



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

**Tuesday, 3rd December, 2019 in Savoy Suite 1 - The Exchange -  
County Hall, Preston, at 2.30 pm**

**Agenda**

**Part I (Items Publicly Available)**

- 1. Welcome and Apologies for Absence**
- 2. Minutes of the City Deal Executive meeting held on 14th October 2019  
(Pages 1 - 6)**
- 3. Minutes of the City Deal Stewardship Board meeting held on 14th  
October 2019 (Pages 7 - 12)**
- 4. Matters Arising**
- 5. Declarations of Interest**

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

- 6. Project Updates**  
*Presentation*
- 7. City Deal Six monthly performance monitoring report - Year 6 April - Sept  
2019 (Pages 13 - 58)**

**Executive Committee Item (Chaired by Jim Carter)**

- 8. City Deal Social Value Update (Pages 59 - 66)**
- 9. Any Other Business**

**10. Date of Next Meeting**

The next Combined City Deal Executive and Stewardship Board meeting is provisionally scheduled for Tuesday 3<sup>rd</sup> March 2020, at 2:30pm in a room to be confirmed at County Hall, Preston.

In addition a provisional programme of meetings for the remainder of 2020/21 has been reserved as follows:

- Tuesday, 14<sup>th</sup> July 2020, 2:30pm
- Tuesday, 6<sup>th</sup> October 2020, 2:30pm
- Tuesday, 1<sup>st</sup> December 2020. 2:30pm
- Wednesday, 17<sup>th</sup> March 2021, 2:30pm

All meetings will be held at County Hall, Preston.

**11. Exclusion of the Press and Public**

The Board is asked to consider whether, under Section 100A(4) of the Local Government Act 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 12A to the Local Government Act 1972 as indicated against the heading to the item.

**Part II (Items that are Private and Confidential)**

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

- 12. City Deal Review - Proposal for a Revised City Deal** (Pages 67 - 94)
- 13. Homes England - Small Sites Fund** (Pages 95 - 100)
- 14. City Deal Finance Report - Oct 2019** (Pages 101 - 114)



**CITY DEAL**  
Preston, South Ribble & Lancashire

## **Preston, South Ribble and Lancashire City Deal - Executive**

### **Minutes of the Meeting held on Monday, 14th October, 2019 at 5.30 pm at the Savoy Suite 1 - The Exchange - County Hall, Preston**

#### **Present**

Jim Carter (Chairman)

Councillor Matthew Brown

Councillor Paul Foster

County Councillor Geoff Driver CBE

Mark Rawstron

#### **In Attendance**

Nicola Elsworth, Head of Public Sector Land, Homes England

Adrian Phillips, Chief Executive, Preston City Council

Gary Hall, Interim Chief Executive, South Ribble Borough Council

Phil Green, Director of Growth, Environment and Planning, Lancashire County Council

County Councillor Michael Green, Lancashire County Council (Nominated Observer)

Councillor Peter Moss, Preston City Council (Nominated Observer)

Jo Ainsworth, LEP and Special Projects Finance Manager, Lancashire County Council

Deborah Holroyd-Jones, Senior Development Manager, Homes England

Joanne Hudson, Project Manager, Lancashire County Council

Marcus Hudson, Planning Manager, Lancashire County Council

Laura Sales, Director of Corporate Services and Company Secretary, Lancashire County Council

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council

Jonathan Noad, Director of Planning and Property, South Ribble Borough Council

Sarah Parry, City Deal Programme Manager, Lancashire County Council

County Councillor John Potter – Observer

County Councillor Keith Iddon – Cabinet Member, Lancashire County Council, Observer

#### **1. Welcome and Apologies for Absence**

The Chairman, Jim Carter, welcomed all to the meeting. Round table introductions were made. Apologies for absence were presented from Danielle Gilliespie (Homes England) with Nicola Elsworth formally nominated as her representative and from Angie Ridgwell (Chief Executive and Director of Resources, Lancashire County Council) with Phil Green formally nominated as her representative.

**2. Minutes of the City Deal Executive meeting held on 25th July 2019**

**Resolved:** That the minutes of the City Deal Executive meeting held on 25<sup>th</sup> July 2019 be approved as an accurate record and duly signed by the Chairman.

**3. Minutes of the City Deal Stewardship Board meeting held on 25th July 2019**

**Resolved:** That the minutes of the City Deal Stewardship Board meeting held on 25<sup>th</sup> July 2019 be approved as an accurate record and duly signed by the Chairman.

**4. Matters Arising**

None

**5. Declarations of Interest**

Jim Carter declared a long standing interest in any potential items related to the Cuerden Development as his employer, Eric Wright, is engaged with the Lancashire Central project.

**6. Presentation - Preston, South Ribble and Lancashire City Deal - Achievements to Date**

Phil Green, Director of Growth, Environment and Planning, Lancashire County Council, gave a presentation which contained the achievements to date for the City Deal.

The presentation provided background to the creation of City Deal in 2013 with it noted that 5000 new homes have been delivered in the first 5 years of the deal with 15,000 new homes having secured planning consent. 14,000 jobs have been created as part of the Deal. The Preston, South Ribble and Lancashire City Deal is considered by Government to be one of the best performing in the country, attracting new investment and a range of national and local developers are active in the area.

In addition, it was noted that over £120 million pounds worth of projects have been completed including Broughton Bypass, A582 Golden Way / Roundabouts, Preston Bus Station, Lancaster Road, Public Realm and local transport Corridors (New Hall Lane and Bamber Bridge).

Several significant projects are underway including Penwortham Bypass, the Preston Western Distributor and East / West Link Road, East Cliff Bridge, A582 Dualling Preparatory Work, Lancashire Central Review and other bridges, corridors and cycle ways.

It was further noted that the Lancashire Enterprise Partnership has successfully

embedded Social Value within their key infrastructure investment programmes through the adoption of a LEP wide Social Value Framework. The Framework utilises the National Theme Outcomes and Measures to embed social value within procurement, monitoring and evaluation of projects across the LEP's project portfolio including Growth Deal, City Deal, Boost Business Support and Rosebud Business Finance programmes.

City Deal members reconfirmed their commitment to the City Deal programme and endorsed the achievements to date. It was requested that Social Value outputs data be shared with the Executive and Stewardship Board at the next meeting.

**Resolved:** The City Deal Executive and Stewardship Board noted the City Deal achievements to date and requested that Social Value outputs data be shared with the Executive and Stewardship Board at the next meeting.

