of approximately £18m to support the development of new student accommodation at the bottom of Friargate in Preston. The pipeline of activity suggests that a combination of scheme purchase and development will be supported, with the mix to be adjusted throughout the investment period to maintain an acceptable level of risk. Hotel and student accommodation schemes have been identified to offer good yields within the City Deal area, although all schemes are assessed on an individual basis. The drawdown of funds will be dependent on the portfolio of schemes supported by the Fund as will the level and timing of funds being returned to the investment pot.

Facilitating New Development

4.9 Whilst the City Deal area already makes an important contribution to the Lancashire economy, City Deal investments present an opportunity to enhance growth prospects and counter sluggish growth over the last ten years. A combination of new housing to cater for a growing population and expanded employment opportunities will be important contributions.

4.10 The introduction of infrastructure to serve major development sites will be important to ensure the commercial and residential opportunities they are expected to unlock can be realised. Delays in infrastructure provision could have considerable implications for the roll out of associated development plans, including the creation of new homes and employment opportunities.

4.11 The detail of proposals has continued to be worked through since the original City Deal submission to government, providing clarity on where development will be taken forward, timescales and the scale of housing and employment land to result.

4.12 There will be a requirement to ensure development partners are engaged throughout the infrastructure delivery programme. This will help to ensure that site development occurs promptly following the provision of infrastructure and that should any challenges arise during the City Deal delivery phase, appropriate solutions can be determined that continue to support wider development objectives.

Unlocking Employment Land Development

4.13 A total of nine employment sites have been identified to be supported by City Deal activity. Together they are forecast to create 1 million m² of new floorspace across a range of use classes over 10 years, rising to 17.7 million m² over 15 years. A summary of the scale, nature and timing of development on each site is provided below. All figures are based on the latest monitoring returns prepared for DCLG, discussions with planners from the two local authority areas and scheme details available in site masterplans. In many cases, figures remain indicative as final scheme details remain to be confirmed.

City Deal Employment Sites Overview				
Scheme Name	10 yr Scale of Development	Primary Use	Start Year	End Year
Preston sites				
North East Preston	359,510 m ²	B2 and B8	2014/15	2023/24
Preston City Centre	146,788 m ²	B1	2015/16	2023/24
North West Preston	9,700 m ²	Retail	2014/15	Beyond CD
<i>Sub-total</i>	<i>515,988 m²</i>	-	-	-
South Ribble sites				
Penwortham/ Lostock Hall	27,593 m ²	B2	2016/17	2023/24
Cuerden	207,692 m ²	Mixed use	2018/19	2022/23
Moss Side Test Track	30,000 m ²	B2 and B8	2018/19	2020/21
Samlesbury EZ	145,360 m ²	B2	2016/17	Beyond CD
Bamber Bridge	12,194 m ²	B1	2016/17	2017/18
Lancashire Business Park ⁷	85,100 m ²	B2	2023/24	Beyond CD
<i>Sub-total</i>	<i>507,939 m²</i>	-	-	-
City Deal total	1,023,937m²	-	-	-

Source: DCLG monitoring returns and ekosgen analysis

4.14 Emerging details of the site development proposals are as follows. The major opportunities are in North East Preston and Preston City Centre, and Samlesbury EZ and Cuerden. These locations offer considerable potential to

⁷ Please note, the Lancashire Business Park site is being captured in City Deal monitoring returns to DCLG but is not part of the City Deal pay-back arrangement

accommodate advanced engineering companies, logistics and distribution businesses and office based accommodation.

Employment Site Development Summaries

Scheme Name	Overview
Preston sites	
North East Preston	The largest development opportunity area in the City Deal programme. North East Preston brings together a package of sites clustered around J31a of the M6, including Bluebell Way, the Preston East Employment Area and redevelopment of the former Whittingham Hospital site. The area is expected to cater for a mix of B2 and B8 uses and provide over 350,000m ² of new floorspace.
Preston City Centre	Development of an office based offer across key city centre sites including the Argyll Road depot and Parker Street sites. Private sector activity in this area also includes development of a new cinema and delivery of UCLan's campus masterplan.
North West Preston	Opportunities for mixed use development to round off the urban form of Preston through development of land south of the M55 stretching from the Cottam site to land north of Eastway/south of the M55 to the east plus the Cottam Brickworks site.
South Ribble sites	
Penwortham/Lostock Hall	Development to include a focus on B2 provision on part of the Pickerings Farm site and small scale development at Cop Lane.
Cuerden	South Ribble's largest development area, covering 65ha. Although firm proposals for the scheme remain to be finalised, it is expected to cater for mixed use development.
Moss Side Test Track	Development of the former Leyland Motors test track to potentially accommodate a combination of B2 and B8 uses.
Samlesbury EZ	Phased build out of the Enterprise Zone site to accommodate predominantly advanced manufacturing businesses.
Bamber Bridge	Further build out of the existing South Rings employment site during an early stage of activity to provide predominantly office accommodation.
Lancashire Business Park	Development to commence at the end of the City Deal period to expand current provision on the site, with a focus on B2 uses.

4.15 The employment land made available in the final three years of City Deal investment totals over 400 hectares, most of which will be developed in the 2025-2035 period. As considered in Section 5, this scale of development will support the attraction and retention of employment across a range of sectors.

Unlocking Residential Development

4.16 Seven housing priorities have been identified in City Deal records to form the focus of activity. Across a ten year development period, the latest proposals suggest that 16,950⁸ homes will be created – 15,750 through new build activity and 1,200 by returning vacant homes to active use.

4.17 This level of development across a considerable number of sites will require the engagement of both large and medium sized housebuilding companies for a sustained period. It is likely that significant new development of social and affordable housing will be required alongside increased activity in the private rented sector. These elements of new housing will require other types of investment finance.

City Deal Residential Sites Overview

Scheme Name	10 yr Scale of Development	Start Year	End Year
Preston sites			
North West Preston	5,212 units	2014/15	2023/24
Preston City Centre	3,425 units	2014/15	2023/24
Re-use of vacant homes	1,200 units	2014/15	2023/24
Sub-total	9,837 units	-	-
South Ribble sites			
Penwortham and Lostock Hall	1,676 units	2014/15	Beyond CD
Leyland and Cuerden	2,606 units	2014/15	Beyond CD
Bamber Bridge	761 units	2014/15	2022/23
Other priority sites	2,070 units	2014/15	Beyond CD
Sub-total	7,113 units	-	-
City Deal total	16,950 units	-	-

Source: DCLG monitoring returns and ekosgen analysis

4.18 An overview of the anticipated housing development schemes is provided below. These sites will support a growing population attracted by expanded employment opportunities, outlined later in this report.

Housing Site Development Summaries

Scheme Name	Overview

⁸ A figure marginally lower than identified in the ask to government, as development plans have been finalised

Preston sites	
North West Preston	City Deal's largest residential development opportunity which includes the Cottam Hall development site (capacity for up to 1,100 units) to be delivered as part of the Central Lancashire New Town urban extension.
Preston City Centre	Development of new housing provision on key city centre sites, including the Argyll Road depot and Parker Street sites.
Re-use vacant homes	A programme of refurbishment works, tailored to the needs of individual properties, to allow vacant, predominantly terraced, stock to be returned to active use.
South Ribble sites	
Penwortham/ Lostock Hall	Development will be focused on the Pickerings Farm site (79ha site) and redevelopment of the former Lostock Hall gasworks site to deliver almost 1,700 new homes.
Leyland and Cuerden	South Ribble's largest development area, covering 65ha. Although firm proposals for the scheme remain to be finalised, it is expected to cater for mixed use development.
Bamber Bridge	Delivery of new housing across a package of sites, including the former Arla Foods site on School Lane and land at Brindle Road.
Other priority sites	Sites yet to be determined but offering potential for housing development over the course of the City Deal programme.

4.19 The development profile shows that annual completions are forecast to peak during 2019/20 at over almost 2,400 units per annum. In three of the ten years, completions will exceed 2,000 units per annum and in a further four years are forecast to exceed 1,500 units.

4.20 The increase in completions envisaged by local partners will require the availability of attractive sites and a very active and significant housing development industry. Private sector completions typically account for approximately 85% of completions, suggesting that in the region of 2,500 homes would typically be expected to be delivered by other parties. The availability of mortgage finance will also be a factor in determining levels of demand and therefore the rate of build out.

Conclusions

4.21 City Deal investments will unlock a considerable programme of development activity on priority sites. Plans are now in place to deliver over 1 million m2 of new employment floorspace and 16,950 homes over a 10 year period which will be a significant uplift on recent development levels.

4.22 This level of development will require significant investment by private sector property developers and housebuilders, at a level not seen in Lancashire for many years. Engaging with new commercial investors will be a key area of activity for the City Deal team and two local authorities.

4.23 The major employment land opportunities are in North East Preston and Preston City Centre, and Samlesbury EZ and Cuerden. These locations offer considerable potential to accommodate advanced engineering companies, logistics and distribution businesses and office based accommodation for high growth service sector activities. Securing new investment from advanced manufacturing and supply chain companies will be challenging.

4.24 While Preston City Centre is expected to deliver early in the next ten years, reflecting the timing of City Deal investment and the impact of some recently completed public realm works, the South Ribble contribution is expected in the second five years of the work, and is dependent on Cuerden delivering significant employment land for development from 2019/20 onwards.

4.25 The increase in completions envisaged by local partners will require the availability of attractive sites and a very active and significant housing development industry. It is also likely that forecasts will include significant new development of social and affordable housing, as well as increased activity in the private rented sector. These elements of new housing will require other types of investment finance.

4.26 Increased construction activity will have a very positive impact on the Lancashire economy, creating other jobs or helping to safeguard jobs in a broad range of sectors. There is the potential for City Deal partners to work with the construction industry to explore construction related manufacturing.

5 Forecast Employment and Skills Needs

Key Findings

- The City Deal area already forms an important element of the Lancashire economy, accounting for 21% of employment. City Deal investment presents an opportunity to enhance this growth trajectory.
- Based on the nature of floorspace to be created the City Deal supported sites have the potential to accommodate over 30,800 jobs, although this reflects the long term legacy of City Deal. It is unlikely that the scale of floorspace envisaged will be fully developed and occupied within a ten year period. A more likely, although still ambitious, target is that two thirds will be developed and occupied over a ten to fifteen year period, suggesting an employment impact of 20,000 jobs.
- City Deal employment growth will be driven by new investment in manufacturing jobs, predominantly in the Enterprise Zone, logistics and distribution with a leading role for South Ribble and office based employment in and around Preston City Centre.
- While new sites and premises will accommodate employment growth, new inward investment and the availability of a quality workforce will be critical in securing incoming businesses and the growth of existing businesses, including in priority sectors.
- The workforce will become increasingly better qualified and higher skilled, particularly the younger workforce, and local education and training providers have an important role to play over the next ten years.
- A large workforce catchment will be important for employers and strengthening the connectivity and accessibility of the City Deal area will contribute to economic growth.
- Housing is an important element of economic growth – providing housing for a young, well educated workforce will make a contribution to economic growth.
- FE Colleges need to provide a regular supply of well qualified and motivated young people for the growth sectors. Graduate recruitment will be important for employers, with promotion of the availability of local graduates to be an important element of marketing.

The City Deal Policy on Growth Scenario

Site End Uses

5.1 The true legacy of City Deal investments will be in the unlocked development sites that go on to support a growing population and employment growth across a range of sectors. The City Deal site end uses provide Preston and South Ribble with a platform to provide new business space and deliver significant economic and employment growth. Although many site details remain to be finalised, assumptions have been made regarding the nature of employment to be accommodated across the City Deal sites and the anticipated timing of opportunities.

Total Scale of Anticipated Employment

5.2 Based on the nature of floorspace to be created and applying Homes and Communities Agency employment density guidance, the City Deal supported sites have the potential to accommodate over 30,800 jobs.

City Deal Employment Sites – Gross Employment Potential

	B1	B2	B8	Other use classes	Total
Preston Sites	10,092	4,083	2,779	485	17,439
South Ribble Sites	2,637	8,796	1,523	415	13,371
All Sites	12,729	12,879	4,302	900	30,810

Source: ekosgen analysis

5.3 Planned construction programmes provide an indication of the potential timing of employment opportunities. The figures are indicative, reflecting annual forecasts for the creation of floorspace. It should however be noted that the timing of employment benefits will be dependent on the completion of phases of development/complete buildings and the attraction of occupiers, meaning that the annual profile is subject to change.

5.4 Given the focus of City Deal on infrastructure investment, the substantive employment impact is likely to be more apparent from year 3 onwards, increasing significantly again from year 5. It is unlikely that the scale of floorspace outlined above envisaged will be fully developed and occupied within a ten year period. A more likely, although still ambitious, target is that two thirds will be developed over a ten year period, suggesting an employment impact of 20,000 jobs, in line with the City Deal targets.

5.5 This target remains ambitious given the time needed to deliver both infrastructure investment and then subsequent investment by developers and companies. A more likely timescale is 10 years from the completion of the initial major works, which would suggest years 13 and 14 post agreement.

Employment Growth

5.6 The table below sets out a policy on forecast⁹ against the 2015 base employment levels. The successful delivery of City Deal employment ambitions will have significant implications for employment levels across a range of sectors and will support the rebalancing of the economy by increasing levels of private sector employment whilst also helping to reduce the scale of anticipated manufacturing job losses.

City Deal Policy On Forecasts			
Sector	2015 baseline	2025 policy on forecast	Jobs uplift
Manufacturing	11,159	12,659	1,500
Construction	19,641	22,641	3,000
Wholesale and retail	24,114	24,814	700
Transportation and storage	6,386	9,386	3,000
Information and communication	4,083	5,583	1,500
Financial and insurance	2,796	4,396	1,600
Real estate activities	2,695	3,675	980
Professional, scientific and technical	8,219	11,819	3,600
Administrative and support services	13,967	15,667	1,700
Public administration	12,446	13,146	700
Arts, entertainment and recreation	3,166	3,566	400
Other ¹			1,320
Total (selected sectors)	108,670	128,670	20,000
	16,000	180,000	20,000

Source: Oxford Economics Forecasts and ekosgen estimates

¹ Including care and higher education amongst others not captured by traditional employment floorspace

⁹ A policy on forecast takes account of planned City Deal investments

5.7 The policy on scenario is dependent on reversing manufacturing employment decline (including energy and environment, building products), and a much higher level of growth in business and professional services and digital and creative industries. In addition, construction employment potential needs to be fully supported.

5.8 If achieved in a ten year period, the City Deal will have to treble its employment growth relative to the policy off¹⁰ forecast. This figure reduces if the employment target is stretched over 13-14 years to allow for the fully impact of the road infrastructure to have effect.

5.9 The impact of the policy on employment growth will be to change the make-up of the workforce, and a large proportion of the jobs will require a degree educated workforce, while others will require well qualified and skilled staff, including through growth in apprenticeships.

City Deal – Policy On Occupations	
Occupation	
Managers, directors, senior officials	2,500
Professional	3,600
Associate professional and technical	4,000
Skilled trades	1,600
Administrative and secretarial	2,000
Process, plant, machine operatives	2,000
Sales and customer services	1,500
Caring, leisure and other services	1,800
Elementary	1,000
Total	20,000

Source: ekosgen estimates

5.10 If the City Deal was to deliver 20,000 additional jobs, it would considerably increase the contribution of Preston and South Ribble to Lancashire's employment growth, helping to push the employment growth rate to a level which matches or

¹⁰ Policy off forecasts present the position in the absence of City Deal (and other planned) interventions

exceeds the national growth rate, and is in line with the LEP's ambitions. Crucially, the City Deal area, through the successful development of the Enterprise Zone, has a critical role to play in strengthening manufacturing employment and securing new investment in advanced manufacturing and the supply chain.

The Priority Sectors under the City Deal Scenario

5.11 The City Deal is expected to support improved prospects in a number of Lancashire's priority sectors. Achieving the employment and skills potential of these sectors, both within the City Deal area and across Lancashire, will be dependent on the provision of appropriate sites and premises, attracting investors and occupiers into the area (both of which City Deal activity can support) and enhancing local skills and employment prospects through delivery of actions proposed through the recently produced Sector Skills Plans. Developed in consultation with employers and providers, these documents are based on an understanding of current conditions and forecasts and outline actions to overcome challenges and build on identified opportunities that can benefit local businesses and residents.

5.12 The sub-sections below consider the role that the City Deal area can play in supporting the growth of the priority sectors, including to support the delivery of actions identified in Lancashire's recently produced Sector Skills Plans. Strong opportunities to contribute to the growth of priority sectors within the City Deal area reflect: existing sectoral strengths; target occupiers for new development sites; opportunities to accommodate a growing workforce through the provision of new homes; and a commitment through this Skills and Employment Strategy (as well as individual sector plans) to support an uplift in skills to support sector needs.

Business, Finance and Professional Services

5.13 Forecasts suggest that this sector will play a leading role in securing employment growth in Lancashire with local forecasts suggesting the county will out-perform the national economy. The recently produced Sector Skills Plan forecasts a total requirement for 62,400 employees across Lancashire between 2012 and 2022, taking account of growth forecasts and replacement demand.