## **7. Homes England Quarterly Monitoring Progress Update - Q1 2019/20**

Nicola Elsworth, Head of Public Sector Land (North West) Homes England and Chair of the City Deal Stewardship Board introduced both quarterly monitoring reports with Debra Holyroyd-Jones (also Homes England) invited to present the reports in more detail.

Given that this meeting contained both the Homes England Quarter 1 and Quarter 2 reports for 2019/20 the Quarter 1 report was noted as circulated.

**Resolved:** The City Deal Executive and Stewardship Board noted the Homes England Quarter 1 – 2019/20 report as circulated.

## **8. Homes England Quarterly Monitoring Progress Update - Q2 2019/20**

Debra Holyroyd-Jones presented a report (circulated) which provided the Executive and Stewardship Board with the Homes England Quarter 2 – 2019/20 monitoring progress update.

It was highlighted that there has been a slight delay regarding loan and grant payments, this has been mainly due to technical issues with Cottam Hall but the issues are now resolved.

A brief summary was provided of key achievements during the last quarter, noting that Cottam Hall continues to deliver out well with Phase 6 very near to completion of freehold disposal. Whittingham Hospital –phase 1 completion has been achieved. Eastway continues to build out well. Altcar Lane – work is underway on site. Croston Road South – 50% of the site is completed and Pickerings Farm – The application has been finalised and is ready for submission this month.

With regard the dashboard it was noted that 90 housing completions have been achieved on site during this reporting period. With regard to the Grant Table

(Appendix 1 to the report) it was noted that peak grant income will come forward in 2021/22

In total, 630 new homes have been delivered across all the City Deal sites to date which is on target to expected levels for this stage of the City Deal.

**Resolved:** The City Deal Executive and Stewardship Board noted the Homes England Quarter 2 – 2019/20 report as presented.

**9. Any Other Business**

None

**10. Date of Next Meeting**

It was noted that the next meeting of the combined Preston, South Ribble and Lancashire City Deal was scheduled to be held on 3<sup>rd</sup> December 2019 at 2:30pm in Savoy Suite 1 – The Exchange – County Hal, Preston.

**11. Exclusion of the Press and Public**

**Resolved:** That the press and public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A of the Local Government Act 1972, as indicated against the heading of each item. It is considered that in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**12. City Deal Review Update**

Leaders and Chief Executives provided an update on the City Deal Review and progress through various stages of approval by their respective authorities and a further update was provided on future City Deal funding opportunities.

It was noted that further meetings were scheduled to be held over the coming week and that all authorities would prioritise discussions to ensure opportunities to apply for additional future funding are fully explored.

**Resolved:** The City Deal Executive and Stewardship Board noted the current position with regard to the City Deal Review and agreed to prioritise further meetings to progress with the Review and explore future funding opportunities.

### **13. City Transport Plan and Transforming Cities Fund**

Marcus Hudson, Planning Manager, Lancashire County Council presented a private and confidential report (circulated) regarding the City Transport Plan and the Transforming Cities Fund.

It was highlighted that the City Deal Executive was asked to agree to continue its role in developing the Plan and the proposition presented in the Transforming Cities Fund bid. The City Deal Executive provided feedback on the Plan and bid as appropriate.

**Resolved:** The City Deal Executive:

- (i) Noted the advice received by consultants and presented in the Preston City Transport Plan and agree to its publication as evidence to inform current and ongoing transport planning and investment programming.
- (ii) Noted progress on the preparation of a strategic outline business case to support the area's funding bid to the Department for Transport's Transforming Cities Fund; and
- (iii) Agreed to continue its role and the governance arrangements for the delivery of City Deal projects included in the proposition presented in the Transforming Cities Fund bid.

### **14. A582 South Ribble Western Distributor**

Marcus Hudson presented a private and confidential report (circulated) regarding the A582 South Ribble Western Distributor.

It was noted that the Strategic Outline Business Case was submitted in July 2019 at the conclusion of the public consultation.

**Resolved:** The City Deal Executive noted the ongoing preparatory work on this scheme, including progress with the Major Roads Network funding application and changes to the scheme to address concerns raised through recent public consultation.

### **15. Penwortham to City Centre Public Transport Priority Corridor Improvement Works**

Marcus Hudson presented a private and confidential report (circulated) regarding Penwortham to City Centre Public Transport Priority Corridor Improvement Works.

It was noted that work to progressing with the preparatory work for the delivery of the Penwortham town centre public realm enhancement scheme is pending the outcome of the review into City Deal, following which a further report will be brought to the City Deal Executive for consideration.

**Resolved:** The City Deal Executive noted the current situation and agreed that a further report is brought forward following conclusion of the review into City Deal.

## **16. Infrastructure Delivery Monitoring Report - Quarter 2 2019-20**

Sarah Parry, City Deal Programme Manager, presented a private and confidential report which provided the City Deal Executive and Stewardship Board with the Infrastructure Delivery Monitoring Report for Quarter 2 2019/20.

It was noted that in the last quarter good progress is has been achieved on the large schemes such as Preston Western Distributor, Penwortham Bypass and Broughton Corridor Improvements. Pre-planning application work on the A582 South Ribble Western Distributor is also progressing according to programme. Overall there are currently 17 'live projects' in the programme with updates provided on the status of each one.

**Resolved:** The City Deal Executive and Stewardship Board noted the Quarter 2 Project Monitoring report for the period July – September 2019 as presented.

## **17. City Deal Finance Update Quarter 2 2019-20**

Jo Ainsworth, Principal Accountant – Capital and Lancashire Enterprise Partnership, Lancashire County Council presented a private and confidential report (circulated) which provided the City Deal Finance update for Quarter 2 – 2019/20.

The current financial and future financial position of the City Deal was highlighted.

**Resolved:** The City Deal Executive and Stewardship Board:

- (i) Noted the Quarter 2 – 2019/20 Finance Update.
- (ii) Noted the work ongoing and required to be resolved to address the deficit forecast in the infrastructure deliver model.
- (iii) Agreed to support the funding bids in place to attract funds to the model;  
and
- (iv) Noted the key risks and potential benefits going forward and accept mitigation is needed to ensure the model remains balanced over the lifetime of the deal, utilising the three strategies advised by the Steer Review report of expenditure mitigation, income generation and scheme prioritisation.