5.14 City Deal sites in Preston City Centre are expected to play an important role in supporting the growth of this sector. There is an existing concentration of employment to build on and a skilled workforce to support sector growth in this

location. The development of new homes will also provide further capacity for a growing workforce through the offer of an expanded high quality housing offer.

5.15 Challenges to satisfying demand have been identified through development of the Lancashire Sector Skills Plan to include:

- A mismatch between supply and demand – including an undersupply of graduates completing financial and professional services related degrees.
- High levels of replacement demand and a need for effective succession planning – particularly true for higher level occupations presenting a need to upskill workers to take over roles to be vacated, particularly in family run businesses where the departure of key staff members may otherwise result in business closure.
- Rise of professional occupations with fewer administrative roles – requiring a fuller pool of labour to draw on in order to satisfy demand for higher level occupations.
- Shortages in specialist technical skills – currently requiring the importing of skills but that could in future be addressed through more specialist skills provision within the County.
- Issues with new entrants – specifically in relation to work readiness, including possessing basic English and maths, a strong work ethic and 'people skills'
- Coordination and information failures – with opportunities to improve relationships between HE and FE providers and employers to increase internships and apprenticeships.
- Image issues for the county – with a need to promote Lancashire's offer to both attract and retain workers in the sector and compete with neighbouring cities.
- Workforce profile – there is a need to secure greater workforce diversity in the sector, including for those that have not taken the university education route.
- Intelligence issues – presented by limited communication between employers and providers requiring a better understanding of requirements and associated lead times.
- Diversity of the sector – the composition of the sector's employment is forecast to change with the skills system required to respond.

5.16 It will be important for the City Deal local authorities and their residents to effectively support the delivery of activity under four thematic areas, identified in the Financial and Professional Services Sector Skills Plan in response to:

- meet the demand for skills, including addressing skills gaps and shortages and meeting replacement demand requirements;
- develop the supply side, so that it can address the changing needs of employers;
- increase the attraction of the sector and the location, to improve the retention of workers; and
- increase intelligence by tracking sector development, horizon scanning and articulating employer needs to providers.

5.17 Supporting these actions will help the City Deal area to attract new investors and growing businesses as well as secure growth in the sector's workforce.

Manufacturing

5.18 The manufacturing sector is forecast to experience continued turbulence but City Deal activity is expected to help stabilise the sector, reducing the considerable scale of job cuts that would otherwise be experienced. Although demand led forecasts have been reduced from the scale of supply led development potential, the City Deal investments will play an important role in maintaining the sector's presence and performance.

5.19 A series of City Deal sites are expected to continue to support Lancashire's manufacturing sector. The Samesbury Enterprise Zone site will play a key role in supporting the attraction of advanced manufacturing activities into Lancashire, both to the sites themselves and potentially supporting the growth of associated supply chains.

5.20 The recently produced Lancashire Sector Skills Plan identified the following challenges to achieving forecast growth:

- Ageing of the workforce and a need to plan for replacement demand, including widening the sector's appeal to young people.
- Technology is changing skills needs with a requirement to embrace technological change to enhance competitiveness and innovation.
- Challenges to attracting higher skilled employees, particularly technical specialists and leadership and management positions, with a requirement to generate more local supply.
- Securing a coherent and responsive model of skills provision that covers both core and specialist requirements.
- Ensuring the skills and growth capacity to become preferred suppliers through supply chain opportunities.

5.21 Sector skills plan priorities emphasise the importance of the following to drive sector growth:

- inspiring and engaging young people;
- recruiting and retaining a competitive workforce;
- developing a responsive learning infrastructure system; and
- securing employer investment in training.

5.22 Given the role that City Deal is expected to have in retaining high levels of manufacturing employment in Lancashire, partners will need to consider how best to respond to local opportunities.

Energy and Environmental Technologies

5.23 Opportunities in this sector have been forecast as part of the overall manufacturing figure with opportunities also evident in the growth of the professional, scientific and technical sector which, taking account of demand, is forecast to generate the highest number of net additional jobs on the City Deal sites. The Energy and Environmental Technologies Sector Skills Plan suggests that there are uncertainties about the rate of growth in the sector with forecasts suggesting that employment in Lancashire will grow by between 500 jobs (using a narrow definition) and 12,000 jobs (using a broad definition).

5.24 Sites to be developed as part of the City Deal that could accommodate increased employment in the sector include Cuerden, due to its relative size and mixed development opportunities. Office developments in Preston City Centre could also accommodate office-based functions of companies in the energy sector.

5.25 The Lancashire wide Sector Skills Plan identifies the following challenges to achieving growth:

- Shortage in specialist technical skills – including new and experienced engineers across a range of disciplines.
- Gaps in multi-disciplinary and softer skills – including communication and team working, high calibre management competencies and the ability to manage and commercialise innovation.
- Issues with new entrants – with particular challenges around work readiness and identifying engineers with business acumen.
- Workforce profile – including an ageing workforce, contractors who are mobile and a small overall labour pool which results in poaching.
- Image issues – seen in the low numbers of people studying STEM subjects (particularly women) and competition from other sectors for graduates.

- Intelligence issues – lack of communication between providers and employers to ensure appropriate skills provision with a need for more effective planning.
- Supply side issues – recruitment challenges in identifying FE teaching staff in the sector.

5.26 Four thematic areas have been identified in the Energy and Environmental Technologies Skills Plan to support the sector to:

- meet demand for skills, including technical skills, softer skills and business skills;
- increase the attraction of the sector in Lancashire through changing perceptions of both the industry and the location;
- improve intelligence by tracking developments in the sector; and
- develop the supply side by ensuring availability of appropriately skilled FE staff and adjusting provision to meet employer needs.

5.27 Ensuring that sector specific skills actions are aligned with timescales for relevant site developments and the attraction of new occupiers working in the sector will be important to allow the City Deal area to capture its employment share.

Visitor Economy

5.28 The visitor economy is forecast to experience employment growth over the City Deal delivery period and levels of replacement demand are also forecast to be significant. In a City Deal context, Preston City Centre is already an important attractor of visitors (including international visitors, potentially linked to the location of the University of Central Lancashire) with the vibrancy of the centre to be further driven by City Deal activities as well as supporting investments being taken forward by others, for example investment in the city centre public realm and proposals for a new cinema development.

5.29 Securing the forecast scale of new employment will require consideration of the sector's skills needs. The recently produced Visitor Economy Sector Skills Plan for Lancashire identified the following skills challenges facing the sector:

- Opportunities in the sector are under-sold – the breadth of opportunities offered by the sector is poorly understood, particularly in advice offered through schools.
- Negative perceptions persist – jobs in the sector are often, wrongly, seen as second best, in part due to attitudes towards the service sector and low average pay.
- Applicants are not work ready and lack soft skills – employers are demanding higher standards than those currently delivered through the skills system to ensure applicants have a rounded skills set.
- Pay and conditions are not favourable – entry level roles are often at the minimum wage, average wages remain low and the need for weekend and evening working presents a further challenge to recruitment.

5.30 In response, the Sector Skills Plan has prioritised activity around three key themes:

- preparing the future workforce, to attract more appropriately skilled young people into the sector;
- developing the existing workforce, addressing skills gaps relating to management and leadership, increasing online sales capabilities and ensuring the sector is prioritised within workforce development programmes; and
- learning from good practice, by supporting the roll-out of innovative and effective practice.

5.31 There may be opportunities for the City Deal authorities to position themselves to take a leading role in delivering some actions (e.g. delivering a pilot of a Visitor Economy Ambassador Programme) to support the capture of forecast employment growth.

Skills Forecasts

Economy Wide Forecasts

5.32 Workforce skills demands are changing across the economy, for both new recruits and existing workers. OEF forecasts (prepared under a policy off scenario) provide data on Lancashire’s skills requirements over the next ten years. These suggest that:

- Skills requirements across the workforce will increase with the proportion of employment requiring people qualified at Level 4 + expected to rise from 34% to 38% between 2015 and 2025 (an additional 33,500 people) and the proportion requiring no qualifications to fall from 8% to 6% (a reduction of 8,600 people).
- The four sectors forecast to report the largest employment uplifts will all require a higher proportion of people qualified to Level 4 + by 2025.

5.33 OEF forecasts for the City Deal area show that in Preston the proportion of employment requiring people qualified at Level 4+ is expected to reach 36% by 2025 (a 12% increase over 10 years) and in South Ribble the rate will reach 19% (a 17% increase from a low base). Across the two authorities this equates to an additional 6,700 people qualified to Level 4+. Conversely, the proportion of employment requiring no qualifications is forecast to fall by 17% in Preston and 14% in South Ribble, a total reduction of 1,700 people. Providing people with the skills needed to access and progress in employment will therefore be a priority.

5.34 In general, there is a move to up-skill the labour force and this applies across all sectors. In some of the most important growth sectors, the future workforce is based on a younger and better educated and qualified workforce.

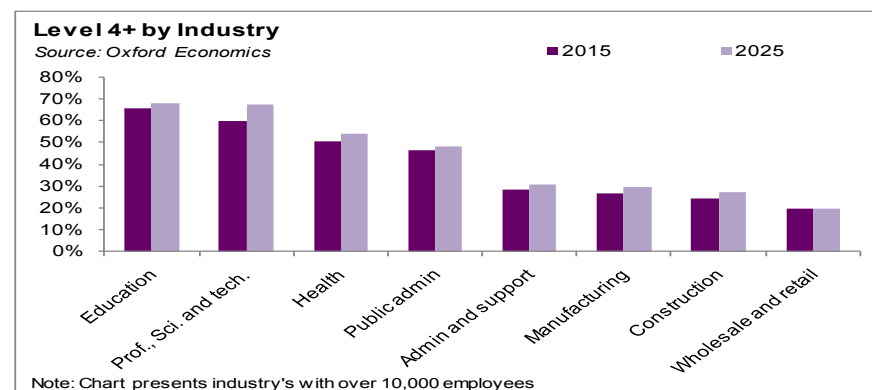
5.35 The need for greater anticipation and planning for local skills challenges has been widely acknowledged through both research and policy in recent years. The 2010 Skills for Sustainable Growth Strategy emphasised the need to ensure that skills provision meets the needs of employers and individuals. A report prepared by the OECD in the same year, drawing on an international review of local skills strategies, stated that “the assessment and anticipation of local skills and labour market needs is required to improve the efficiency of the local labour market; better match labour supply and demand to reduce bottlenecks; and better define the content and structure of education and training systems¹¹.”

5.36 Reviews of vocational education have been particularly keen to promote greater employer engagement in the planning of provision. The Richard Review of Apprenticeships noted the facilitation role local partners could play between employers and apprentices while the Wolf Review of Vocational Education

recommended employer involvement in quality assessment and assessment activities.

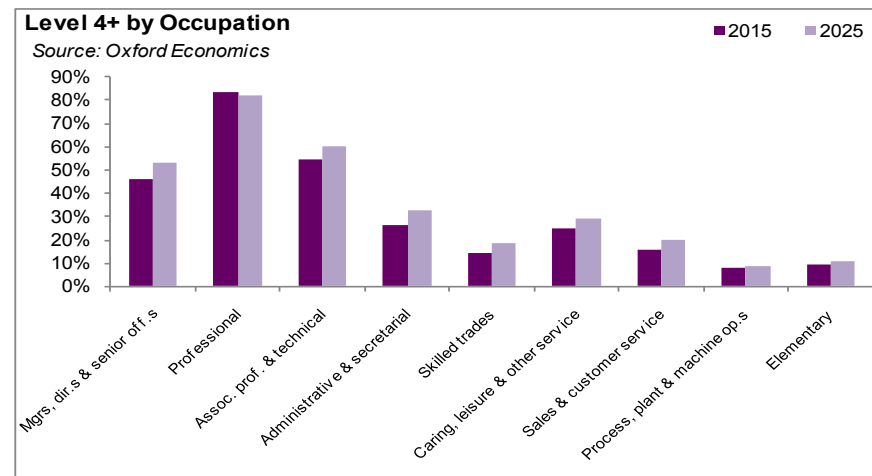
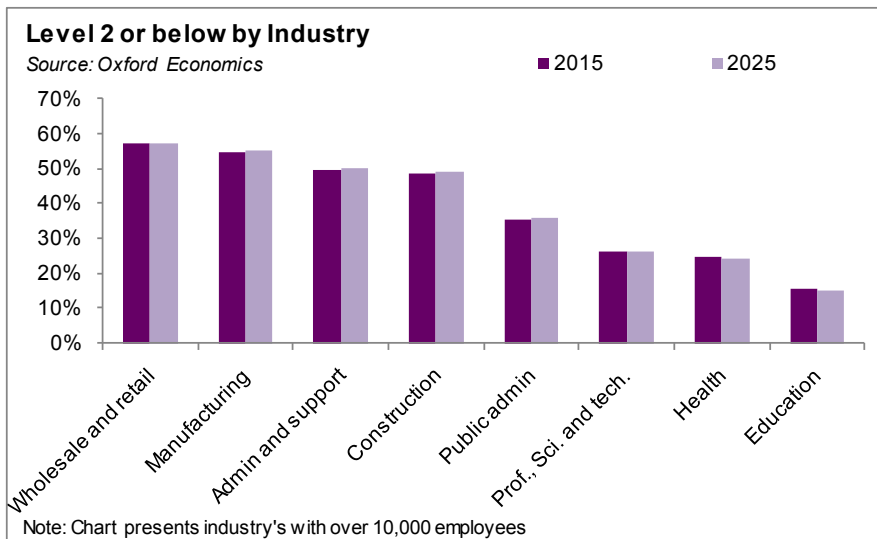
Forecasts by Industry

5.37 Most sectors are expected to see an increase in skills over the next decade, with the largest increase being in the professional, scientific and technological industry. Construction and manufacturing are expected to increase slightly in terms of the employees with level 4 qualifications and over, however the figure is forecast to remain under 30% in 2025.



5.38 The percentage of the workforce with level 2 qualifications or below is expected to stay much the same by 2025, decreasing slightly in sectors such as health and education at one end and increasing slightly in sectors such as manufacturing and construction at the other. These figures combined with those for level 4 qualifications suggest a polarisation of the workforce, between high skilled and low skilled employees which has been a common feature across broader geographies and timescales. Changing requirements will have implications for the planning and delivery of future education and training provision as well as information, advice and guidance offered through the education system, access to employment initiatives and job search support.

¹¹ Measuring Skills and Human Capital in Local Economies, OECD, 2010



Forecasts by Occupation

5.39 The occupation with the highest proportion of employees with level 4+ qualifications is professional occupations; however this is expected to decrease slightly by 2025. In all other occupations, skills levels are expected to increase slightly in the same time period, the largest being in administrative and secretarial occupations.

5.40 Overall employees holding level 2 or below qualifications are expected to decrease across all sectors over the next 10 years, with the exception being amongst skilled trades which is expected to increase slightly. Given the strong manufacturing and construction sectors in the City Deal area, this may be an important consideration.

Conclusions

5.41 The level of employment growth in the City Deal area will play an important role in the Lancashire LEP meeting its economic growth ambitions set out in the Strategic Economic Plan. An additional 20,000 jobs would represent an increase of 12% from 2015, against a policy off forecast of 4% (which in itself does however not take account of recent and planned investment in Preston and South Ribble).

5.42 City Deal employment growth will be driven by new investment in manufacturing jobs (helping to arrest the decline), predominantly in the Enterprise Zone, logistics and distribution with a leading role for South Ribble and office based employment in and around Preston City Centre. Based on the nature of floorspace to be created and applying Homes and Communities Agency employment density guidance, the City Deal supported sites have the potential to accommodate over 30,800 jobs if fully developed and occupied. This is in effect the City Deal long term (20 year) legacy.

5.43 Over the medium to long term, the City Deal area will support employment growth across a range of sectors and play an important role in increasing opportunities available in a number of the priority sectors, as well as supporting sectors. This will follow a short to medium term focus on employment in the construction sector to facilitate the development of infrastructure as well as new employment premises and homes for a growing workforce.

5.44 Achieving the scale of forecast growth will potentially present challenges. For example, it is not clear how the construction industry and other growth sectors will be able to recruit the numbers of experienced personnel required over the next three to five years, and increasing demand may impact on some of the planned Lancashire infrastructure projects.

5.45 There is a strong case to work with employers to increase apprenticeships, graduate recruitment and the recruitment of older workers to help companies meet their skills needs over the next five years. Greater awareness of the scale of employment and skills opportunities is also required across Lancashire and beyond to support businesses and individuals to prepare.

5.46 The City Deal employment growth will benefit from Lancashire wide training and skills initiatives as well as locally planned and delivered activity. New initiatives with regard to the construction industry are particularly important to Preston and South Ribble, as are sector skills plans for advanced manufacturing and financial and professional services.

5.47 FE Colleges will need to provide a regular supply of well qualified and motivated young people for the growth sectors. While FE provision covers a range of occupations and sectors, it will be important to focus on the types of business services and IT employment which will dominate employment growth. Apprenticeships will also play an important role in providing employers with a young well qualified workforce in many sectors. Working with employers to increase the provision of apprenticeships will be a key priority for local partners as well as promoting the availability of local graduates as an important element in up-skilling the workforce and attracting investment and occupiers.

5.48 A large workforce catchment will be important for employers' and strengthening the connectivity and accessibility of the City Deal area will contribute to economic growth. Similarly, housing is an important element of economic growth – supporting population growth and providing housing for a young well educated workforce will make an important contribution to achieving economic growth ambitions.

6 Short to Medium Term Construction Requirements

Key Findings

- Construction is already an important element of the local economy with City Deal activity to generate considerable further opportunities for the sector.
- There are three components to labour demand for City Deal related construction:
 - Housing, particularly new housing development
 - City Deal infrastructure investment
 - New commercial and industrial space.
- New building housing will require an annual workforce of almost 3,000 in the initial period, increasing to almost 5,000 post 2019, although it is not clear if the envisaged scale of completions can be achieved.
- The total jobs requirement averages 4,156 jobs each year from 2014/15 to 2018/19 and 6,363 from 2019/20 to 2023/24. Not all of this employment will be in Preston and South Ribble companies, although it will support the expansion of the employment base, in line with economic forecasts.
- Demand forecasts for higher level skilled construction posts (e.g. architects and surveyors) suggests over 1,500 jobs each year in the initial period, increasing to over 2,400 in the final five years of City Deal.
- There will also be substantial demand for skilled trades. Overall, the demand forecast suggests over 2,300 jobs each year in the initial period, increasing to over 3,670 in the final five years of City Deal.
- Employment forecasts show the sector's substantial scale of opportunity. There is a need to support the recruitment of required numbers of experienced personnel over the next three to five years including through increased apprenticeships and recruitment of graduates and older workers.
- There is a rationale for local City Deal partners agreeing construction as a priority growth sector and developing new initiatives to tackle business, innovation and skills issues. A public-private super-initiative, which brings together all of the relevant resources, and deals with both short and medium term industry challenges would be beneficial.

Total Scale of Anticipated Employment

6.1 Assessment of the capital spend required to support a construction job year in the North West economy, suggests that the City Deal infrastructure investments will support over 4,300 construction job years with the build out of residential sites to support a further 16,100 construction job years and employment sites 11,800 construction job years.

6.2 Forecasts produced by the CITB Labour Forecasting Model, recognising the varied nature of both directly and indirectly supported City Deal activities, suggest that the total construction workforce requirement by year will peak in 2019/20 with a requirement for over 7,200 construction workers. In eight of the ten years considered, requirements will exceed 4,000 workers.

6.3 On average, an annual requirement of over 4,000 workers has been identified for the first half of the programme rising to 6,300 during the second half of delivery. Forecasts suggest that residential development will be a leading employment requirement.

Annual Average Employment Requirement

	Annual Average 2014/15-2018/19	Annual Average 2019/20-2023/24
Major highways/transport schemes	351	150
Local Highways/public realm	51	15
Education and community infrastructure	108	152
Housing: new build	2,958	4,965
Housing: refurbishment	32	32
Employment uses: office	441	544
Employment uses: industrial	110	329
Employment uses: warehousing	17	55
Employment uses: leisure and retail	88	93
Total	4,156	6,363

Source: CITB Labour Forecasting Model

6.4 CITB forecasts suggest that in the first five years, City Deal will lead to a 5% increase in construction activity across Lancashire and potentially a 16% increase within Preston and South Ribble. In terms of employment growth, this makes construction a priority sector for the City Deal area.

Higher Level Skills Requirement

6.5 Delivery of a large scale construction programme will require a considerable skilled workforce to plan, develop and oversee activity. Forecasts suggest that higher level skills requirements will average 1,584 during the first half of the programme and 2,434 during the second half. This represents approximately two fifths of overall forecast labour demand for construction.

6.6 The occupations in greatest demand are non-construction professional, technical and IT, other construction process managers and other construction professionals and technical staff.

Annual Average Employment Requirement: Higher Level Skills		
	Annual Average 2014/15-2018/19	Annual Average 2019/20-2023/24
Senior, executive, and business process managers	226	365
Construction project managers	67	93
Other construction process managers	276	396
Non-construction professional, technical, IT	491	778
Civil engineers	115	153
Other construction professionals, technical staff	240	377
Architects	59	96
Surveyors	110	176
Total	1,584	2,434

Source: CITB Labour Forecasting Model

Other Construction Skills Requirement

6.7 Forecasts suggest that there will also be considerable demand across a range of construction trades. Again the demand for these is expected to be higher during the second half of the programme, with an average requirement of 2,376 workers in the first half compared to 3,673 in the second. These figures equate to approximately three fifths of overall labour demand.

6.8 The occupations forecast to be in greatest demand are wood trades and interior fit-out, labourers, plumbing, heating, ventilation and air condition trades and electrical trades and installation.

Annual Average Employment Requirement: Other Construction Skills		
	Annual Average 2014/15-2018/19	Annual Average 2019/20-2023/24
Wood trades and interior fit-out	381	622
Plumbing, heating, ventilation, air con. trades	255	419
Electrical trades and installation	249	405
Painters and decorators	173	284
Building envelope specialists	165	266
Bricklayers	112	181
Specialist building operatives (other)	106	156
Construction trades supervisors	96	121
Plasterers and dry liners	89	147
Roofers	81	132
Floorers	42	69
Glaziers	51	84
Scaffolders	39	64
Plant operatives	91	111
Plant mechanics/fitters	52	75
Steel erectors/structural	43	67
Logistics	49	63
Labourers nec*	293	407
Total	2,376	3,673

Source: CITB Labour Forecasting Model

6.9 Future skills requirements emphasise the range of opportunities available in the construction sector, including in higher skilled, typically higher paid occupations which are not always recognised. Publicising these could help to overcome negative perceptions of the industry. One stakeholder echoed the views of many when stating: *“The biggest challenge is getting people to see construction as a worthy occupation to fill the skills gaps we have”* while another commented *“Our industry has been frowned upon as a last choice...[it is seen as an option] if you are not academically astute enough”*.

Recognising the Wider Construction Context

6.10 Delivery of the Preston, South Ribble and Lancashire City Deal programme will not occur in isolation. Construction markets typically operate at a level higher than individual local authorities and LEP areas. Skilled trade people travel across local authority and sub-region boundaries and Lancashire construction companies operate in a North West marketplace. This position is likely to become more pronounced as the level of demand for construction workers increases over the next four years and beyond, reflecting the considerable scale of construction forecast in the region.

6.11 The recently produced North West Construction Pipeline Analysis 2015, commissioned by the Greater Manchester Chamber of Commerce, sets the regional development context and emphasises the scale of potential employment and skills challenges and opportunities, which will have implications for Lancashire.

The Scale and Nature of North West Development

6.12 There is a strong sense of optimism in the North West's construction sector. Agencies note that both the overall scale and ambition of development is increasing and demand from potential occupiers of commercial and residential development is growing.

6.13 Research identified a £29.9 billion (bn) construction output pipeline for delivery across the North West between 2015 and 2018 inclusive. The total (which is recognised to exclude some major projects due to limitations in available data) is only marginally less than the pipeline for the South East of the UK which has been valued at £33 bn.

6.14 Within these figures, the research suggests that Lancashire's output will be £2.6bn – the smallest sub-regional programme in the North West and a proportion considerably below Lancashire's share of construction employment. Reflecting the scale of development anticipated through City Deal, Lancashire has a higher than average proportion of housing projects in the pipeline (51% - £1.35bn).

6.15 Ensuring Lancashire can compete for labour in a competitive marketplace will be a priority. As one consultee commented, *“you can always tell when there are big jobs in Manchester – it is difficult to recruit”*. This challenge is expected to grow as all parts of the region embark on major construction programmes. At a time of high demand, it will be important for the sector to remain competitive and productive, including through effective management of supply chains. However, a competitive market is likely to result in recruitment and retention challenges for many employers.

Anticipated Employment and Skills Requirements

6.16 Forecasts produced through the CITB Labour Forecasting model suggest that the scale of construction programme outlined above will result in:

- Labour demand in the North West for 184,064 workers in 2015 and average labour demand for 122,000 workers between 2015 and 2018.
- Training needs between 2015-2018 which will be 45% higher than the 2011-2014 average.
- The top five professions in demand during 2015 being:
 - Non-construction professional, technical, IT and other office-based staff
 - Wood trades and interior fit out
 - Construction managers
 - Plumbing and heating, ventilation and air conditioning trades
 - Electrical trades and installation
- A typical training need for 10% of the workforce across all occupations, totalling 18,420 requirements during 2015.
- Across all occupations, the increase in average training needs between 2011-2014 and 2015-18 exceeds 40%, ranging from 43% in plumbing and heating, ventilation and air conditioning trades to 53% for scaffolders.

6.17 Research also noted that even when people are training in construction, only a third receive the on-site competency based qualifications required to work in the sector.

6.18 Ensuring training providers and employers are alert to this required uplift and the employment and skills challenges it presents is now a priority. There are signs that some organisations are looking ahead, for example in the construction and engineering sector the iSTEM Centre created by Eric Wright in partnership with Preston's College provides modern facilities in 'real work environments' and some FE colleges are offering roll-on, roll-off provision to meet employer needs. Given the scale of the opportunity outlined through this report, more work does however need to be done.

Conclusions

6.19 There are three components to labour demand for City Deal related construction:

- Housing, particularly new housing development
- investment in highways, education and community infrastructure
- New commercial and industrial space.

6.20 The major housing building programme is the main driver of labour demand, although it is not clear if the envisaged scale of completions can be achieved. New build housing will require a workforce of almost 3,000 in the initial period, increasing to almost 5,000 post 2019.

6.21 Across all development types, the total construction jobs requirement averages 4,156 jobs each year between 2014/15-2018/19 and 6,363 between 2019/20 to 2023/24. Not all of this employment will be in companies based in Preston and South Ribble, although it will support the expansion of the current employment base, in line with economic forecasts.

6.22 There will be considerable demand for higher level skilled construction workers including project managers, civil engineers, architects and surveyors. Overall demand forecasts suggest over 1,500 higher skills jobs will be required each year in the initial period, increasing to over 2,400 in the final five years.

6.23 There will also be substantial demand for a broad range of skilled trades including bricklayers, scaffolders, roofers, painters and decorators, glaziers and wood trades. Overall, the demand forecast suggests over 2,300 jobs each year in the initial period, increasing to over 3,670 in the final five years of City Deal.

6.24 It is likely that the construction industry will expand considerably in Preston and South Ribble, and this will in part be due to City Deal related infrastructure commercial and residential development. There may however be considerable recruitment and skills issues over the coming years due to the scale of forecast workforce requirements and the time taken to train a growing workforce. It is not currently clear how the sector will be able to recruit the numbers of experienced personnel required over the next 3-5 years.

6.25 There is likely to be considerable scope to increase apprenticeships, graduate and older workers recruitment (including from the unemployed), as companies seek to address the challenges of recruiting and retaining a skilled workforce. The construction sector needs to plan ahead to cater for increased demand. Lancashire City Deal's direct infrastructure investments and related commercial and residential development will be delivered in a very busy and competitive regional marketplace where skills shortages and recruitment difficulties are already apparent.

6.26 There are already a number of organisations involved in addressing the challenges facing the construction industry at both a regional and national level, in recognition of the scale of activity forecast to be taken forward and existing challenges within the sector. More importantly there are strong local industry networks and experienced training providers involved with some of the company base. Resources are available from a number of sources, although funding can be short term and limited.

6.27 Some of the solutions for industry challenges will involve the provision of more partnerships and more industry relevant FE courses, although these respond to medium term challenges. At the same time, the industry may have to consider recruiting older workers to meet some of the immediate challenges. Given these challenges, along with the need to introduce new technologies and processes, a single initiative, well-resourced and with close industry involvement, could be the most effective way of addressing challenges and supporting company and employment growth. An initial challenge will be to increase awareness of the current position, the scale of opportunities and the need for collective action to allow individual businesses and Lancashire as a whole to take advantage of construction opportunities and the longer term benefits they will generate (e.g. through the build out of new employment sites).

Skills in Lancashire:

Skills and Employment Strategy and Implementation Plan for Preston, South Ribble and Lancashire City Deal

December 2015

Contents

1	Introduction	1
2	Securing Social Value.....	3
3	Strategy Objectives.....	5
4	Alignment with Wider Ambitions	10
5	Priority Actions	12
6	Arrangements to Support City Deal Delivery	21

1 Introduction

Document Scope

1.1 This document sets out the strategy and priority actions required to ensure that Lancashire (comprising residents, businesses and stakeholders) secure the greatest value from City Deal investment. It has been produced alongside an evidence base report that provides the detail underpinning the strategy, including consideration of economic conditions in the City Deal area and across Lancashire, economic forecasts and the detail of City Deal investment propositions, both in terms of direct investment in infrastructure and site development to be unlocked. The key points raised through this analysis are outlined below to set the context for proposals in this strategy and implementation plan.

Baseline Conditions and Growth Forecasts

1.2 The Lancashire Local Enterprise Partnership is one of the largest in the North, with a population of almost 1.5 million and almost 623,500 people working in the area. It is however currently performing below its potential, lagging behind national averages for employment growth and productivity, as examples. Manufacturing and the public sector remain significant employers despite recent declines.

1.3 The City Deal authorities of Preston and South Ribble sit at the centre of the Lancashire economy and account for just over a fifth of employment. The area has experienced a slow economic recovery, only recently returning close to pre-recession employment levels. Construction is an important employer in Preston and South Ribble, accounting for 10% of workplace based employment compared to less than 6% Lancashire wide.

1.4 Under a policy-off growth scenario (i.e. not accounting for City Deal and other investment proposals), forecasts suggest a 4% employment uplift. There is widescale recognition that a step change in economic performance is required to allow Lancashire and sub-areas within it to perform to their potential and address the gap against national performance.

1.5 Six priority sectors have been identified that sit at the core of the Lancashire economy, based on current scale and/or opportunities for growth as:

- Advanced engineering
- Energy and environment
- Professional, financial and business services
- Creative, digital, media and ICT
- Logistics
- Visitor economy

1.6 The Strategic Economic Plan set out ambitious growth targets (see Section 4 for details), taking account of both priority sector and wider growth and City Deal is seen as a central component in allowing these ambitions to be realised.

The City Deal Opportunity

1.7 The Preston, South Ribble and Lancashire City Deal was developed by local partners to drive forward growth. The status is valid for ten years from 2013/14 to 2023/24 and allows the area to make the most of its economic assets and opportunities.

1.8 At its core is a series of strategic transport infrastructure investments, many of which are long standing priorities for the area and are intended to open up new development opportunities. The planned programme of activities totals £375.883m¹ representing a substantial investment programme.

1.9 City Deal status generates benefits from three perspectives:

- Direct benefits associated with the infrastructure works programme;
- Direct benefits arising from a nominal allocation of £100m from a £150m local property pot identified for the City Deal Investment Fund to co-invest in residential and commercial developments on a commercial basis²; and
- Indirect benefits to be secured through subsequent site development that is forecast to accommodate up to 16,950 homes³ and over 1 million m² of new employment floorspace.

1.10 A series of investment proposals have been identified across these categories.

The Scale and Nature of Employment Opportunities

¹ Contingency has been built into the current total in recognition that some scheme details remain to be finalised and cost estimates remain at an early stage of preparation

² As details of investment under this strand are subject to change dependent on allocations no benefits have been factored into employment benefits

³ 15,750 new build and 1,200 by returning vacant homes to active use

1.11 City Deal is forecast to be a major employment generator during both the construction phase and the subsequent occupation of new development sites and premises. Whilst construction employment will be an early win, gaining full value from resulting sites will represent a 20 year legacy of City Deal activity.

1.12 Assessment suggests that directly supported activities will create an annual average requirement for over 4,000 construction workers during the first half of the programme (2014/15-2018/19), rising to 6,300 workers per annum during the second half of delivery. These CITB generated forecasts suggest that in the first five years, City Deal will lead to a 5% increase in construction activity across Lancashire and potentially a 16% increase in Preston and South Ribble.

1.13 Medium to long term employment captured on unlocked development sites will be in the region of 20,000 against the base 2015 position with market adjusted forecasts suggesting that new development will play an important role in:

- Reversing manufacturing decline;
- Securing higher growth in business and professional services and digital and creative;
- Supporting growth in the construction sector; and
- Driving demand for graduates and other highly qualified workers.

1.14 Securing 20,000 jobs over the next 10 years would represent growth of 12% from 2015, against the policy-off forecast of 4% growth.

Potential Challenges to Delivery

1.15 Whilst City Deal represents an important opportunity for the Lancashire economy it also presents potential challenges from a skills and employment perspective. The scale of planned activity is considerable and construction is due to occur at a time when there are already recognised workforce gaps.

1.16 The evidence base review has identified the following core challenges to be addressed through the City Deal Skills and Employment Strategy:

- The City Deal area presents an important opportunity to create a step change in the Lancashire economy, creating new employment of a scale and diversity that will contribute to Lancashire wide objectives. Achieving this will require partners to work effectively together to plan and deliver responses.