**CITY DEAL**  
Preston, South Ribble & Lancashire

## **Preston, South Ribble and Lancashire City Deal - Stewardship Board**

**Minutes of the Meeting held on Monday, 14th October, 2019 at 5.30 pm  
at the Savoy Suite 1 - The Exchange - County Hall, Preston**

### **Present**

Nicola Elsworth (Chairman)

Phil Green  
Adrian Phillips

Gary Hall  
Jim Carter

### **In Attendance**

Councillor Matthew Brown, Leader, Preston City Council  
County Councillor Geoff Driver CBE, Leader, Lancashire County Council  
Councillor Paul Foster, Leader, South Ribble Borough Council  
County Councillor Michael Green, Lancashire County Council (Nominated Observer)  
Councillor Peter Moss, Preston City Council (Nominated Observer)  
Jo Ainsworth, LEP and Special Projects Finance Manager, Lancashire County Council  
Deborah Holroyd-Jones, Senior Development Manager, Homes England  
Joanne Hudson, Project Manager, Lancashire County Council  
Marcus Hudson, Planning Manager, Lancashire County Council  
Laura Sales, Director of Corporate Services and Company Secretary, Lancashire County Council  
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council  
Jonathan Noad, Director of Planning and Property, South Ribble Borough Council  
Sarah Parry, City Deal Programme Manager, Lancashire County Council  
County Councillor John Potter – Observer  
County Councillor Keith Iddon – Cabinet Member, Lancashire County Council, Observer

### **1. Welcome and Apologies for Absence**

The Chairman, welcomed all to the meeting. Round table introductions were made. Apologies for absence were presented from Danielle Gilliespie (Homes England) with Nicola Elsworth formally nominated as her representative and from Angie Ridgwell (Chief Executive and Director of Resources, Lancashire County Council) with Phil Green formally nominated as her representative.

### **2. Minutes of the City Deal Executive meeting held on 25th July 2019**

**Resolved:** That the minutes of the City Deal Executive meeting held on 25<sup>th</sup> July 2019 be approved as an accurate record and duly signed by the Chairman.

**3. Minutes of the City Deal Stewardship Board meeting held on 25th July 2019**

**Resolved:** That the minutes of the City Deal Stewardship Board meeting held on 25<sup>th</sup> July 2019 be approved as an accurate record and duly signed by the Chairman.

**4. Matters Arising**

None

**5. Declarations of Interest**

Jim Carter declared a long standing interest in any potential items related to the Cuerden Development as his employer, Eric Wright, is engaged with the Lancashire Central project.

**6. Presentation - Preston, South Ribble and Lancashire City Deal - Achievements to Date**

Phil Green, Director of Growth, Environment and Planning, Lancashire County Council, gave a presentation which contained the achievements to date for the City Deal.

The presentation provided background to the creation of City Deal in 2013 with it noted that 5000 new homes have been delivered in the first 5 years of the deal with 15,000 new homes having secured planning consent. 14,000 jobs have been created as part of the Deal. The Preston, South Ribble and Lancashire City Deal is considered by Government to be one of the best performing in the country, attracting new investment and a range of national and local developers are active in the area.

In addition, it was noted that over £120 million pounds worth of projects have been completed including Broughton Bypass, A582 Golden Way / Roundabouts, Preston Bus Station, Lancaster Road, Public Realm and local transport Corridors (New Hall Lane and Bamber Bridge).

Several significant projects are underway including Penwortham Bypass, the Preston Western Distributor and East / West Link Road, East Cliff Bridge, A582 Dualling Preparatory Work, Lancashire Central Review and other bridges, corridors and cycle ways.

It was further noted that the Lancashire Enterprise Partnership has successfully embedded Social Value within their key infrastructure investment programmes through the adoption of a LEP wide Social Value Framework. The Framework utilises the National Theme Outcomes and Measures to embed social value within procurement, monitoring and evaluation of projects across the LEP's project portfolio including Growth Deal, City Deal, Boost Business Support and

Rosebud Business Finance programmes.

City Deal members reconfirmed their commitment to the City Deal programme and endorsed the achievements to date. It was requested that Social Value outputs data be shared with the Executive and Stewardship Board at the next meeting.

**Resolved:** The City Deal Executive and Stewardship Board noted the City Deal achievements to date and requested that Social Value outputs data be shared with the Executive and Stewardship Board at the next meeting.

## **7. Homes England Quarterly Monitoring Progress Update - Q1 2019/20**

Nicola Elsworth, Head of Public Sector Land (North West) Homes England and Chair of the City Deal Stewardship Board introduced both quarterly monitoring reports with Debra Holyroyd-Jones (also Homes England) invited to present the reports in more detail.

Given that this meeting contained both the Homes England Quarter 1 and Quarter 2 reports for 2019/20 the Quarter 1 report was noted as circulated.

**Resolved:** The City Deal Executive and Stewardship Board noted the Homes England Quarter 1 – 2019/20 report as circulated.

## **8. Homes England Quarterly Monitoring Progress Update - Q2 2019/20**

Debra Holyroyd-Jones presented a report (circulated) which provided the Executive and Stewardship Board with the Homes England Quarter 2 – 2019/20 monitoring progress update.

It was highlighted that there has been a slight delay regarding loan and grant payments, this has been mainly due to technical issues with Cottam Hall but the issues are now resolved.

A brief summary was provided of key achievements during the last quarter, noting that Cottam Hall continues to deliver out well with Phase 6 very near to completion of freehold disposal. Whittingham Hospital –phase 1 completion has been achieved. Eastway continues to build out well. Altcar Lane – work is underway on site. Croston Road South – 50% of the site is completed and Pickerings Farm – The application has been finalised and is ready for submission this month.

With regard the dashboard it was noted that 90 housing completions have been achieved on site during this reporting period. With regard to the Grant Table (Appendix 1 to the report) it was noted that peak grant income will come forward in 2021/22

In total, 630 new homes have been delivered across all the City Deal sites to date which is on target to expected levels for this stage of the City Deal.

**Resolved:** The City Deal Executive and Stewardship Board noted the Homes England Quarter 2 – 2019/20 report as presented.

**9. Any Other Business**

None

**10. Date of Next Meeting**

It was noted that the next meeting of the combined Preston, South Ribble and Lancashire City Deal was scheduled to be held on 3<sup>rd</sup> December 2019 at 2:30pm in Savoy Suite 1 – The Exchange – County Hal, Preston.