- Construction has recently been identified as a key sector for the City Deal and Lancashire economy, reflecting existing strengths, the scale of opportunities to be created and the need to intervene to generate a workforce of sufficient scale and skills.
- City Deal construction activity will be delivered at a time of high demand across the sector in the North West and nationally presenting strong competition for skilled workers. Securing sufficient, experienced personnel over the next three to five years will be a particular challenge, ahead of the skills system being able to respond.
- An ageing population places pressure on all sectors of the economy at a time of growth, requiring all those who wish and are able to work to be supported to do so and a large workforce catchment to be considered by employers in order to achieve recruitment targets.
- Skills demands are increasing across the economy with the proportion of employment requiring people qualified at Level 4+ forecast to rise from 34% to 38% between 2015 and 2025 (an additional 33,500 people Lancashire wide of which 6,700 are in Preston and South Ribble) and the number of roles requiring staff with no qualifications falling by 8,600 over the same period (1,700 in the City Deal area).
- Skills and training provision will need to be responsive to business needs, promoted through greater employer engagement, and be forward looking to address emerging skills requirements.
- Young people and adults need to be alert to the scale and nature of forecast employment changes to allow them to secure the skills and qualifications needed by employers to access and progress in work, thereby planning their personal career paths in response to opportunities.

1.17 These challenges set the context for the strategy and actions that follow.

2 Securing Social Value

2.1 City Deal is a substantial investment opportunity that presents opportunities for benefits to be captured through multiple routes. Planning for benefits capture from an early stage is an important requirement to ensure that a wide range of potential benefits are realised in the City Deal authorities and across Lancashire. Capturing social value is a key consideration in the context of the scale of opportunities to be created and current restrictions on labour supply and business preparedness. A public sector drive can support engagement in this area.

Opportunities to Capture Social Value

2.2 Securing social value through public sector investment is a high priority to allow the benefits of City Deal activity to be maximised. The Social Value Act (2013) places a statutory duty on local authorities to consider, at the pre-procurement stage, what social, environmental and economic value is obtainable from public service contracts above the EU threshold. There are also opportunities for social value to be secured through lower value contracts and through the planning system. Implementing such approaches can play an important role in demonstrating partners' ambitions and ensuring that requirements of developers and suppliers are formalised.

2.3 Social value can take a variety of forms, including:

- Supporting local people to gain employment opportunities, for example through the offer of apprenticeships and guaranteed interview schemes, and secure a fair rate of pay.
- Targeting opportunities on particular groups, for example those considered to be disadvantaged in the labour market or priority regeneration areas.
- Engaging young people, for example through school visits and the offer of work placements to increase interest and engagement in the world of work and knowledge of opportunities available locally.
- Increasing the proportion of expenditure captured by local businesses and their supply chains.
- Supporting new investment to be attracted into the area.
- Securing environmental benefits, including commitments to reductions in carbon emissions and/or energy consumption.

2.4 The scale of construction activity to be taken forward through both direct City Deal activity and the subsequent development of sites represents a significant opportunity that partners are keen to grasp. Steps are now required to ensure that opportunities are effectively captured throughout the duration of City Deal activity.

Policy Recommendations

2.5 Although partners recognise the opportunity to secure social value, at present insufficient mechanisms are in place to capture benefits. For an initiative of the scale and profile of City Deal a range of benefits should be sought. The following recommendations should be applied when considering City Deal social value policy:

Articulate social value expectations in a City Deal policy: A single City Deal social value policy should be developed and applied to all activity (and by partners more widely where appropriate) to ensure that:

- a) The social value ambition is articulated to all parties;
- b) The way in which social value requirements will be contracted and monitored is understood by all developers/suppliers;
- c) Requirements are consistently applied.

An Action has been included in Section 5 of this plan to ensure that development of a social value policy is an early priority.

Develop a toolkit to build on existing initiatives and approaches: Achieving social value should build on existing activities. For example, there will be opportunities to link to requirements outlined in the Lancashire Skills Pledge to allow consistent goals to be worked towards and the potential for confusion regarding requirements to be minimised.

Engage relevant parties in policy development: The policy should be challenging but achievable. Considerations in developing the policy will need to include compliance with procurement regulations and the ability of developers/suppliers to deliver proposed benefits. Securing involvement of relevant parties ahead of arrangements being finalised will help to ensure deliverability from a range of perspectives.

Clearly define benefits indicators and performance metrics: Social value performance metrics need to be agreed between partners to allow achievements to be captured and assessed over time. Transparency and clarity will be required around the definition of all agreed forms of social value to allow for consistent forecasting, delivery and monitoring of activities across schemes.

Specify priority benefit indicators: Although there is value in delivering all forms of social value, there may be some forms of benefit that partners wish to encourage over others, for example supporting local residents to access employment and increasing local supply chain expenditure. This should be considered in the development of the policy. Consideration will also be required of how sustained benefits (e.g. an apprentice continuing to be engaged to support the next level of training) are assessed relative to new benefits (e.g. new apprenticeship starts).

Process Recommendations

2.6 Effective delivery of social value objectives will require clear processes that are widely understood by both internal parties (including the City Deal team and local authority planning and procurement teams) and external partners (including developers, suppliers and other skills and employment support providers). The following recommendations are made to ensure a transparent process is established from an early stage of delivery.

Require all City Deal related activity to demonstrate social value: Social value will take different forms for different types of activity but the starting point will be to state that all developers and suppliers are required to contribute to articulated social value objectives with flexibility to be offered where necessary to allow the benefits offered to reflect the nature of supported activity (for example, potential benefits will differ between say the commissioning of infrastructure construction works and commissioning marketing support).

Alert procurement and planning teams to expectations and identify early opportunities in response: Incorporating social value requirements into procurement exercises and planning conditions requires early consideration, if they are to be effectively applied. If not identified at an early stage, there is a risk that activity will be delayed while details are worked through. Raising awareness across such teams and others (for example where colleagues may be aware of forthcoming planning applications and procurement requirements) will be important to allow for effective planning and having a clear process to allow opportunities for social value capture to be identified and documentation prepared accordingly.

Engage supporting partner organisations in the process: Effective delivery will require engagement with a range of potential delivery partners to allow activity to build on existing employment and skills initiatives, for example the work of the Lancashire Employment Support Service, work trials offered through JobCentre Plus and actions to be taken forward through the Lancashire Skills Hub and its Sector Development Groups.

Agree social value contractual arrangements early: New contract requirements should be discussed and agreed at an early stage to ensure outcomes are effectively captured in contracts let through procurement and planning application award decisions. Such requirements should be clearly articulated in application paperwork to ensure contractors and developers are alert to how required outcomes will be incorporated.

Implement robust monitoring arrangements: Securing a commitment to delivering social value benefits is a first step with robust processes then required to allow evidence to be gathered. A process will be required that articulates what information needs to be collected, in what format, at what frequency and arrangements for submitting details for monitoring purposes. This will allow the City Deal partnership to assess social benefits secured by individual schemes and the programme overall.

3 Strategy Objectives

Introduction

3.1 Much of the City Deal documentation to date has focused on the capital investment programme. This strategy recognises the human capital element to the successful delivery of the outcomes – economic and employment growth.

3.2 Without an appropriately skilled and scaled workforce, the Preston, South Ribble and Lancashire City Deal will not deliver to its full potential, either through delivery of the infrastructure programme itself or the wider and lasting portfolio of opportunities through site development of both new business space and residential development. This strategy and action plan has been prepared to support partners to take the steps needed to ensure that it does, involving partners throughout the process.

3.3 The scale of the labour force needed to deliver the ambition is considerable and requires a multi-faceted skills set. While there are strengths to build upon, the scale of the challenge should not be under-estimated with prompt and diverse activities required to support Preston, South Ribble and Lancashire to deliver and benefit from activity.

3.4 Considerable resources are available to help support employment and skills plans in the City Deal area. These include the European Social Fund, Skills Funding Agency capital and revenue investment, and the support of agencies such as the National Apprenticeship Service.

3.5 The City Deal area also benefits from the presence of Universities and Further Education Colleges, as well as private sector training providers. These organisations are important local partners as well as the providers of training services. In addition, secondary schools have an important role to play in the provision of information, advice and guidance to young people about the new employment opportunities which will be available over the next ten years.

3.6 The City Deal area is a core part of the Lancashire economy and will draw its workforce from a wide geographical area. It will be important that skills and employment plans recognise the importance of the wider Lancashire workforce in developing initiatives rather than simply people living within the City Deal boundary, if the scale of ambition is to be realised. The planning of future post 16 and post 19 support and any re-organisation arising from area-based reviews need to take account of the skills requirements of the City Deal.

Strategic Challenges

3.7 Achieving this aim will require careful planning and management, recognising the scale of the ambition, the multiple partners with a role to play in delivery and the wider context in which City Deal activity is being taken forward.

3.8 The major challenges with regard to the City Deal aspirations are:

- Providing a workforce for the new economy, particularly the priority sectors; including a large cohort of young and well qualified workers attractive to incoming employers.
- Providing a workforce for the construction industry which will deliver the infrastructure, commercial and residential development set out in the City Deal, addressing the challenge of delivering a marked increase in new housing development.
- Maximising the training and employment opportunities available for both young people and older people from construction activity, using procurement processes to deliver a higher level of industry engagement and increase social value for public sector construction expenditure.
- Providing training and skills support which helps to secure new inward investment and company expansion in the City Deal area.

3.9 These challenges require a medium term approach, rather than short term initiatives, with consistent actions over the next five to seven years.

3.10 A key feature of the response to skills challenges will be the need to increase working with senior schools, sixth form colleges and Further Education colleges, recognising their role working with younger people.

Priority Sector Challenges

3.11 As well as recognising economy wide challenges, it will be important for City Deal partners to recognise challenges facing priority sectors with a key role to play in the area's growth. Recently prepared Sector Skills Action Plans have already highlighted challenges to sector growth with the key points to note in the development of City Deal proposals being:

Recognised Priority Sector Skills and Employment Challenges
Business, Finance and Professional Services
<ul style="list-style-type: none"> • Mismatch between supply and demand – including an undersupply of graduates completing sector related degrees and a need to engage workers who have not taken a university route. • High levels of replacement demand and a need for effective succession planning – particularly for higher level occupations presenting a need to upskill workers to take over roles. • Image issues – with a need to promote Lancashire's offer to both attract and retain workers in the sector and compete with neighbouring cities. • Intelligence issues – limited communication between employers and providers with better understanding of requirements and lead times needed. • Diversity of the sector – the composition of the sector's employment is forecast to change with the skills system required to respond.
Manufacturing
<ul style="list-style-type: none"> • Planning for turnover – including to recognise ageing of the workforce and replacement demand and widening the sector's appeal to young people. • Responding to technological change – with a need to embrace change and associated skills needs to enhance competitiveness and innovation. • Attracting higher skilled employees – particularly technical specialists and leadership and management positions, with a requirement to generate more local supply. • Covering a variety of skills needs – securing a coherent and responsive model of skills provision that covers both core and specialist requirements. • Building opportunities for businesses – ensuring the skills and growth capacity to become preferred suppliers through supply chain opportunities.

Energy and Environmental Technologies
<ul style="list-style-type: none"> • Shortage in specialist technical skills – including new and experienced engineers across a range of disciplines. • Gaps in multi-disciplinary and softer skills – including communication and team working, high calibre management competencies and the ability to manage and commercialise innovation. • Workforce profile – including an ageing workforce, contractors who are mobile and a small overall labour pool which results in poaching. • Image issues – seen in the low numbers of people studying STEM subjects (particularly women) and competition from other sectors for graduates. • Intelligence and supply issues – lack of communication between providers and employers to ensure appropriate skills provision plus recruitment challenges to secure FE teaching staff.
Visitor Economy
<ul style="list-style-type: none"> • Opportunities in the sector are under-sold – the breadth of opportunities offered by the sector is poorly understood, particularly in advice offered through schools. • Negative perceptions persist – jobs in the sector are often, wrongly, seen as second best, in part due to attitudes towards the service sector and low average pay. • Applicants are not work ready and lack soft skills – employers are demanding higher standards than those currently delivered through the skills system to ensure applicants have a rounded skills set. • Pay and conditions are not favourable – entry level roles are often at the minimum wage, average wages remain low and the need for weekend and evening working presents a further challenge to recruitment.

3.12 Positioning the City Deal area to both respond to sector opportunities and overcome challenges will in many instances require participation in Lancashire wide initiatives proposed through the sector plans.

Overarching Objective

3.13 This strategy has been prepared to support the achievement of one overarching objective:

Build and maintain a workforce of sufficient scale, skills and ambition to deliver the City Deal infrastructure programme to the agreed delivery programme and support the development and sustainable growth of priority sectors, capturing benefits for Lancashire residents and businesses

3.14 Achieving this aim will require careful planning and management, recognising the scale of the ambition, the multiple partners with a role to play in delivery and the wider context in which City Deal activity is being taken forward.

3.15 The City Deal employment and skills plan sits within the context of Lancashire wide plans, particularly with regard to the priority sectors. As such, City Deal partners will need to work closely with training providers across a wider geography, accessing where necessary specialist training provision relevant to companies and new inward investors in Preston and South Ribble.

3.16 One of the most important aspects of City Deal skills and learning aspirations is a long term commitment to increase the quality of vocational opportunities open to young people in Preston and South Ribble. This will begin with guidance in schools and close working with employers, Sixth Form and Further Education Colleges and UCLAN, as the local university, to ensure young people have a broader choice as they enter employment and further and higher education.

3.17 Another underlying aspiration is to ensure that older workers and those returning to the labour market also have more choice in terms of training and employment opportunities as a result of the City Deal related investment. The intention is to increase employment and economic activity rates, and reduce the numbers of unemployed people and those seeking employment.

Strategic Objectives

3.18 A series of supporting strategic objectives have been identified to support achievement of the headline ambition. This approach recognises that a series of actions will be required, spanning a range of subject areas, to support Lancashire partners to recognise, plan for and exploit the City Deal opportunity.

3.19 The Plan also recognises that City Deal is essentially a major infrastructure programme designed to unlock a long term land supply for commercial and residential development. As such, City Deal partners have a particular interest in the construction sector and associated opportunities.

3.20 There are four strategic objectives:

- Provide the well qualified workforce needed to support employment growth and meet replacement demand, with a special emphasis on the Lancashire priority sectors.
- Support the development of the construction industry and supply chain in the City Deal area as a priority sector for company and employment growth, working with local companies to strengthen skills and training provision.
- Work with the construction industry, using procurement processes where appropriate, to increase training and employment opportunities for young people and older workers and increase social value.
- Develop a skills, training and recruitment support package for employers taking up business space on the City Deal linked priority sites and premises, including Preston City Centre, the Enterprise Zone and Cuerden as the major centres for new inward investment.

3.21 The success of City Deal is dependent on both the outcomes of infrastructure investment, i.e. land and premises developed, and companies providing new employment. While the construction related opportunities can be mapped with some certainty, the growth of the priority sectors will require a very effective inward investment marketing and promotion effort over a sustained period, as well as a competitive support offer to attract new companies to Lancashire.

Provide the well qualified workforce needed to support employment growth and meet replacement demand, with a special

emphasis on the Lancashire priority sectors.

3.22 The priority sectors are a very important source of local jobs in the Lancashire economy. The sectors forecast both employment growth and replacement demand and will provide a consistent source of employment opportunities.

3.23 There are five objectives with regard to the Priority sectors, some of which require a medium term commitment. These are:

- a) Increase the STEM performance in senior schools, where necessary working with younger pupils.
- b) Strengthen the information, advice and guidance system in senior schools and sixth form and FE colleges to provide a pool of well qualified young people interested in pursuing careers in the Priority sectors, including construction.
- c) Increase the number of apprenticeships across the broad range of occupations needed to support the Priority sectors, embedding a cultural change in company investment in training for the future workforce.
- d) Work with local companies, UCLAN and Lancaster University to increase the internships, placements and graduate recruitment linked to supporting company growth in the Priority sectors.
- e) Establish the Lancashire Enterprise Zone as a leading centre for manufacturing, energy and environment and construction related vocational training, linked to new assets and the leading role of BAE Systems and its supply chain.

3.24 The provision of a well-qualified workforce is critical to Lancashire meeting its economic aspirations for its economy and communities. There is considerable scope in all of the Priority sectors, all of which provide opportunities for progression in terms of supervisory and management positions. It is important that young people in particular are aware of these opportunities to progress with experience.

3.25 There remains a continuing challenge of promoting vocational opportunities on a par with academic opportunities and the Priority sectors provide good openings for both graduate and non-graduate young people.

Support the development of the construction industry and supply

chain in the City Deal area as a priority sector for company and employment growth.

3.26 The construction industry is already facing skills shortages and as new build activity increases, these issues will become more acute. There is a short to medium term problem regarding the availability of a skilled labour force to meet the needs of the construction industry in Lancashire and elsewhere in the North West.

3.27 A number of initiatives are already underway with regard to construction and there is a need to increase and intensify the industry given the employment forecast and the planned scale of construction activity. Fundamental to any efforts to strengthen the construction labour force is a strong commitment of employers to invest in workforce development.

3.28 There are five objectives with regard to the construction industry, some of which require a medium term commitment. These are:

- a) Increase the number of apprenticeships across the broad range of occupations needed to support the construction industry, embedding a cultural change in company investment in training for the future workforce.
- b) Work with local construction and supply chain companies to increase the internships, placements and graduate recruitment linked to supporting company growth.
- c) In the light of the persistence of skills shortages, work with the construction industry to support the recruitment of older workers from other sectors and backgrounds.
- d) Prioritise construction companies for bespoke business support through the Lancashire business development support system including management development, planning and investing for growth and improving productivity.
- e) Foresight: Explore construction related manufacturing and supply chain product development to increase the economic benefits from construction.

3.29 The most important step for Lancashire is recognising the construction industry as a priority sector in its own right, with the potential to provide both jobs and new manufacturing and supply chain opportunities which will contribute to economic growth.

Work with the construction industry, using procurement processes where appropriate, to increase training and employment opportunities for young people and older workers and increase social value.

3.30 The construction industry is a very important source of local jobs, with employment growth and replacement demand providing a consistent source of employment opportunities. Large construction companies are familiar with public sector requirements to provide training and work placement opportunities as part of contractual requirements for some public works contracts.

3.31 Recent developments have added the concept of social value to the ambition of public sector agencies to increase the benefits from public sector investment. The introduction of social value does however need to take account of the costs of any requirements and the ability of companies to contribute to social value goals.

3.32 There are four objectives with regard to the construction industry, some of which require a medium term commitment. These are:

- a) Ensure a specific commitment to working with local schools and colleges with regard to IAG and require site trips and visits as part of public sector funded construction contracts.
- b) Prioritise groups which have difficulty accessing apprenticeships, including women and ethnic minority groups, in public sector funded construction contracts.
- c) Secure a commitment to recruiting older workers, where necessary using public sector skills support to make candidates work ready and attractive to contractors and sub-contractors.
- d) Develop a social value ask/requirement which takes account of the other requirements being placed on contractors.

3.33 Given the scale of public sector investment in construction activities, and the potential for further investment over the next ten years, there is an opportunity to assist some groups in the labour market who have the potential to take up training and employment but where there are barriers which need to be addressed.

3.34 This objective needs to be balanced by the costs involved, and setting ambitious but realistic targets for company engagement and commitment will be a key part of the development and negotiation process with the construction industry.

Develop a skills, training and recruitment support package for employers taking up business space on the City Deal linked priority sites and premises, including Preston City Centre, the Enterprise Zone and Cuerden as the major centres for new inward investment.

3.35 The City Deal will provide Preston and South Ribble with a long term land supply with the capacity to attract significant new investment in a range of sectors. There is a need to assist companies with recruitment, addressing skills shortages and developing training plans, including pre-recruitment training where appropriate. These activities need to build upon existing arrangements for inward investors and include consideration of company growth plans for existing businesses.

3.36 There are three objectives with regard to assisting company growth plans in the priority areas. These are:

- a) Develop and promote a clear recruitment, skills and training offer for companies locating or expanding in the priority locations and sectors in the City Deal area.
- b) Develop a clear pre-recruitment training offer to increase the prospects of local people securing employment and new employers recruiting a suitable workforce.
- c) Assist new companies and those expanding their workforce to develop workforce training plans which incorporate apprenticeships, internships, graduate recruitment and other workforce up-skilling arrangements, including links to employer networks and training providers.

4 Alignment with Wider Ambitions

4.1 The City Deal Skills and Employment Strategy has not been developed in isolation nor will it be delivered as a stand-alone plan. Throughout the development process, consideration has been given to the wider strategic context and fit with emerging actions proposed through both Lancashire economy wide strategies and sector specific skills plans.

4.2 The main areas of contribution are outlined below. The identification of aligned objectives emphasises the need for City Deal partners to work with partners across Lancashire to ensure that both programme and LEP wide ambitions are satisfied and that resources can be efficiently and effectively focused. Actions that respond to both City Deal specific requirements and opportunities yet support the achievement of wider strategic ambitions follow in Section 5.

Fit with the Strategic Economic Plan

4.3 As recognised in the evidence base report, Lancashire’s Strategic Economic Plan (SEP) sets out an ambitious plan to create 50,000 new jobs, 40,000 new houses and add £3bn of additional economic activity to the Lancashire economy over a ten year period. This represents a step change for an economy which currently underperforms compared to the national average with the delivery of City Deal activity, both directly and indirectly, to make an important contribution towards these ambitions.

4.4 SEP skills ambitions are outlined to support overarching targets through a Skills for Growth strategic programme which aims to re-focus skills provision to be responsive to business needs and demands. Proposals included establishment of an Apprenticeship Hub and securing greater flexibility over the use of skills capital funding to respond to local priorities.

4.5 ESF resources are recognised to be an important funding source for the delivery of skills ambitions, focused around two programme aims to drive skills for growth and create opportunities for disadvantaged groups and communities. Considering how City Deal requirements can be addressed through Lancashire wide programmes will be an important consideration going forward with a rationale to support both access to employment and upskilling activities within the City Deal area and to support a workforce resident in a wider area to access City Deal related opportunities.

Contribution to the Lancashire Employment and Skills Strategic Framework

4.6 The recently produced Lancashire Employment and Skills Strategic Framework brings together evidence gathered through a series of sector skills plans and an early draft of this City Deal commission to identify common themes in the requirements of employment and skills activity. The need to engage people of all age groups and skills levels in the agenda, and ensure that all relevant partners play a role based on up to date intelligence, is recognised by the framework’s structure around four themes of:

- Future Workforce
- Skilled and Productive Workforce
- Inclusive Workforce
- An Informed Approach

4.7 The four themes show clear areas of alignment with the objectives and opportunities identified through the City Deal Skills and Employment Strategy, as well as delivery opportunities. In summary:

Contribution to the Employment and Skills Strategic Framework	
Theme	City Deal Contribution
Future Workforce	Opportunities to demonstrate to young people the scale and breadth of employment offered through construction and site end uses, including opportunities for progression to inspire the next generation
Skilled and Productive Workforce	Support the workforce to continue to develop their skills (including gaining higher skilled qualifications) to support progression and address skills gaps in construction (in the short term) and priority sectors accommodated on City Deal sites (in the medium to long term)
Inclusive Workforce	Enhance IAG to ensure local people are informed about employment opportunities and associated skills needs to support them to access and progress in employment through a variety of routes
An Informed Approach	Support the collection of intelligence at the City Deal level to feed into the Skills Hub

4.8 Sitting below this, the priority actions identified in Section 5 show a strong fit with actions outlined in the Lancashire Employment and Skills Strategic Framework (as shown in the far right hand column) ensuring that delivery supports the achievement of Lancashire wide objectives as well as City Deal specific requirements. In this context, coordinated delivery to ensure that City Deal activity is set in the context of Lancashire delivery is strongly recommended.

Supporting the Delivery of Sector Skills Priorities

4.9 As recognised through the evidence report, a series of challenges and opportunities have been identified to realising the growth potential of Lancashire's priority sectors. Of particular relevance to the City Deal area are actions required to support growth in the business, financial and professional services, manufacturing, energy and environmental technologies and visitor economy sectors, reflecting the anticipated use of City Deal unlocked sites.

4.10 Delivery of this strategy and implementation plan will however play a role (as part of Lancashire wide activities) in overcoming a number of identified challenges, including through the following opportunities to be considered with partners:

Contribution to Sector Skills Needs	
Business, Finance and Professional Services	
Requirement	City Deal Opportunity
Address skills gaps and shortages	Increase awareness of new and growing employment opportunities, equipping individuals and employers with the knowledge they need to prepare
Develop the supply side	Encourage greater collaborative planning of provision (including forward looking) in response to business needs
Increase worker interest and retention in the sector	Demonstrate the scale of opportunities anticipated on City Deal sites to young people and adults and through this show that there are opportunities for career progression
Increase sector intelligence	City Deal intelligence (e.g. inward investment enquiries and site specific development plans) to feed into Lancashire Skills Hub evidence

Manufacturing	
Requirement	City Deal Opportunity
Inspire and engage young people	Increase awareness and interest in opportunities amongst young people, including greater understanding of the breadth of available opportunities and career routes
Recruit and retain a competitive workforce	Increase the skills of the local workforce, including through opportunities for on the job training and knowledge transfer, plus new entrants
Develop a responsive skills system	Improved working relationships between providers and employers to drive responsive, timely provision
Secure employer investment in training	Engage employers to understand the scale of skills challenges as part of coordinated activities with partners and publicise available skills support
Energy and Environmental Technologies	
Requirement	City Deal Opportunity
Meet varied demands for skills	Increase liaison with employers to assess skills requirements and allow an appropriately skilled and scaled workforce to be offered in response
Attract new entrants to the sector	Increase awareness of the scale and nature of opportunities anticipated to be created, including knowledge of anticipated skills requirements
Improve sector intelligence	Use evidence from existing businesses plus enquiries for City Deal sites to feed into Skills Hub intelligence
Develop the supply side	Support improved working relationships and forward planning between employers and skills providers
Visitor Economy	
Requirement	City Deal Opportunity
Prepare the future workforce	Publicise the scale and nature of employment expected to be created and demonstrate progression routes to young people
Develop the existing workforce	Work with employers and employees to explore future skills requirements and potential approaches to address, e.g. through on the job training and knowledge transfer
Learn from good practice	Explore opportunities for initiatives elsewhere in Lancashire to be rolled out in the City Deal area to support sector growth and skills development

5 Priority Actions

Key Early Actions

5.1 A series of key early actions have been identified to support delivery of the City Deal Skills and Employment Strategy and progress all four supporting objectives, whilst also recognising wider strategic drivers. Identifying both priority actions and partners with responsibility for delivery at this early stage ensures that momentum established through the strategy's development continues to be built upon and there is local ownership of activity. It is recommended that partners continue to identify required actions over time to ensure that implementation of the strategy remains responsive to experience on the ground as well as wider change in policy and economic drivers. Longer term actions are anticipated to focus on publicising what has been achieved through short term actions (e.g. new initiatives established) and demonstrating to potential inward investors and expanding businesses that a skilled workforce is available to meet their needs. Reflecting wider strategic fit, all actions should be developed and implemented in coordination with wider activity being progressed across Lancashire through the leadership of the Lancashire Skills Hub to ensure that the potential for duplication is reduced, the most effective use is made of available resources and partners have aligned plans across different strands of activity.

Strategic Objective 1: Provide the well qualified workforce needed to support employment growth and meet replacement demand, with a special emphasis on the Lancashire priority sectors				
Early Action	Lead Partner	Supporting Partners	Funding Opportunity	Employment and Skills Strategic Framework Fit
Coordinate IAG in Preston and South Ribble schools and colleges to ensure consideration of opportunities available in the priority sectors is embedded in material	School, college and training networks	STEM initiative leads, Sector Development Groups	Existing funding City Deal focussed	FW2b
Engage with existing sector initiatives such as STEMFirst to ensure that all initiatives are aware of the scale and nature of City Deal related employment and skills opportunities	City Deal team	STEM initiative leads, schools, colleges	Existing funding City Deal focussed	SPW4a
Increase sector specific marketing of apprenticeship opportunities for priority sectors and work with apprenticeship providers to agree target numbers by sector for year on year achievement	Lancashire Apprenticeship Hub	Employers, sector representatives organisations, education and training providers, JobCentre Plus	ESF and existing funding Lancashire wide initiatives	FW3a
Support and promote support for tailored skills provision available to businesses through the Sector Skills Action Plans	Lancashire Skills Hub	In liaison with a range of partners and business networks and linked to the Sector Development Groups	ESF and existing funding Lancashire wide initiatives	SPW4a
Coordinate an enhanced skills re-training and guidance offer for older workers and returners looking to access opportunities in priority sectors, including those affected by redundancies and the contraction of	Lancashire Skills Hub	Skills and training providers, JobCentre Plus, Lancashire Work Clubs, Central Lancashire Employment Taskforce	ESF and existing funding Lancashire wide initiatives	IW1a and 1b

traditional industry				
Work with employability support services to raise awareness of the scale and nature of employment opportunities to be created by City Deal investment and wider growth	City Deal team and Lancashire Skills Hub	JobCentre Plus, Work Programme prime contractors	ESF and existing funding City Deal focussed	IW1a and 1d
FE and HE providers to continue to work together to plan provision and progression routes to support people to secure the higher level skills required by the priority sectors, as well as exploring opportunities for students to secure practical work experience with local employers to help develop the skills of the future workforce	FE and HE providers	Lancashire Skills Hub, employers, construction sector groups	ESF Lancashire initiatives	FW3a
Local FE and HE providers to incorporate targeting of the priority sectors through both existing and new intern and graduate recruitment initiatives	UCLAN and FE colleges	Lancashire Skills Hub and sector representatives' organisations.	New funding required City Deal focussed	FW4a
Regularly monitor achievements against priorities identified in the Sector Skills Action Plans to assess change and identify and help overcome any identified challenges to delivery	Lancashire Skills Hub	Action owners identified in the Sector Skills Action Plans	Existing resources Regular monitoring data required	AI1a

Strategic Objective 2: Support the development of the construction industry and supply chain in the City Deal area as a priority sector for company and employment growth				
Early Action	Lead Partner	Supporting Partners	Funding Opportunity	Employment and Skills Strategic Framework Fit
Secure agreement from partners across Lancashire to formally identify construction as a priority sector for growth in Preston and South Ribble to support wider actions to flow from this (e.g. including construction as a priority sector for programmes such as Lancashire Skills Support for the Workforce and successor initiatives)	Lancashire LEP (through the City Deal team)	LEP Board members, Lancashire businesses, skills/training providers, local authorities, public sector partners and others (as appropriate)	City Deal initiated Lancashire wide action	IA2b
Increase the tailoring of Growth Hub marketing materials and support advisors to actively target and support construction businesses to help them to plan for and achieve growth in City Deal related activities	Boost Business Lancashire (Lancashire's Growth Hub)	In consultation with sector representatives (e.g. CITB) and other business support providers, including local authorities	ESF and existing funding Lancashire wide initiatives	SPW3a
Map out career opportunities, progression routes and core elements of existing provision to support skills development in the construction sector to inform information, advice and guidance (IAG) offered to young people to allow them to make informed choices, develop a specific programme of careers actions for schools linked to construction businesses and skills providers, e.g. CITB, and develop a means of communicating choices directly to residents	School and college networks, prompted by Lancashire Skills Hub	Sector representatives (from sector bodies and large employers), skills/training providers, Central Lancashire Employment Taskforce members	New funding required City Deal focussed	FW2b
Run a construction specific Apprenticeship campaign in Lancashire to alert local businesses to the scale of workforce requirements identified for City Deal, support available through the apprentice programme, how they can identify an apprentice, the nature of training available and the costs and benefits associated with doing so	Lancashire Apprenticeship Hub (steered by Lancashire County Council)	Employers, sector representatives (e.g. CITB, Construction Hub), skills and training providers, JobCentre Plus	ESF and existing funding Lancashire wide initiatives	SPW1a
Develop an industry approved training programme which supports adults/older workers to move into the sector	Skills and training providers	Employers, sector representatives (e.g. CITB), Lancashire Skills Hub	ESF and existing funding Lancashire wide initiatives	SPW4a

		Construction Hub), JobCentre Plus		
Prepare a brief and commission research to explore opportunities for Lancashire to capture a wider share of construction related activity, for example consideration of opportunities for local businesses to play an active role in the manufacture of building materials, how supply chains can support new product development. The research should identify both existing strengths to build on and opportunities for new specialisms to be established in the medium term	Lancashire County Council (on behalf of the City Deal partnership)	Brief to be developed with industry representatives and work to be overseen by an appropriately skilled steering group	New funding required City Deal initiated Lancashire wide action	IA1a