**11. Exclusion of the Press and Public**

**Resolved:** That the press and public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A of the Local Government Act 1972, as indicated against the heading of each item. It is considered that in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**12. City Deal Review Update**

Leaders and Chief Executives provided an update on the City Deal Review and progress through various stages of approval by their respective authorities and a further update was provided on future City Deal funding opportunities.

It was noted that further meetings were scheduled to be held over the coming week and that all authorities would prioritise discussions to ensure opportunities to apply for additional future funding are fully explored.

**Resolved:** The City Deal Executive and Stewardship Board noted the current position with regard to the City Deal Review and agreed to prioritise further meetings to progress with the Review and explore future funding opportunities.

**13. City Transport Plan and Transforming Cities Fund**

Marcus Hudson, Planning Manager, Lancashire County Council presented a private and confidential report (circulated) regarding the City Transport Plan and the Transforming Cities Fund.

It was highlighted that the City Deal Executive was asked to agree to continue its role in developing the Plan and the proposition presented in the Transforming

Cities Fund bid. The City Deal Executive provided feedback on the Plan and bid as appropriate.

**Resolved:** The City Deal Executive:

- (i) Noted the advice received by consultants and presented in the Preston City Transport Plan and agree to its publication as evidence to inform current and ongoing transport planning and investment programming.
- (ii) Noted progress on the preparation of a strategic outline business case to support the area's funding bid to the Department for Transport's Transforming Cities Fund; and
- (iii) Agreed to continue its role and the governance arrangements for the delivery of City Deal projects included in the proposition presented in the Transforming Cities Fund bid.

#### **14. A582 South Ribble Western Distributor**

Marcus Hudson presented a private and confidential report (circulated) regarding the A582 South Ribble Western Distributor.

It was noted that the Strategic Outline Business Case was submitted in July 2019 at the conclusion of the public consultation.

**Resolved:** The City Deal Executive noted the ongoing preparatory work on this scheme, including progress with the Major Roads Network funding application and changes to the scheme to address concerns raised through recent public consultation.

#### **15. Penwortham to City Centre Public Transport Priority Corridor Improvement Works**

Marcus Hudson presented a private and confidential report (circulated) regarding Penwortham to City Centre Public Transport Priority Corridor Improvement Works.

It was noted that work to progressing with the preparatory work for the delivery of the Penwortham town centre public realm enhancement scheme is pending the outcome of the review into City Deal, following which a further report will be brought to the City Deal Executive for consideration.

**Resolved:** The City Deal Executive noted the current situation and agreed that a further report is brought forward following conclusion of the review into City Deal.

## **16. Infrastructure Delivery Monitoring Report - Quarter 2 2019-20**

Sarah Parry, City Deal Programme Manager, presented a private and confidential report which provided the City Deal Executive and Stewardship Board with the Infrastructure Delivery Monitoring Report for Quarter 2 2019/20.

It was noted that in the last quarter good progress is has been achieved on the large schemes such as Preston Western Distributor, Penwortham Bypass and Broughton Corridor Improvements. Pre-planning application work on the A582 South Ribble Western Distributor is also progressing according to programme. Overall there are currently 17 'live projects' in the programme with updates provided on the status of each one.

**Resolved:** The City Deal Executive and Stewardship Board noted the Quarter 2 Project Monitoring report for the period July – September 2019 as presented.

## **17. City Deal Finance Update Quarter 2 2019-20**

Jo Ainsworth, Principal Accountant – Capital and Lancashire Enterprise Partnership, Lancashire County Council presented a private and confidential report (circulated) which provided the City Deal Finance update for Quarter 2 – 2019/20.

The current financial and future financial position of the City Deal was highlighted.

**Resolved:** The City Deal Executive and Stewardship Board:

- (i) Noted the Quarter 2 – 2019/20 Finance Update.
- (ii) Noted the work ongoing and required to be resolved to address the deficit forecast in the infrastructure deliver model.
- (iii) Agreed to support the funding bids in place to attract funds to the model; and
- (iv) Noted the key risks and potential benefits going forward and accept mitigation is needed to ensure the model remains balanced over the lifetime of the deal, utilising the three strategies advised by the Steer Review report of expenditure mitigation, income generation and scheme prioritisation.



## CITY DEAL

Preston, South Ribble & Lancashire

### **CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD**

**Private and Confidential: NO**

**Date:** Tuesday, 3 December 2019

#### **City Deal Six monthly performance monitoring report - Year 6 April - Sept 2019**

Appendix 1 – City Deal - 6 month performance dashboard April-Sept 2019

Appendix 2 - Housing and Commercial Sites Dashboard

Appendix 3 – Skills and Employment Case Studies Dashboard

Appendix 4 – Central Lancashire Construction Skills Hub - Impact & Engagement Summary Report 2016-19

Appendix 5 – City Deal Risk and Issues log

**Report Author: Joanne Hudson, 01772 536609, Project Manager, Strategic Development, [joanne.hudson@lancashire.gov.uk](mailto:joanne.hudson@lancashire.gov.uk)**

#### **Executive Summary**

This report provides the City Deal Executive and Stewardship Board with an overview of how the Programme has performed during the six month period between 1 April 2019 and 30 September 2019 (year 6). Appendix 1, the City Deal 6 month performance dashboard provides a summary of performance against core and supporting outputs and will form the basis of the monitoring return to Government.

Performance can be summarised as follows:

**Housing outputs** – Overall, completions since the start of the deal are 5474 (including 346 re-use of empty homes – no change from previously reported). Unit completions during the last six months total 483 which is less than the target set at the start of the year of 772. Performance on individual housing sites during this period is illustrated in the Housing and Employment sites dashboard (appendix 2).

**Commercial sites** – Demand for commercial land remains high and commercial development remains positive year on year in some key market areas. Overall there has been a continuation of strong performance in commercial site construction activity, especially in respect of business park/edge of town retail/car showroom activity. Demand remains high at key employment sites for small speculative schemes, freehold land and large logistics units, and a range of actions are progressing to make land available. Office market values remain challenging, as are high street retail conditions, although a range of leisure schemes are under construction/in development. Performance on individual employment sites during the last six months is illustrated in the Housing and Employment sites dashboard (appendix 2).



**Employment and skills** – The update included in this report represents the full end of year report aligned to the 2018-19 academic year. Overall positive performance is reported with apprenticeship starts increasing by 4% from the previous year and students enrolling on Science Technology Engineering and Maths (STEM) and construction undergraduate programmes increasing for the five year consecutive year. A dashboard providing detailed case studies is attached, see appendix 3.