Strategic Objective 3: Work with the construction industry, using procurement processes where appropriate, to increase training and employment opportunities for young people and older workers and increase social value				
Early Action	Lead Partner	Supporting Partners	Funding Opportunity	Employment and Skills Strategic Framework Fit
Prepare a formal Social Value policy to be included in all procurement packs that clearly states overall ambitions for City Deal investments, the form of benefits that will be preferred (e.g. offer of apprenticeships, employment opportunities for Lancashire residents, priority groups, allowance for school visits) and how agreements will be enforced	Lancashire County Council procurement team	To be developed in consultation with City Deal staff, a sample of employers and sector representatives through the Construction Club and other local authority economic development and planning contacts to ensure ambition yet realism	Funding required City Deal focussed	IW1e
Require a Skills and Employment Plan to be prepared for all City Deal commissioned construction contracts that clearly outlines the contractor's commitment to delivering social value, including through training and employment activity, and sets out how achievements will be evidenced through the Lancashire Skills Pledge	Lancashire County Council procurement team	To be progressed in consultation with City Deal staff and a sample of employers and sector representatives, including through the Construction Club	Existing resources City Deal focussed	SPW3b
Develop a monitoring framework that allows social value gained through individual contracts to be consistently gathered and aggregated to show the return secured on City Deal investments over time through a social value toolkit and associated performance metrics	City Deal team	Preston City Council, South Ribble Borough Council	Existing resource City Deal Team	IW1e
Existing sector groups (e.g. the new Construction Club for Central Lancashire and the East Lancashire Chamber of Commerce Construction Alliance) to encourage construction businesses to work with local schools and colleges to promote careers in construction and support work experience placements	Construction Club for Central Lancashire to initiate	Schools, colleges, construction businesses	New funding required City Deal initiated Lancashire wide action	FW2b
Develop employer engagement channels (for construction as part of a wider initiative for Lancashire) to ensure up to date intelligence is secured from businesses to	Lancashire Skills Hub	Lancashire business base, schools, colleges, training providers	ESF and existing funding City Deal initiated Lancashire wide action	la1a

inform future education and training provision and IAG activity (potentially through new Curriculum Advisory Panels)				
Skills and employability support providers (such as Lancashire Skills Support for the Workforce and Work Programme prime contractors) to continue to work with partners to ensure a good understanding of the sector's skills needs is established to ensure the potential workforce (including older workers and those exploring new career opportunities) is job ready	Support service providers	Priorities to be identified through consultation with businesses	Existing resource City Deal initiated Lancashire wide action	SPW4a
Once live, promote the proposed 'Lancashire Skills Pledge' amongst construction businesses, working to an agreed take-up target and promoting links to wider actions (e.g. use of apprenticeships)	Lancashire Skills Hub	Local employers, local authority economic development and planning teams	New funding required City Deal initiated Lancashire wide action	SPW3b
Work with apprenticeship providers to agree target engagement levels for the construction sector to ensure sufficient provision is available to support sector needs and active steps are taken to engage both learners and employers to achieve the targets year on year	Lancashire Skills Hub	Apprenticeship providers, schools, employers	New funding required City Deal initiated Lancashire wide action	SPW1b

Strategic Objective 4: Develop a skills, training and recruitment support package for employers taking up business space on City Deal linked priority sites and premises, including Preston City Centre, the Enterprise Zone and Cuerden as the major centres for new inward investment				
Early Action	Lead Partner	Supporting Partners	Funding Opportunity	Employment and Skills Strategic Framework Fit
Establish and publicise an agreed point of contact for skills and employment matters associated with incoming and growing businesses in the City Deal area to ensure consistency of messages and coordination of resulting skills planning and delivery	City Deal team	Contact point to be communicated to a wide range of partners Local authorities through inward investment/investor development activity	New funding required City Deal Team	N/A
Produce a development prospectus that sets out the ambition for City Deal sites, including consideration of the scale and quality of space to be created and the sectors/types of business to be attracted to help generate interest amongst incoming and expanding businesses. This should be based on up to date local authority Employment Land Study assessments	City Deal team	Lancashire County Council marketing team produced in partnership with local authority marketing teams and to be distributed through partners	New funding required City Deal Team	N/A
Create initial information packs (tailored by site and sector) to be hosted on the City Deal website and issued to interested parties with details of the recruitment and skills offer as well as strengths in the education and training provision and existing workforce available to incoming and expanding businesses, with clear points of contact for further information identified	Lancashire Skills Hub	Lancashire County Council, Preston City Council, South Ribble Borough Council	New funding required City Deal Team action	IW3a
Deliver tailored pre-employment training support that responds to the specific requirements of incoming businesses and helps local people to benefit from the employment opportunities being created	Lancashire Skills Hub to initiate	Lancashire Work Clubs, JobCentre Plus, Work Programme prime contractors, local authorities and Central Lancashire Employment Taskforce	ESF and existing funding City Deal initiated	IW3a
Enhance support available to new and expanding businesses to develop workforce training plans that can be supported by current education and training provision and help to inform employer responsive future	Lancashire Skills Hub to initiate	Employers, schools, FE, HE and training providers	New funding required City Deal initiated Lancashire wide action	FW3a

provision				
Encourage occupiers of City Deal supported sites to sign the Lancashire Skills Pledge to demonstrate their commitment to continual investment in their workforce	Lancashire Skills Hub	Local employers and local authorities through inward investment, investor development and planning activities	Existing resources City Deal Team action	SPW3b

6 Arrangements to Support City Deal Delivery

A Committed Team and Partnership

6.1 Delivering the core strategy of new commercial and residential development will require a long term commitment by senior partners and developers. The success of the infrastructure investment and the scale and pace of new development will be critical to employment growth.

6.2 At the same time, a major commitment by a considerable number of other local partners and front line staff will be required to support company and employment growth. Successful delivery will require:

- Collaborative working to ensure that employment and skills activity is coordinated across providers to make the best use of available resources at a time of high demand.
- Engagement with the majority of employers from a range of sectors and of varied sizes, and a system to keep up to date with employers' requirements.
- Sufficient flexibility for education and training provision to respond to local and changing needs as the economy develops.
- A culture of regularly reviewing progress to reflect on achievements and identify priority topics for future intervention.

6.3 The actions outlined in the previous section will ensure that these foundations are set as early as possible.

6.4 Whilst all partners have a clear desire to ensure that skills and employment considerations are integrated into the delivery of City Deal activity, at present that is limited clarity about the resources available to support this. Although significant resources have been secured to deliver construction works, funding arrangements for staffing and coordinating wider activity, such as employment and skills considerations, remain limited.

6.5 The core City Deal partners (Lancashire, Preston and South Ribble Councils and the Lancashire Local Enterprise Partnership) need to finalise resourcing arrangements as quickly as possible to take account of:

- Existing resources, including their scale, nature (including whether funding or staff time) and flexibility
- The scale and nature of resource required to deliver all of the actions outlined in the previous section

- Identified gaps in capacity and skills once the two points above have been considered together
- The potential funding sources available to support delivery, both of individual actions and for the underpinning delivery resources needed to initiate and oversee coordinated activity

6.6 Based on an assessment built through this commission, resources will be required in the following areas as a minimum:

Requirement	Rationale
A developer and company central contact point	To ensure that interested parties know where to go to access information and that enquiries are handled in a consistent way, including in the material that is shared and onward referral routes where necessary
Marketing	Create an outward facing identity for City Deal that helps to build awareness of proposed activity and the role it will play in underpinning economic growth across Lancashire. Materials will need to be developed for a range of audiences, including residents, investors, occupiers and contractors
Investor and occupier engagement	Generate awareness and test interest in medium term investment opportunities to ensure that development sites are taken forward once infrastructure is in place and that the types of eventual uses envisaged as part of City Deal planning and the wider SEP are captured on completed sites. This will require emphasising the scale of the opportunity and the assets that are available to support growth (including strengthened infrastructure, existing employment specialisms and the offer of a skilled workforce)
Employer and training provider liaison	To support greater understanding of employer workforce demands including scale and specific skills requirements. This will help to ensure that provision is responsive and that potential employees also understand skills requirements and career paths into and through the employment opportunities to be created

Financing and Delivering City Deal Skills Actions

6.7 City Deal is a capital programme focused on realising employment and residential land which supports employment growth. There is no dedicated source of funding to provide skills initiatives linked to the workforce required to support company growth.

6.8 The Lancashire LEP has however considerable influence over skills investment and has developed a Lancashire wide Skills Plan, directed by the LEP Skills Board, with a number of sector plans recently published, after detailed research and consultation. The LEP has a major influence over ESF funding for skills, although agencies such as DWP and the Skills Funding Agency are closely involved in delivery.

6.9 There is a delivery challenge to ensure that LEP proposed skills initiatives fully impact on Preston and South Ribble companies and residents, and avoiding duplication of activities at the local level.

6.10 There are therefore three complementary aims for City Deal partners and local training providers. These are:

- To ensure Lancashire wide initiatives fully target Lancashire businesses and residents, particularly with regard to Priority sectors.
- To provide new training initiatives to address gaps in provision and activities.
- To monitor key skills metrics in Preston and South Ribble, including numbers of apprenticeship places and companies engaged with skills programmes.

6.11 These aims will help to ensure that priorities are pursued at an appropriate level and any shortfall in local provision linked to City Deal employment and workforce growth are fully addressed.

Securing Representation in Lancashire Wide Structures

6.12 A number of new skills structures are being established across Lancashire to take forward delivery of the Lancashire Skills and Employment Strategic Framework and the priority sector Skills Action Plans. The LEP Skills Board will have oversight of the Strategic Framework's delivery while Sector Development Groups are being established to take forward the sector skills plans.

6.13 As shown in Section 5, many of the City Deal's employment and skills ambitions will be delivered in the context of Lancashire wide activities. This approach ensures that resources are not unnecessarily duplicated and that a consistent approach to delivery is taken across Lancashire. Maintaining oversight and input to activity will however remain important.

6.14 Achieving this will require appropriate representation within Lancashire wide structures. It is recommended that early discussions are initiated through the Lancashire Skills Hub to agree how City Deal interests will be represented within the LEP Skills Board and Sector Development Groups with potential candidates to be identified to provide a City Deal perspective.

Monitoring Progress and Measuring Success

Proposed Metrics

6.15 The success of delivery of employment and skills plans will be measured in terms of early actions implemented and progress against a series of metrics. It is recommended that regular monitoring reports be provided on:

- The number of Preston and South Ribble companies involved in apprenticeships, including the number involved in higher level apprenticeships
- The number of Preston and South Ribble companies involved in Skills Hub supported initiatives
- The number of Preston and South Ribble companies involved in Priority Sector Skills Plan initiatives
- The number of Preston and South Ribble residents involved in apprenticeships, including the number involved in higher level apprenticeships
- The number of City Deal area/Lancashire residents securing work in the construction sector and in businesses accommodated on City Deal supported sites
- The number of City Deal area/Lancashire residents completing qualifications and taking up employment in priority sectors

- The number of apprenticeships supported each year in the construction and priority sectors.

6.16 Specific metrics may also be developed to assess performance against the achievement of individual actions outlined in the section above, for example to capture social value gains through construction activity and the number of employers and training providers engaged in regular communication.

Baseline

6.17 In order to assess progress, City Deal partners need to understand the area's current baseline against the key metrics, such as the numbers of apprenticeships and companies involved in business and skills programmes. While some of the data may not be immediately available, the City Deal secretariat should establish an initial baseline for as many of the key indicators as possible.

Monitoring

6.18 To support monitoring against the baseline, Lancashire wide initiatives will need to be obliged to breakdown achievements by local authority area that can in turn be aggregated up to the City Deal area. Early discussions will be required to facilitate this and allow the City Deal area's share of engagement and achievements to be demonstrated.

6.19 Delivering the strategy will require a successful inward investment effort to take up the new business space which the infrastructure projects will facilitate over the next ten years. Maintaining a record of both the activities completed and successes as a result will be an important consideration, including records of marketing activity undertaken, direct company approaches made, the number of businesses moving into the City Deal area and the scale of employment secured as a result.



City Deal Executive/Stewardship Board 08th January, 2016

Community Infrastructure

Report Author: Lorraine Norris, Chief Executive, Preston City Council

Purpose of the Report

The purpose of this report is to provide an update on Community Infrastructure including:

- a. Demographic Modelling
- b. The way forward for the preparation and governance of a City Deal Community Infrastructure Plan (CIP), setting out key principles that will be used when allocating the Infrastructure Delivery Fund against projects in the CIP.

Recommendation

That the City Deal Executive and Stewardship Board agree:-

- (i) to note the progress made in relation to Demographic Modelling
- (ii) to note the way forward for the preparation and governance of a City Deal Community Infrastructure Plan (CIP)

a. Demographic Modelling

Background

Further to the update provided to the City Deal Executive/Stewardship Board at the last meeting, significant progress has been made in acquiring the appropriate software to enable demographic modelling to be undertaken. Progress is as follows:

- It was determined that POPGROUP, a LGA licence product is the only software in the market which is fit for purpose.
- Due diligence has been completed by both the City Deal Programme Management Team and BTLS.
- On behalf of City Deal, LCC procured POPGROUP in early November.
- Colleagues from City Deal partners attended the software training in October.
- User acceptance testing on a demonstration version of the software has been completed and further testing on the software along with the packaging and installation by BTLS was completed in late November.
- The LCC Business Intelligence Unit have started utilising the software with initial data being produced by the end of the financial year.



- Scenario testing will require significant work in the new calendar year.

As data is produced, expertise from different work streams will be needed to consider the information to project the likely demand on services and inform the prioritisation of Phase 2 Community Infrastructure schemes.

b. Community Infrastructure Plan

Introduction

The City Deal has a clear set of objectives. Creating the Community Infrastructure Plan (CIP) for the City Deal is a substantial piece of work.

The CIP can be better understood as 4 distinct work streams which have crossovers at various levels. The 4 work streams agreed by the Executive/Stewardship Board in July 2015 are:-

- i) Health and Wellbeing – incorporating social care
- ii) Education
- iii) Leisure and Cultural Infrastructure (incorporating public space/Art and regeneration)
- iv) Future Community Infrastructure Improvements

The first three work streams above are intrinsically linked, which means that whilst there are sizeable pieces of work to deliver for each work stream, the output/outcomes from all 4 need to be co-ordinated to fully exploit the opportunities and deliver the most effective programme for the funds available.

There are existing structures and work ongoing which can be used to deliver each work stream. Given the strain on resources, including both people and funds, an important principle is to work through those channels where they already exist.

The attached diagram sets out a proposal for how we could organise resources to deliver a coordinated Community Infrastructure Plan.

Each work stream will develop its own project plan, however, to enable us to co-ordinate the whole programme it is proposed that all 4 work to outline milestones and complete key tasks.



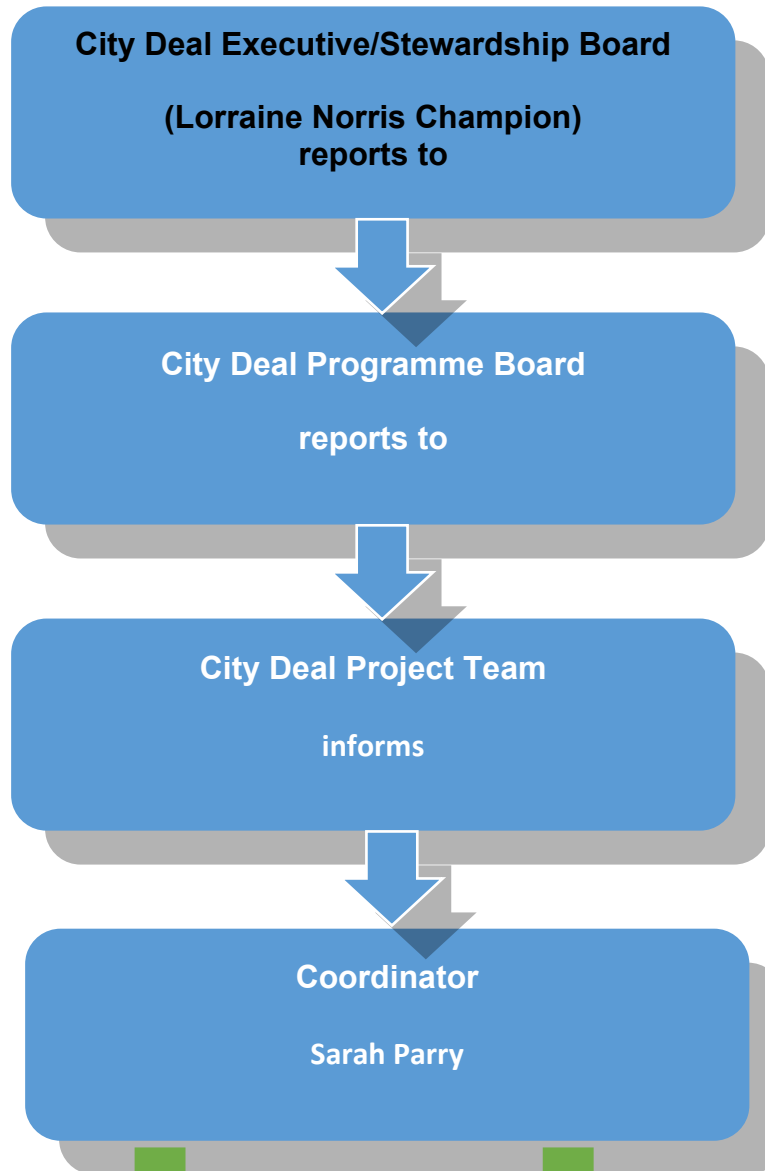
These are:-

1. **Phase One** - Establish a baseline. Clearly understand what is already in place; what is planned, including consequences of current budget decisions.
2. **Phase Two** - Understand and apply the outcome of the Demographic Modelling work which has been commissioned by the City Deal Executive.
3. **Phase Three** - Develop plans with a 5, 10 and 15 year horizon taking into account, as appropriate, the following existing studies or studies underway:-
 - Demographic Report
 - Ernst and Young Report to the Lancs Health and Well Being Board
 - GVA Report for Greater Preston and Chorley and South Ribble CCG's
 - Consultants Report on identifying potential funding, including match funding
4. **Phase Four** - Cross reference and co-ordinate these 4 plans into a costed Community Infrastructure Plan



CITY DEAL

Preston, South Ribble & Lancashire



Health and Wellbeing

Work to be overseen by HWBB (CL) Board will need to appoint PM. There are existing pieces of work underway

- CCG
- GVA, Lancs HWBB
- Ernst & Young,
- Healthy Towns initiative.

Education

LCC to appoint PM and assemble appropriate team

Leisure & Culture

(Public Space/Art & Regeneration)

SRBC & PCC are both undertaking reviews of their leisure services, it is agreed these will be shared. At this point a PM and team could be appointed to look at joint plan.

Future Community Infrastructure



The approved list of Community Infrastructure Phase 1 Improvements are set out in the Infrastructure Delivery Plan (IDP) in detail, with measurable milestones in each year. These are reported on a quarterly basis to the City Deal Executive.

Within the IDP there are separate budget headings for the delivery of Community Infrastructure. These funds need to deliver those things which together with the roads, houses and commercial sites, complete the community facilities to support sustainable development. It includes access to education and health facilities; green and amenity space; community facilities e.g. rooms, sports grounds and public art.

How much is in the fund?

The City Deal Agreement identifies the following: -

£38.695m for Preston, of which

- £5.256m is identified for NW Preston Green Infrastructure
- £4.944m for 'Further Community Infrastructure (unspecified)
- £28.495m for education infrastructure

£18.603m for South Ribble of which,

- £7.4m is identified for Community or Green Infrastructure
- £11.203 for education infrastructure

These figures are based upon the elements of the Community Infrastructure Levy identified for this purpose. Like all City Deal budget figures, they are estimates and rely on a successful programme of housebuilding to generate CIL payments.

The City Deal agreement envisaged that these sums would be ring fenced and expenditure would be determined by Lancashire County Council, South Ribble and Preston City Council respectively. In addition Parish Councils whose area is affected by City Deal development will receive substantial CIL payments in their own right. These are estimated at a further £3.9m.

Early work carried out to assess community infrastructure requirements identifies that there is likely to be a greater demand or requirement than the resource available to fund it.

Key Principles

In view of the likely funding shortfall it is recommended that the Community Infrastructure Fund operates in accordance with the following key principles: -

- The fund remains ring fenced in accordance with the original agreement;
- All partners seek opportunities to maximise the funds available by seeking match funding from external third party sources e.g. Heritage Lottery, Arts Council, Sport England;
- All partners seek to devise plans which maximise the use of existing planning expenditure and planning expenditure of other public sector bodies, e.g. health.



CITY DEAL

Preston, South Ribble & Lancashire

- All partners maximise the opportunities to devise City Deal wide coordinated plans and outcomes rather than 'in borough' plans e.g. cycling, leisure;
- Work with Parish Councils to bring forward coordinated plans and outcomes in the Community Infrastructure Plan;
- Work from a pallet of materials to achieve economies of scale and value for money.

The City Deal Executive agreed some quick work expenditure from the funds on 15th July 2015. These represented early enabling or facilitating projects in both boroughs. These totalled £1.28m.

Moving forward we need to draw together a CIP which can ensure we deliver co-ordinated plans across the City Deal area which maximise the available resources.



City Deal Executive and Stewardship Board – 8th January 2016

Marketing and Communications Strategy and Communications Update

Report Authors: Tim Seamans, Head of Communications, Lancashire County Council & Ginette Unsworth, Communications Programme Director, Lancashire County Council

A. Marketing and Communications Strategy

Executive Summary

The City Deal Marketing and Communications Strategy (attached at Appendix 'A') was prepared and agreed by the City Deal Communications Working Group for Jan 2016 – Mar 2017 has been attached for consideration by the Executive and Stewardship Board (E&SB).

Recommendation

The City Deal Executive and Stewardship Board are requested to:

- (i) Agree the plan of communications and marketing activity for the period with a particular focus on targeting businesses with close alignment to the LEP marketing being carried out by Marketing Lancashire
- (ii) Agree that all City Deal marketing, communications, advertising and events should be managed through the Communications sub group to ensure a co-ordinated approach and ensure return on investment
- (iii) Agree that a single management process for communications and general investor enquiries be adopted

Background

The City Deal Communications Working Group have agreed a management process for communications and general investor enquiries.



B. Communications Update

1. Introduction

- a. Work has continued to progress on the delivery of the communications and marketing plan which is now almost complete, updates on which follow below. This quarter has seen the roll out of the community roadshow in various locations for each of the different zones.
- b. A Communications and Marketing strategy has been produced by the communications sub group which will be presented to the January board for approval. The plan of activity spans until the end of the 2015/2016 financial year and acknowledges a close alignment to the marketing of the LEP to ensure a consistent and strategic message to attract inward investment. This will link to the work being carried out by SKV and the Thinking Place.

2. Milestones

- a. The last quarter has seen a number of milestones for public information, communication and consultation. Activities have included:
 - Completion of Stanifield roundabout works
 - Annual update on progress over the last year
 - A582 widening route approved
 - Architect chosen for the design of Preston bus station
 - Works starting on Flensburg roundabout
 - Altcar Lane housing plan and Worden park improvements consultation
 - Promotion of the community roadshow in various locations
 - Amazon locates on Lancashire Business Park
 - Consultation feedback and go ahead for improvements to New Hall Lane
 - Plans to protect Preston's Guild Wheel
 - Fishergate works complete
 - Broughton Bypass contractor announced

3. Implementation of the Marketing and Communications Delivery Plan

- a. An exhibition stand has been produced to explain in simple terms to local residents what City Deal is and when to expect things to happen. The display is stand-alone and includes a TV screen showing the animation on a loop as well as the opportunity to take away a bespoke leaflet with information on the particular zone that the display is in. The exhibition is being located in all Booths supermarkets in the area as well as libraries, the Harris Museum, Barton Grange and Bamber Bridge Sainsbury's. The schedule runs into January 2016 and other locations are currently being sought including shopping centres and other supermarkets.
- b. A number of ongoing pieces of work have come to fruition during the last quarter having been the culmination of many months work. Key developments include:



- New user-friendly mapping of the City Deal area, with online and print variants. The interactive map is now live on the website
- The completion of a fly-through film of Broughton Bypass which within 2 weeks has had 5,500 views on YouTube. All of the other road fly-throughs have been produced and are just awaiting final sign off before being used on-line.
- Work is underway on a series of video testimonials featuring local business leaders talking about the advantages of locating in Preston and South Ribble. These two minute video clips will be available on the website once completed.
- The development of a portfolio of still photography of the City Deal area is almost complete with one outstanding image to be taken. These images will be used across the website and in City Deal design publications going forward.
- The design of the Infrastructure Delivery Plan to explain the entire scheme and the timing of delivery

3.1.1 Inward Investment

- a. A key emphasis of the communications and marketing strategy going forward will be a focus on inward investment and further messages to a business audience. An investor and developers forum event took place in late November to inform developers and business stakeholders of progress and continue to instil confidence in the area. The event was very well received with around 80 delegates attending. A regional event is being planned for February 2016 in partnership with Lancashire Business View, and City Deal will be a key topic at the event being run by Insider magazine in March 2016 in conjunction with the LEP.
- b. The communications sub group will be working closely with economic development colleagues and Marketing Lancashire to identify key business messages and the call to action of how to do business within the city deal area and collateral to support that business customer journey.



CITY DEAL

Preston, South Ribble & Lancashire

Marketing and Communications Strategy
Jan 2016 – Mar 2017

Produced by Ginette Unsworth, Lancashire County Council on behalf of the City Deal
Communications sub group

Background

The City Deal communications sub group comprises the following members: Stephen Parkinson, Head of Communications Preston City Council; Dave Pollard, Communications Manager, South Ribble Borough Council; Christine Hill, Communications Manager, Homes and Communities Agency; and Ginette Unsworth, Communications Programme Director, Lancashire County Council.

The group has been working effectively together to the past 18 months and have delivered a number of communications plans and marketing collateral including:

- Media relations and stakeholder updates on numerous specific housing, employment and road schemes including consultations
- Creation of a brand for the ten year project
- A regularly updated City Deal web presence as part of the Lancashire Enterprise Partnership website
- A City Deal Twitter account
- A bi-monthly electronic bulletin sent out to over 600 key stakeholders
- A two minute animation video to explain City Deal's vision
- A leaflet explaining an overview of City Deal
- A community focussed exhibition stand displayed in community locations such as supermarkets, libraries, shopping centres etc
- A leaflet per zone (6 different leaflets) explaining plans and managing expectations on timescales
- User friendly maps including a digital interactive map and fly throughs of each road scheme
- Two business testimonial videos using existing businesses to sell the area to prospective interested parties
- High quality photography to portray a high quality and professional image for the area
- Large scale site signage to badge the City Deal message at key locations including road schemes and housing sites

Now that the marketing building blocks have been created, the ambition is to take the marketing and communications to an even more strategic level and amplify the message beyond Preston and South Ribble.

Objectives

The City Deal project is of great strategic significance to the lead partners, addressing strategic transport infrastructure and economic development challenges. The benefits over the 10-year period will have considerable impact on the local population and on the area's status at regional and national level alike, with:

- More than 20,000 new private sector jobs;
- £1 billion growth in Gross Value Added (GVA);
- Over 17,000 new homes; and
- £2.3 billion in leveraged commercial investment.

It will also drive the delivery and maximise the economic impact of the Lancashire Enterprise Zone based at Samlesbury and Warton, a major strategic project in itself.

These objectives will be supported through communication and marketing activity but the following are more specific objectives that are relevant to this strategy:

- **To ensure a consistent approach to all external communications activities relating to the City Deal**
- **To effectively engage with appropriate stakeholder groups**
- **To raise the profile and sell the vision of the City Deal area, and its impact on the Lancashire economy, on a local, regional and national level**

Target Audience & Key Messages

The audiences we are seeking to communicate with are diverse and our approach will reflect their different perspectives. Although the overarching messages will have universal appeal and be the basis for consistency across City Deal communications, the emphasis will clearly change and content will be tailored dependent on the message relevant to the audience.

The table below outlines the audiences and focus:

Audience	Focus
Local businesses	<ul style="list-style-type: none"> ▪ Long term vision; where the City Deal area will be in 10 years' time ▪ Aspirational outlook centred around economic growth ▪ Benefits of increased connectivity ▪ Demonstrating progress on major schemes ▪ Showcasing positive economic growth stories ▪ Acknowledgement of short term disruption for long term gain ▪ 'Working together' to increase confidence in the area
Businesses further afield	<ul style="list-style-type: none"> ▪ Long term vision; how City Deal will transform the area and fundamentally change its offer to business ▪ Many more, viable opportunities for businesses to expand and locate ▪ Excellent strategic location ▪ Wider benefits of living and working in the area ▪ The skilled workforce in the area is expanding
The development industry	<ul style="list-style-type: none"> • Promote the development opportunities of the City Deal, and ensure that they are packaged in a way that appeals to the market • Explain the need for high-quality housing in the area ▪ Show how the public sector's pioneering investment models can stimulate the local economy
Residents in and around the City Deal area	<ul style="list-style-type: none"> ▪ Optimistic and aspirational view of the future ▪ New and improved community amenities ▪ Better transport, less congestion ▪ New job opportunities ▪ Development will drive investment in communities ▪ Acknowledgement of short term disruption for long term gain; necessity of new infrastructure to achieve positive outcomes
Communities directly affected by major schemes	<ul style="list-style-type: none"> ▪ Putting the schemes in context of the wider benefits, to help minimise misunderstanding and concern ▪ Clear and timely factual information at key scheme milestones ▪ Effective consultation at relevant stages ▪ Practical information and clear signage to minimise disruption and support a good customer experience during major works

In addition to these outlined audiences we will engage with MPs and identified ambassadors to enable them to champion City Deal on a wider scale.

Working closely with the LEP marketing and communications

The Lancashire LEP has made significant progress since it was established in 2011, building a portfolio of major strategic work programmes including the Preston, South Ribble and Lancashire City Deal. One of the LEP's current priorities is to address the county's long term under performance in positioning and marketing the Lancashire offer to potential new investors, occupiers and businesses as well as enhancing the understanding of the LEPs role and impact among existing businesses and communities within the county.

A strategic marketing project commissioned by the LEP, led by Marketing Lancashire includes the development of a compelling Lancashire narrative clearly setting out a strong identity and sense of place for Lancashire and a 12 month PR campaign across a range of communication channels to increase awareness of the Lancashire offer amongst key stakeholders, the media and businesses with the potential to invest in or otherwise support Lancashire's growth.

The City Deal is a key strategic initiative for the LEP and for Lancashire and as such Marketing Lancashire will ensure that the City Deal is promoted regionally and nationally in a coherent and consistent way that is aligned to the key messaging of City Deal to attract investors, developers and occupiers. Marketing Lancashire will work with the City Deal comms team to maximise opportunities both within the City Deal Marketing and Communications strategy and from those emerging through its role in the LEP's strategic marketing project . A separate session will take place with Marketing Lancashire's Chief Executive, the City Deal Comms team and the economic development representatives from the three local authorities to discuss the best way to appeal to these target audiences, what call to action and routes to market will be used and how will any enquiries that such activity generates be fulfilled.

A Lancashire Ambassadors programme will be launched in February 2016 which will include key business leaders who can champion Lancashire and who are proactive advocates helping to influence how Lancashire is positively perceived and portrayed to target audiences. Marketing Lancashire will work to seek Ambassadors for the City Deal.

Communications and marketing approach

The communications and marketing approach over the next year will focus on: continuing to get messages out to local communities and businesses; amplifying the message on a regional scale; and promoting our City Deal to a national audience. The tactics outlined in this plan ensure that the story of the Preston, South Ribble and Lancashire City Deal will be heard not just on a local but on a greater scale and will lead to attracting inward investment to the area. The story to tell to a wider geographical business audience is even bigger than just the City Deal footprint and there will need to be a strong synergy with the Lancashire narrative being developed on behalf of the Lancashire Enterprise Partnership. The communications sub group will work closely with Marketing Lancashire (and subcontracted partners SKV and The Thinking Place) to ensure a consistent message and approach to attracting new business to the area by using a compelling Lancashire story or economic narrative, which clearly sets out a strong identity and a clear sense of purpose and place. This will underpin the future place marketing and positioning of all the LEP 'offers'.

The narrative will translate to any messages as part of national City Deal campaigns, events and promotions to attract business enquiries.

The communications sub group will need to work closely with economic development colleagues across all four organisations to ensure one point of contact, a clear call to action and a seamless and professional customer journey into finding out how to do business in the area. This 'funnel' to channel enquiries will be used across all communications and will help measure enquiries coming in more effectively.

To ensure a consistent approach, effective reach and measurement of return on investment, all advertising and events for City Deal should be channelled through the communications sub group. This will also ensure consistency of branding and message and allow a centralised but collaborative approach to all marketing and communications activity.

The communications and marketing approach will use multiple channels relevant to the audience and will continue to utilise the digital channels and building blocks outlined in the 'Background' section of this report, in addition to the following specific activity.

Business focussed activity

The business focussed activity in this section assumes a clear 'funnel' to channel inward investment enquiries to ensure a simple customer journey for those enquiring.

Business Events

An events schedule will ensure key audiences continue to be updated and new business attracted to potentially invest in the area in future. Events will be targeted at business, developers and agents and will be held on a local, regional and national level to start to generate more business interest. The communication sub group will work closely with Marketing Lancashire to set up a number of events and use the work being carried about by the Thinking Place (commissioned by the Lancashire Enterprise Partnership) to create a narrative for Preston, South Ribble and Lancashire. City Deal will be closely aligned as one of the Lancashire Enterprise Partnership's (LEP) 'offers' and on a regional and national level the LEP will be the strategic message to create interest in Lancashire.

Events already considered for the year include:

Local	2 x Investor and Developer forums – April and November 2016
Regional	Insider business LEP event – March 2016
	Lancashire Business View City Deal event – February 2016
National	Lancashire/LEP ambassadors event in London
	Mipim UK property event at Olympia - October

Advertising

To continue to update businesses and local communities on the importance of the project for the area, digital advertising will run to generate more views of the two minute animation film which tells the story of City Deal in a succinct way.

Once more schemes come to fruition later on in 2016, work with Marketing Lancashire will see advertorials will be placed in national publications to generate developer, agent and business interest in the area in general. In subsequent years the adverts will be more targeted to specific sites as more development comes forward but this year will focus more on awareness of the opportunities in general. The outcomes of the advertising will be measured by enquiries to the agreed point of contact.

Speaking opportunities

Opportunities to speak at conferences will be explored including national housing and regeneration conferences and opportunities to showcase our City Deal and the progress already made via DCLG events.

Ambassadors

As part of the LEP's work on creating a narrative for Lancashire the intention is to draw up a list of key influencers who can be ambassadors. As City Deal is a key part of the LEP's activity, the ambassadors will be provided with a brief on this project to enable them to have strategic conversations about Preston, South Ribble and Lancashire with others in their networks.

Business leaflet

A business leaflet will be created to provide more specific economic messages for business already local to the area and looking for confidence to expand, and potential businesses nationally looking to relocate to the area. This communication will be used at business events and will be sent out to anyone enquiring about opportunities in Preston and South Ribble as a result of the national advertorials.

Business web content

The City Deal area of the LEP website will start to see more business related content highlighting the opportunities in the area, the education and skills provision for workforce planning, supply chain businesses and quality of life opportunities for employees. This content will grow as more developments become available over the duration of the project.