**Public and Private sector investment** – A total of £3.938m of public and private sector investment has been made in transport infrastructure since April 2019.

**Infrastructure update** –Overall good progress is reported in relation to the delivery of the Preston Western Distributor, design and planning preparation for the A582 South Western Distributor dualling, construction of the Penwortham bypass plus the public transport corridor works in Broughton which completed in summer 2019.

**Risk analysis and management** – Appendix 5 provides an overview of programme level risks and mitigating actions.

### **Recommendation**

The City Deal Executive and Stewardship Board is requested to note the overall performance of the Programme in the last six months from April-September 2019 and endorse the monitoring return to Government as set out in the report.

## **1.0 Background and Advice**

- 1.1 This report provides an update on performance during the six month period April-September 2019, in relation to both core and supporting outputs.

## **2.0 Housing Outputs**

- 2.1 Overall, since the start of the Deal period, the number of housing completions is 5474. **483** completions have been achieved in the last six months between April 2019 and September 2019 against a target of **772**. Of the unit completions this period, **416** were on City Deal named sites and **67** were on other non – City Deal sites (windfalls). It can be noted that completions are slightly below the six month target. This is in part due to windfall sites only being monitored by Preston City Council at the end of the financial year, due to there not currently being a five year housing land supply in place for Preston. In addition, year six was always acknowledged as being a "peak" year for Preston's housing delivery target, which has been reviewed for future years in light of average number of completions achieved to date.
- 2.2 Overall the performance on individual sites is mixed with some delivering at a faster pace than forecast and others experiencing slower build out rates. This is





# CITY DEAL

Preston, South Ribble & Lancashire

largely due to market demand. Site trajectories are reviewed and adjusted annually based on individual site performance.

2.3 Once again there has been a strong trend of planning submissions across the city deal area on 'windfall sites'. In South Ribble 101 units in total were submitted for planning during the last six month period, all on windfall sites. Only one City Deal site was consented during this period with reserved matters approval granted for 174 units on Croston Road (North of Southern section). In Preston the picture is more mixed with 748 units submitted for outline or full permission on City Deal sites and 919 units submitted on windfall sites. During this same period a total of 622 units were granted permission overall (the remainder await decision). .

2.4 In South Ribble in particular, those largely mid -range scale housing sites that have secured planning permission are progressing well, with building actively taking place on sites such as Brindle Road (Bellway) , Altcar Lane (Lovells) and Heatherleigh (Miller). Some larger sites in South Ribble such as Moss Side Test Track have taken longer to gain planning permission than would normally be expected. In this case issues have revolved around trying to secure a policy compliant scale of on-site affordable housing; agreeing the scale and position of a school site; agreeing the costs and scale of off-site highway improvement/mitigation measures. In the case of The Lanes (Pickerings Farm) the submission of a final masterplan hasn't taken place and adoption of this has to be a precursor to the approval of a planning application. In both cases, these delays have been largely due to site specific technical issues that have taken longer to resolve than was anticipated.

2.5 In Preston, in North West Preston specifically, Preston City Council is seeing many developers coming forward to vary their permissions (sometimes multiple times) to amend house types on site which is seeing a trend towards larger units (four plus bedroom units) being replaced by smaller units, hence increasing site capacity. From speaking to site sales offices it is reasonable to assume that these amendments are in response to market conditions and demand within the area.

**Table 1 City Deal (Preston & South Ribble) Housing outputs**

Core and supporting outputs	Target (6 months Apr-Sept 2019)	Actual (6 months Apr-Sept 2019)	Total to date Actuals
Total number of Housing units completed	772	483 <i>(416 on City Deal sites and 67 on windfall sites)</i>	5474
Sites at which construction is actively taking place	-	30	n/a



**Table 2: New planning submissions and consents in Preston and South Ribble (between April and September 2019)**

	Outline	Full	RM	Total (*)	Cumulative total (*)
Number of housing units submitted for planning	582	1186	1	1768	n/a
Number of Housing units consented for planning	291	410	176	701	13,966 (11,144 on City Deal sites)

Figures include permissions on both city deal and windfall sites

(\*)Cumulative total = (counts outline and full permissions only) figure does not reconcile with previously reported due to verification exercise.

**Table 3 Preston - Housing outputs**

Core and supporting outputs	Target (6 months Apr-Sept 2019)	Actual (6 months Apr-Sept 2019)	Total to date
Number of Housing units completed	532	268 (250 on CD sites, 18 on windfall)	3,574
Sites at which construction is actively taking place	-	21	

**Table 4 New planning submissions and consents in Preston (between April and September 2019)**

	Outline	Full	RM	Total	Cumulative total
Total number of housing units submitted for planning	539	1128	412	1667	n/a
Total number of Housing units consented for planning	253	369	241	622	8,819 (6660 on City Deal sites)

Table includes permissions on both city deal and windfall sites

Total and Cumulative total = (counts outline and full permissions only)



**Table 5 South Ribble Housing outputs**

Core and supporting outputs	Target (6 months Apr-Sept 2019)	Actual (6 months Apr-Sept 2019)	Total to date
Total number of Housing units completed	240	215 <i>(166 on City Deal sites and 49 on windfall)</i>	1,900
sites at which construction is actively taking place	-	9	n/a

**Table 6 New planning submissions and consents in South Ribble (between April and September 2019)**

	Outline	Full	RM	Total (outline/full only)	Cumulative total
Total number of housing units submitted for planning	43	58	1	101	n/a
Total number of Housing units consented for planning	38	41	176	79	5,147 (4484 on City Deal sites)

*Table includes all permissions on both city deal and windfall sites*

*Cumulative total = (counts outline and full permissions only)*

### 3.0 Performance on Homes England Sites:

3.1 To date 2019/20 has been productive with a range of activity and positive delivery on the 11 City Deal Homes England sites. Residential development is currently underway at six Homes England City Deal sites including Cottam Hall (multiple phases), Land at Eastway, Croston Road South (multiple phases) and Altcar Lane and developers are continuing to build out at a good pace. So far in 2019/20, 90 new homes have been completed against an annual forecast of 252 units which shows the ongoing commitment to delivery and market interest. Build out is approaching completion on Phase one and Phase two of Croston Road South, with 80% and 62% having been built out respectively. Delivery remains strong at Cottam Hall Phase two with 19 completions during this period and Eastway with 23 completions during this period. Formal starts on site have been made at Cottam Hall Phase three, Morris Homes and Altcar Lane, Lovell Homes with first completions expected during quarter three 2019/20.

3.2 A Conditional Contract was entered in to with Rowland Homes on Cottam Hall Phase four on 29 March 2019 with a Reserved Matters Application for 135 units subsequently approved during July 2019. Work has continued during this 6-month period on the complex de-risking of Pickering's Farm and Whittingham Hospital. Homes England is expected to secure Outline Planning Permission for 750 units



# CITY DEAL

Preston, South Ribble & Lancashire

at Whittingham Hospital early in November 2019 (quarter three 2019/20). Similarly, with Pickering's Farm an application is expected to be submitted in November 2019 following extensive work with South Ribble Borough Council and partners on this strategically important site.

3.4 In terms of finances, Homes England is currently on track to pay the £37.5m grant by 2023/24 with £17.6m of grant paid date. So far in 2019/20, one grant payment has been made to Lancashire County Council, £2m (in August 2019) in relation to Land at Eastway (residential). Further Loan and Grant payments remain to be paid during the next six months of 2019/20 at Cottam Hall Phase four (£2.8m) and Cottam Hall Phase six (Plot 14 / 15) which equates to £2.7m in Loan and £795,576 in Grant (further Grant will be paid when Plot 15 goes Unconditional during 2020/21).

**Table 7: Outputs on Homes England sites**

OUTPUT	2019/20 Forecast	6 Month Actual (April-September 2019)
Start on site	0	0
Housing completions	252 (from BDP Refresh)	90
Site completions	1 (Croston Road South)	0
Planning application submissions (includes Outline and Reserved Matters)	1 (Pickering's Farm)	0
Planning application approvals (includes Outline and Reserved Matters)	2 (Cottam Hall Phase 4 and Whittingham Hospital)	1
Sites currently under construction*	6 Housing 1 Employment	6 Housing 1 Employment

*\*When referring to Homes England sites, for the purpose of the table above and paragraphs below each phase on Cottam Hall has been counted as a separate site. For example for Cottam Site K, Phase 2 and Phase 3 are being treated as three sites.*

*Source: Homes England*

## 4.0 Commercial Floorspace Outputs

4.1 Commercial floorspace completions continue to perform well year on year, especially on existing employment sites where build out has been brought forward for smaller speculative unit developments, whilst car showrooms and out of town/edge of town retail park activity have provided a significant proportion of floorspace outputs.

4.2 There continues to be a strong pipeline of projects that are currently either under construction/in development.



# CITY DEAL

Preston, South Ribble & Lancashire

- 4.3 Completions in the immediate term will continue to be concentrated at Preston East employment sites where land is expected to be brought forward for smaller unit developments, and possible medium-sized occupier led schemes, plus at Preston North West mixed-use sites.
- 4.4 Demand remains high at key employment sites for, for example, large logistics operators and some strategic local relocations.
- 4.5 Partners continue to work with commercial developers to bring forward large sites including next phase employment land at Preston East and other sites such as Moss Side Test Track, Farington Hall Estate and Lancashire Central, Cuerden.
- 4.6 Completions to date are **14,598 sq m** for the 1<sup>st</sup> 6 months of the year. These relate to a retail unit at Eastway, UCLan's Engineering Innovation Centre and a car showroom. Although 6 monthly targets are not set, the baseline target for the year is **38,088 sq m** (excluding Samlesbury Aerospace Enterprise Zone), and the forward projection is, based upon the current build programme, for 22,000+ square metres of floorspace to be completed. This would represent a general uplift on previous years (excluding completions at Samlesbury Aerospace Enterprise Zone).
- 4.7 Whilst the projection of 22,000 plus square metres described above is lower than the baseline target, this includes allowances for city centre office schemes and Lancashire Central, whose outputs have been re-profiled. Aside from completions, schemes are also under construction/or preparing for construction include two city centre hotels/leisure schemes, UCLan's Student Centre and sites at Preston East.
- 4.8 In total, **4,060 sq m** of commercial floorspace was **submitted** for planning. A total of **5,995 square metre** of commercial floorspace was **consented** for planning. No targets are set for submissions and consents.
- 4.9 Whilst these are relatively low numbers, major planning consents already exist for key sites, whilst others are being prepared, for example some sites at Preston East, major leisure development and at Moss Side Test Track.

**Table 8: commercial floorspace – core and supporting outputs**

Core and supporting outputs	2019/20 Actual 1 <sup>st</sup> 6 months (sq m)
Commercial floorspace completed (sq m)	14,598
Commercial floorspace consented for planning (sq m)	5,995
Commercial floorspace submitted for planning	4,060



## 5.0 How we are working to progress employment sites:

5.1 The housing and employment dashboard attached at appendix 2 provides a summary of individual site performance and describes whether sites are progressing as anticipated. Whilst development activity is subject to market demand and commercial opportunities, partners are working to ensure that future targets are met by:

- Releasing land – progress is being maintained on making land available for development, in particular on public sector land in Preston East and at Lancashire Central, Cuerden. A planning application continues to be progressed for Moss Side Test Track where there is commercial element (since approved at SRBC planning committee on 7<sup>th</sup> November).
- Developing the city centre – a range of activities are being undertaken to develop and implement city-wide schemes, with ongoing UCLan Masterplan delivery, complementary public realm schemes underway and progression of a key leisure scheme proposal.
- Marketing - implementation of a Marketing & Communications Plan continues to generate investor interest, whilst major sites and opportunities are increasingly being promoted on an international stage.
- Supporting Growth – in addition to the strong business support programme provided by, for example, BOOST an Urban Development Fund is being created specifically aimed at supporting stalled developments.
- Highways & Transport infrastructure - major highways network improvements continue to be delivered, whilst next phase transport network schemes will be considered as part of the Central Lancashire Local Plan review for which the completed Preston City Transport Plan will be part of that evidence base. A Transforming Cities Fund bid is being prepared that will present the business case for some of these transformational highways and transport interventions.

## 5.2 Jobs related to commercial floorspace

There have been a total of 399 jobs in the first six months of 2019/20 that are associated with City Deal commercial floorspace completions, infrastructure investment, construction and BOOST business support activities.

**Table 9: Jobs – outputs**

<b>Jobs outputs</b>	<b>2019/20 Trajectory 1<sup>st</sup> 6 months</b>	<b>2019/20 Actual 1<sup>st</sup> 6 months</b>
Jobs accommodated		
- Via commercial floorspace completions*	N/a	339
- Construction jobs connected to Capital Investment**	N/a	45
- Business Support activities	N/a	15





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

\*\* Based on one job per £86,945 of capital investment.