General activity

Media relations

Media relations will play an important role in updating local residents and business on progress on specific schemes as well as informing about consultations, and political decision making to enable schemes to progress. This forms a large day to day role for the Communications sub group team to ensure consistent messages to the media and key stakeholders across various communication channels. A communications protocol has been developed to ensure a seamless approach to communicating messages externally (see appendix I). A list of the media activity envisaged to promote the specific schemes month by month can be seen in appendix II.

To amplify the message through media relations on a regional and national scale, the Communications sub group will work with SKV (a PR Agency appointed by the Lancashire Enterprise Partnership to attract more regional and national coverage). Feature pieces with national trade and technical magazines such as the Estates Gazette will ensure a national understanding of the ambition for the area.

Opportunities for ministerial visits will be identified and HCA's close links with central government will help secure such visits in particular for housing projects.

Community roadshow

An exhibition stand explaining City Deal will continue to be rolled out in various different locations across the six City Deal zones, using the zone specific leaflet to give more detail to those very local communities. The leaflets will need to be updated at the end of 2016 to reflect progress and any potential changes with the project.

Signage

City Deal large scale signage at a scheme is very impactful to raise awareness of the brand and tie the different projects together in the minds of the audience. This signage is already being used on road schemes and will continue to do so as new works commence, but will start to be rolled out further across new housing and employment sites. For example a sign announcing the building of Broughton Bypass would be seen by the 26,000 vehicles that pass through Broughton on a daily basis, making the opportunities to see enormous.

Photography

To aid day to day communication, a bank of photography of each site including aerial drone footage will be created which can be used in press releases, on the website, as part of consultation exercises or on social media.

Twitter

Social media will continue to be an important channel to get the City Deal message out to a self-selecting audience and will be used on a weekly basis to push out operational and strategic messages.

E-bulletin

The e-bulletin will be issued to recipients on a bi monthly basis to keep City Deal and its progress top of the agenda. Other marketing activity will drive more on-line sign ups throughout the year.

Targets

As with any investment, measuring success is vital and the two key measures for communications and marketing are; understanding of the project and its importance, and helping to generate business enquiries about the area. The following measurements will be used to understand how effective the communications and marketing of the project is:

- increase the number of people who have heard about City Deal in Preston and South Ribble to 50% of local people
- start to generate conversations about doing business in Preston and South Ribble

In the first year the measure about inward investment enquiries will form the baseline, and targets will be set for percentage increases for the subsequent years.

There are also a number of specific output targets that will be monitored as part of the duration of this plan:

- ❖ Media reach of 8m and Advertising Value Equivalent of £100,000
- ❖ E-bulletin subscribers to increase by 20%
- ❖ Twitter followers to increase by 50%
- ❖ Increase views of animation by 100%

Timescales and Budget

The following activity will be delivered by the Communications sub group between January 2016 and January 2017 and has budget implications which funding will need to be identified for. This strategy assumes a time resource from communications colleagues at Preston City Council, South Ribble Borough Council, HCA and Lancashire County Council which involves weekly workloads and a monthly meeting commitment.

The timings in some instance are approximate.

Activity	Proposed timing	Approx. budget
Media relations	Ongoing	n/a
Events*	Throughout the year	£15,000
Advertising	January and October	Digital adverts - £2,000 Advertorials - £15,000
Speaking opportunities	Throughout the year	n/a
Community roadshow	Throughout the year	Set up of stand at 30 different events - £6,500 Design and print of zone leaflets - £1,500
Signage	Ongoing	Production and set up of 20 signs - £20,000
Business leaflet	January	£2,000
E-bulletin mailchimp charges	Bi-monthly	£1,000
Ambassadors	January	n/a
Photography	Spring	£2,000
	Total:	£65,000

*national events will be funded via the Lancashire Enterprise Partnership

Evaluation

Awareness of the project will be monitored by regular questions on the Living in Lancashire postal survey which goes out to over 3,000 people each quarter.

Business interest will be monitored via conversations or requests for more information on employment and development sites in the area.

Contact Information

Please do not hesitate to contact us should you have any questions or would like to discuss any element of this strategy.

Name: Ginette Unsworth

Title; Communications Account Director

Tel: 01772 536002 Email: Ginette.unsworth@lancashire.gov.uk

Appendix I

Cascading information to stakeholders

The draft framework below outlines an order for cascading information/announcements relating to highway schemes, local planning applications and HCA owned land. It complements the communications protocol established by partners earlier this year.

Highways and transport master planning messages (LCC lead)

Major update/proposal relating to scheme – if it is linked to a decision making report do not circulate report prior to it being published on the Lancashire County Council website

1. LCC project officers to brief Leader, Deputy Leader, Cabinet Member and Chief Executive
2. LCC project officers to brief Preston/South Ribble key officers
3. LCC comms officers to brief Preston/South Ribble comms, agree media relations approach and circulate draft news release as appropriate
4. LCC project officers to brief local member/s and offer a face to face briefing (if appropriate) prior to report being published online
5. Preston/South Ribble project officers to brief as appropriate in their organisations (officers and councillors) prior to any report being published online or external communications being issued
6. LCC and district project officers to highlight any relevant issues to comms/senior officers following their respective briefings to members
7. Report published on the LCC website
8. LCC comms to issue press release and note to a wider group of stakeholders
9. Preston/South Ribble comms leads to cascade information to their stakeholders

Update on scheme delivery

1. LCC project officers to brief local member/s and offer a face to face briefing (if appropriate)
2. LCC comms to issue press release and note to a wider group of stakeholders
3. Preston/South Ribble comms leads to cascade information to their stakeholders

Relevant Local Plan, master planning and local planning applications (district lead)

1. Preston/South Ribble project officers to brief LCC officers
2. Preston/South Ribble comms to brief LCC comms, agree media relations approach and circulate draft news release as appropriate
3. LCC project officers to brief as appropriate in LCC – officers and members
4. LCC and district project officers to highlight any relevant issues to comms/senior officers following their respective briefings to members
5. Preston/South Ribble comms issue press release
6. LCC comms to cascade information to a wider group of stakeholders if appropriate e.g. milestone event

Disposal of HCA land or HCA planning applications (HCA lead)

1. HCA project officers to brief LCC and district key officers
2. LCC/district project officers brief as appropriate in their organisations
3. LCC and district project officers to highlight any relevant issues to comms/senior officers following their respective briefings to members
4. HCA comms to brief LCC/district comms, agree media relations approach and circulate draft news release as appropriate
5. HCA comms issue press release
7. LCC/district comms to cascade information to a wider group of stakeholders if appropriate e.g. milestone event

Appendix ii

City Deal general communications planner – autumn 2015

Timings may be subject to change

Key

Zone 1 North West Preston	Zone 2 North East Preston	Zone 3 Preston City Centre	Zone 4 Penwortham and Lostock Hall	Zone 5 Leyland and Cuerden	Zone 6 Bamber Bridge
--	--	---	--	---	-----------------------------------

January 2016

Roads	Housing	Employment	Community
Fishergate works start up to Minster and along Cannon Street	Storys start on site at Cottam Hall - Ministerial visit?		GW upgrade start of works
East/West link road consultation	Land at Eastway, Broughton – reserved matters application and estates Gazette piece re Storys		Grimsargh Green drainage improvements – start of work
PWD consultation – 13,18, 20 Jan	Outlining planning application for Pickerings Farm		Winckley Square Gardens work starts
Cuerden strategic site road infrastructure planning app submitted	Outline planning permission for Altcar Lane		PWD to Samlesbury corridor improvements construction contract awarded

			East Cliff cycle link - work starts
--	--	--	-------------------------------------

February 2016

Roads	Housing	Employment	Community
A582 - Croston Road roundabout work starts	Approval of Croston Road South?		
New Hall Lane work starts			

March 2016

Roads	Housing	Employment	Community
PWD and East West link road planning application submitted			Grimsargh Green drainage improvements –work complete
			St Catherine's Park – work completed

April 2016

Roads	Housing	Employment	Community
PWD and East West link road outline business case submitted			Longridge/Grimsargh/ Ribbleton/City Centre concept design consultation
PWD and East West link road construction			PWD to Samlesbury corridor improvements

tender			construction starts
Heatherleigh and Moss Lane spine road construction starts			Hutton to Higher Penwortham/City Centre local corridor improvements consultation
Cuerden strategic site road infrastructure work starts			North of Lostock Lane – Lostock Hall local corridor improvements consultation
Pickerings Farm link road - contract awarded			Croston Road roundabout – lorry pop
			South of Lostock Lane local corridor improvements consultation

May 2016

Roads	Housing	Employment	Community

June 2016

Roads	Housing	Employment	Community
Penwortham Bypass consultation			Longridge/Grimсарgh/ Ribbleton/city centre concept design approval and outline design agreed
PWD and East West link road outline business case approved			
A582 - Tank roundabout			

work complete (work continues on spine road)			
--	--	--	--

July 2016

Roads	Housing	Employment	Community
PWD CPO inquiry (by end Sept)			Bamber Bridge work starts
East West link road contract tendered			Hutton to Higher Penwortham/City Centre local corridor improvements consultation
			North of Lostock Lane – Lostock Hall local corridor improvements approval
			South of Lostock Lane local corridor improvements approval
			Worden Park car parking improvements work starts

August 2016

Roads	Housing	Employment	Community
Penwortham Bypass planning app submitted			

September 2016

Roads	Housing	Employment	Community
PWD and East West link road			PWD to Samlesbury corridor

planning application determined (by end Sept)			improvements construction work complete
A582 – Tank roundabout work complete			
Heatherleigh and Moss Lane spine road construction complete			
A582 - Croston Road roundabout – work complete			

October 2016

Roads	Housing	Employment	Community
East West link road contract awarded			Broughton local corridor concept design consultation and approval
Cottam Parkway business case submitted?			
Pickerings farm link road – work starts			

November 2016

Roads	Housing	Employment	Community

December 2016

Roads	Housing	Employment	Community
Penwortham Bypass – construction contract tendered			GW upgrade – work complete
Fishergate Central Gateway - work complete			Winckley Square Gardens work complete
			East Cliff cycle link - work starts



City Deal Executive and Stewardship Board – 8th January 2016

Please note: This report was presented to the City Deal Programme Board on 20th November 2015 and is presented for information to the City Deal Executive and Stewardship Board and provides background context to Item 11b.

City Deal Programme Board – 20 November 2015

IDP Update - Reprogramming of Public Transport Priority Corridor/Local Centres - Preston Western Distributor to Salmesbury (New Hall Lane section) and Bamber Bridge/City Centre Corridor (Station Road section)

Report Author: Sue Procter, Director Programmes and Project Management, Lancashire County Council

Executive Summary

The purpose of this report is to present proposals to re-programme improvement works approved and published in the Infrastructure Delivery plan 2015-2018 in relation to Public Transport Priority Corridor/Local Centres.

Recommendation

The City Deal Programme Board is asked to approve the re-programming of works along Public Transport Priority Corridors/Local Centres namely Preston Western Distributor to Salmesbury (New Hall Lane section) and Bamber Bridge/City Centre (Station Road section).

Background

The Preston Western Distributor to Salmesbury and Bamber Bridge/City Centre Corridors have been identified as priority corridors for improvements to public transport, cycling and walking. They form crucial parts of the development of sustainable communities across the City Deal area as main routes into Preston City Centre. Improvements could include more road space and redesigned junctions to benefit buses, cyclists and pedestrians, and public realm improvements to streets, pedestrian areas and green spaces where these corridors run through city, town, district and local centres.

The Preston Western Distributor to Salmesbury corridor runs through key junctions, including M6 Junction 31 and joins with key sections of the local network, including the A6 and A59. The Bamber Bridge/City Centre route also runs through a number of key junctions, and joins with A6 and A675. Key locations and centres served by these routes include New Hall Lane and Bamber Bridge. Ideas for improvements for these corridors are to be drawn up with local communities and works timed to start once complementary improvements and additional capacity are added elsewhere on the transport network.



The Preston Western Distributor to Salmesbury and Bamber Bridge to City Centre corridors have been identified as schemes not so reliant on the four major schemes such that works can begin during 2016. Works along these corridors, specifically improvements to the local centres at New Hall Lane and Station Road, have been programmed accordingly, originally for the Station Road scheme to commence in early 2016 and the New Hall Lane scheme to follow from mid-2016. However, due to the relative pace of local community consultation affecting design work and a more complex property arrangement along Station Road, it has become necessary to review the programme for delivery.

To ensure that both local centre schemes will be delivered during the next calendar year, it is proposed to swap the order of works as follows:

- New Hall Lane local centre - scheme delivery to commence in February 2016 as the design and associated preparatory works are sufficiently advanced.
- Station Road, Bamber Bridge - scheme to start on site in July 2016 to allow for design and other preparatory arrangements with local property owners to be completed.

This proposed change to the programme of works would have no financial implications to the City Deal.

Recommendation

The City Deal Programme Board is asked to approve the re-programming of works along Public Transport Priority Corridors/Local Centres namely Preston Western Distributor to Salmesbury (New Hall Lane section) and Bamber Bridge/City Centre (Station Road section).



City Deal Executive and Stewardship Board – 8th January 2016

IDP Update – Review of the Reprogramming of the Public Transport Priority Corridor/Local Centres - Bamber Bridge/City Centre Corridor (Station Road section)

Report Author: Eddie Sutton, City Deal Programme Director, Lancashire County Council.

1. Executive Summary

This report:

- Presents a summary of the steps required to ensure that the main works for the Public Transport Priority Corridors/Local Centres for Bamber Bridge/City Centre (Station Road) commence in August 2016;
- Identifies the ancillary/preliminary works that will commence first quarter 2016/17.

2. Background

The IDP page 112, identifies the proposed start date of the Station Road, Bamber Bridge works as January 2016-April 2016. These works form part of the Bamber Bridge/City Centre Public Transport Priority Corridor/Local Centre scheme. This start date has been delayed, the current expectation is that the main works will commence in August 2016, with ancillary/preliminary works commencing in April 2016.

The principal reasons for the delay relate to the time taken to finalise the scope of the Bamber Bridge Scheme. The scheme will see the private frontages to Station Road, Bamber Bridge, being included in the scheme and will achieve a more complete and attractive public open space along the scheme length. This approach is fully supported by LCC.

The earliest possible start date for the main works is August 2016. Officers from SRBC and LCC are working to develop a delivery schedule to achieve an August 2016 start date, which will include the following actions:

- a. It is expected that the City Deal Infrastructure Delivery fund will cover the capital cost of delivering the scheme, including works on private frontages. The overall allocation for South Ribble Public Transport Priority Corridors/Local Centres is £12.125m, with a target allocation for the Bamber Bridge Scheme of £3.25m. Once the design for the scheme has been completed and fully costed, the final drawdown from the £12.125m will be calculated together with an assessment of the impact on other schemes within South Ribble Public Transport Priority Corridors/Local Centres in the event that the target cost is exceeded;



- b. SRBC will handle all communications and the development of agreements with private landowners which will need to be put in place with affected private land owners to enable works to take place on their forecourts
- c. LCC will deliver the work along the private frontages once agreements are in place, as long as these agreements are in place before works start;
- d. The works on private land will not be adopted as highway. LCC as highway authority will have no liability or other ongoing obligation or cost as a result of the works on the forecourts (with the exception of any remedial works);
- e. Any financial contributions being sought from private landowners to be managed by SRBC and paid to City Deal as a contribution to the Scheme , unless the contributions are required by SRBC to fund enhancements to the scheme ;
- f. SRBC will work to minimise the risk of some landowners refusing to contribute and disparities and claims emerging;
- g. SRBC will also be responsible for dealing with any issues arising in relation to State Aid.
- h. LCC and SRBC will establish a joint design team to develop the detailed (construction) design for the scheme.

SRBC has started the discussions and negotiations with frontage owners and are confident that these agreements can be delivered within the required timescale for an August start.

SRBC has been working actively with the community within Bamber Bridge and has undertaken two consultation exercises. They have been working with Baxi on sponsorship and gateway features, and have launched a local design competition for a series of icon designs to illustrate the history of Bamber Bridge (sponsored by Baxi). The closing date for this competition is 1st February 2016. They have established a 'Friends Group' at Bamber Bridge station, and they have been successful in reaching an agreement with Northern Rail and Network Rail for works at the station which will enhance the works on Station Road. These works have started on site and will be completed later this month.

In addition to these works, SRBC have also undertaken the design of a soft landscaping project in front of one the major retailers on Station Road (Morrison's). This element of the project is proposed to start and complete on site in Q1 of 2016/17 and will form part of the Station Road scheme when the principal phase of the project is started in August 2016.

It is estimated that the total project will be completed during Q2 2017/18 as it will have an estimated overall twelve month delivery period. The scheme will be fully committed to at the August 2016 start on site date. As part of the detailed design, a breakdown will be provided of the works that will be completed at the end of each three month period of the overall programme.



Recommendation

That the City Deal Executive agree:-

- (i) that the start date for the main works will be August 2016, with ancillary works due to commence in Q1 2016/17;
- (ii) the way forward for the delivery of the scheme on the terms set out in this report.

Document is Restricted

Agenda Item 15

Document is Restricted

Document is Restricted

Agenda Item 16

Document is Restricted