In addition to the above, 130 businesses in Preston and South Ribble have been supported specifically through the BOOST project, and 15 associated jobs created, see table 10 below.

**Table 10: Business support and associated jobs**

Output	2019/20 (1 <sup>st</sup> 6 months)
New businesses supported through BOOST	130
Jobs created through BOOST business support	15

source: BOOST

## 6.0. Skills and Employment

6.1 The key outputs in regard to skills and employment metrics are outlined in Table 11 below. For reference the period over which this data measures is the academic year 2018/19. In the main, performance is in line with profiled delivery for outputs with some notable exceptions detailed below:

6.2 Apprenticeship starts amongst the 16-24yr old group have increased again from those reported in 2017/18. In 2018/19 there were a total of 1,067 reported starts which represented a 4% increase on starts reported over the year preceding of 1,058 starts in 2017/18. This is the fifth year in succession in which apprenticeship starts amongst this age group has registered an increased.

6.3 Apprenticeship starts in the construction sector in 2018/19 experienced a small, yet still surprising fall on the figures reported for 2017/18 with 237 new starts reported compared with the 279 starts reported for 2017/18.

6.4 Higher Education student destination data for the period under measure (2018/19 academic year) covering indicators No 3 and 4, is currently unavailable due to changes in the data collection methodology utilised by Office for Students (OFS). This data will provided to the City Deal Executive as soon as it becomes available.

6.5 Over the period of measure the university registers a 36% increase in the number of students undertaking graduate placements and internships from 432 in 2016/17 to 587 in 2017/18.

6.6 The university again registered an increase in the number of new students enrolling on Science Technology Engineering and Maths (STEM) and construction undergraduate programmes from 3,120 in 2016/17 to 3,268 in 2017/18, representing the fifth year on year increase.



# CITY DEAL

Preston, South Ribble & Lancashire

6.7 The claimant count data sets in output measure 7 (Job Seekers Allowance (JSA) and Universal Credit (UC) claimants) are no longer comparable. The figures provided, capture UC claimants only which covers a broader span of claimant than the previous measure of JSA and does not provide a clear picture of unemployment. This indicator will be reviewed at the next City Deal Employment and Skills Steering Group to determine if it is to be retained, replaced or amended for future reporting.

6.8 The number of educational activities promoting City Deal and construction career opportunities within the City Deal area has continued to go from strength to strength. Partners have been active in delivering a wide range of activities directly with schools, a selection of which are highlighted in the case studies provided along with this report.

## **7.0 Developing the Future Workforce**

7.1 One of the biggest successes in promoting Science Technology Engineering and Maths (STEM) across the City Deal is the 'Bridge the Gap' Challenge which was commissioned by the Lancashire Enterprise Partnership. The programme succeeded in engaging with 3,560 pupils at 23 schools across the City Deal area to raise awareness about the STEM related career opportunities being generated across central Lancashire.

7.2 The programme has been delivered by Preston's College, Future U and the Eric Wright Group with input from a wide range of professionals working in the sector.

7.3 Recruitment of business volunteers from across the sector is underway to support future delivery.

## **8.0 Central Lancashire Construction Skills Hub**

8.1 The Construction Skills Hub was created as a virtual entity with funding from LCDL amounting to £30,000 for three years sustained delivery and development of activity in Central Lancashire.

8.2 Over that period the Hub has demonstrated its impact and value in delivering a wide range of outcomes aimed at realising the local economic benefits of the City Deal investment. These include:

- City Deal & Local Authority update on regional residential and industry projects
  - Employment & Skills Support workshops for SMEs
  - Pathway to Construction Events (College learners to Apprentices)
  - Meet the Buyer Events (Procurement support for SMEs)
- See attached Appendix 4, Impact & Engagement Summary Report for further details.





## 9.0 City Deal Employment and Skills Steering Group

- 9.1 The City Deal Employment & Skills Steering Group continues to play a key role in coordinating activity aimed at providing the training and skills to enable local residents to benefit from the opportunities generated through the City Deal investment.
- 9.2 Over the coming months the group will undertake a review of the Employment and Skills metrics reported to the Executive and Stewardship Board to ensure continued relevance.
- 9.3 A key role of the steering group going forward will be to review Employment and Skills plans for any new developments within the City Deal project portfolio to ensure that training and recruitment needs are identified ahead of commencement on site.
- 9.4 The group also continues to work closely with CITB to build on and respond to the ever changing skills demands of the sector and challenges of an ageing sector workforce. Preston's College are currently working with the LEP and a number of City Deal projects to work up a bid for the CITB's 'Onsite Experience' commission. The focal point of the bid will be the City Deal project pipeline and the projected skills requirements to deliver these projects.

**Table 11: Skills and Employment metrics**

Output	Baseline : Academic Year 2012/13	Year 1	Year 2	Year 3	Year 4*	Year 5*	Year 6
		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
		Actual	Actual	Actual	Actual	Actual	Actual
<b>1. Apprenticeships starts in construction</b>  16-24 year olds residents of Preston and South Ribble who have started an apprenticeship in the construction sector. Additional numbers year on year.  Source: Preston's College, Runshaw College and Training 2000 Educational and Skills Funding Agency data	N/A	101	121	124	155	279	237



# CITY DEAL

Preston, South Ribble & Lancashire

Output	Baseline	Year 1	Year 2	Year 3	Year 4*	Year 5*	Year 6
	Academic Year 2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
		Actual	Actual	Actual	Actual	Actual	Actual
<b>2. Apprenticeship starts in all subjects</b>  16-24 year old residents of Preston and South Ribble who have started an apprenticeship (excluding construction). Additional numbers year on year.  Source: Preston's College, Runshaw College and Training 2000 Educational and Skills Funding Agency data	N/A	672	684	710	875	1,018	1,067
<b>3. Higher Education leavers getting graduate jobs in construction and engineering</b>  Destinations of leavers in higher education (DLHE) into construction and engineering graduate jobs. Additional numbers beyond the 2012/13 baseline  Source: Destinations of leavers in higher education data	85	116	69	78	9%  85	2016/17 is the latest data available for this indicator	
<b>4. HE leavers getting graduate jobs in all sectors</b>					-2%		
Destinations of leavers in higher education (DLHE) into all graduate jobs. Additional numbers beyond the 2012/13 baseline	4,223	4,332	4,118	4,151	4,072	2016/17 is the latest data available for this indicator	



# CITY DEAL

Preston, South Ribble & Lancashire

Output	Baseline	Year 1	Year 2	Year 3	Year 4*	Year 5*	Year 6
	Academic Year 2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
		Actual	Actual	Actual	Actual	Actual	Actual
*refers to academic year							
Source: DLHE Data							
<b>5. Graduate placements and internships across all sectors</b>  Additional numbers beyond the 2012/2013 baseline  Source: UCLAN	323	476	566	537	432	589	2017/18 is the latest data available
<b>6. New students choosing STEM and construction undergraduate degree subjects at UCLan</b>  Source: UCLan	1,359	1,431	1,988	2,146	3,120	3,268	2017/18 is the latest data available
<b>7. Job Seekers Allowance (JSA) and Universal Credit (UC) claimants</b> <i>Percentage Change</i> A reduction in the overall numbers of active job seekers, who are receiving JSA and UC claimants in Preston and South Ribble.  Source: DWP Stat-Xplore	Apr-13  4,803	Apr-14 -23% 3,705	Apr-15 -23% 2,855	Apr-16 2% 2,900	Apr-17 9% 3,175	Apr-18 5% 3,325	Apr-18  7176*
<b>8. Number of interventions/ activities promoting City Deal and construction career opportunities with:</b> A. Young People, B. Teachers/ AG practitioners, C. Parents, and D. Education Institutions Source: Preston's College, Future U, STEMFirst and UCLAN	Not available	Not available	Not available	A 660 B 150 C 100 D 70	A 760 B 161 C 262 D 105	A 4048 B 133 C 471 D 336	A 5117 B 251 C 337 D 248

\*data for 2018/19 for UC so not comparable with previous years



Details of supporting activities and a range of case studies are presented in the accompanying City Deal Skills and Employment Dashboard (appendix 3).

## 10.0 Public and Private Sector Investment

10.1 Since April 2019 £3.938m of public and private sector investment has been invested in transport infrastructure which has resulted in the achievement of the infrastructure and the construction jobs referred to in table 9. In addition, £58m Pension fund investment has been made to date, since the start of the Deal.

**Table 12: Public and private sector investment – core outputs**

Core outputs	19/20 Trajectory £m	19/20 YTD Actual £m	All Years Cumulative To Date £m
Public Sector Investment (to support Infrastructure programme)	49.866	2.773	109.656
Private Sector Investment (to support infrastructure programme)	18.488	1.165	20.817
Pension Fund Investment	-	-	58

10.2 Public Sector Investment includes contributions from Lancashire County Council capital funding, Local Growth Deal Funding and Homes England Grant / loan payments, as well as agreed contributions from Preston City Council and South Ribble Borough Council for New Homes Bonus raised from City Deal housing sites.

10.3 Private Sector Investment is predominantly contributions from developers on City Deal housing sites, either through S106 agreements or CIL payments. The delivery of large housing sites slipping into future years causes the forecast investment from those sites also slipping; and the movement in the programme of the PWD causing the receipt of the funding tied to that delivery also being delayed, as well as delays to sites that would generate Homes England grant or loan.

## 11.0 Performance on key strategic infrastructure schemes

Key achievements in the last six months include:

- **Penwortham bypass** – construction is almost complete with opening confirmed for December 2019, ahead of programme.



# CITY DEAL

Preston, South Ribble & Lancashire

- **Hutton – Higher Penwortham - City Centre corridor** – highway works as part of the planning condition for the bypass are progressing with a range of works underway to promote use of the new road.
- **A6/Broughton Corridor improvements**– work on this public transport corridor scheme completed in summer 2019. The scheme has significantly enhanced the local centre taking advantage of the reduce traffic flows as a result of the Broughton bypass.
- **Preston Western Distributor** – The full business case was approved by the Department of Transport and the Treasury to release the final £31m of Government funding. Construction started on site on 30<sup>th</sup> September 2019.
- **Community infrastructure** – Improvements to the Guild Wheel cycleway have been completed with resurfacing and drainage improvements at Watery Lane in Preston. Future improvements are planned at Bluebell Way early in 2020. Playing pitch drainage improvements at Grimsargh Green were also successfully completed in summer 2019.
- **A582 South Ribble Western Distributor widening project**- The Strategic Outline Business Case (SOBC) was submitted to Transport for the North in June 2019 which carries the prospect of securing up to an additional £50m of funding towards the full A582 scheme through the Government's Major Road Network funding. Work continues to progress the planning application due for submission in February 2020.

## 12.0 Risk Analysis/Management

12.1 Attached to this report is the current programme level risk analysis (appendix 5) which is supported and informed by lower level operational risk logs managed by project managers. The programme level risk analysis is updated six monthly in keeping with Government reporting requirements. A full review is planned in order to ensure that all risks and issues are identified and scored and that appropriate mitigation is in place.

## List of Background Papers

Paper	Date	Contact/Tel
None		

Reason for inclusion in Part II, if appropriate

N/A





# APPENDIX 1

## Year 6 (April – September 2019 – 6 month Performance Update)



**CITY DEAL**  
Preston, South Ribble & Lancashire

### HOUSING



TARGET: 772

Construction is actively taking place on 30 sites.

### Homes England Sites

- Submitted for planning permission = 0
- Granted planning permission = 1
- Where construction is actively taking place = 6
- Total number of units completed on Homes England Sites = 90

### COMMERCIAL FLOOR SPACE

COMPLETIONS  
**14,598**m<sup>2</sup>

SUBMISSIONS  
**4,060**m<sup>2</sup>

CONSENTED  
**5,995**m<sup>2</sup>



#### NOTABLE PROGRESS:

##### Momentum, South Rings (Phase 2)

– Final build out of units currently underway.

##### Samlesbury Aerospace Enterprise Zone

– Start on-site made for BAE Systems' Advanced Manufacturing Facility with preparations being made for AMRC build programme.

**Park Hotel, East Cliff** – planning application consented, and due to start on site next calendar year following replacement of bridge

**UClan** – continued progress on the delivery of the Masterplan, with the completion of the Engineering Innovation Centre, and start on site of the major highways/public realm scheme and student centre



### INFRASTRUCTURE UPDATE

**Penwortham bypass** – construction phases is almost complete with opening confirmed for December 2019 ahead of programme.

##### Hutton - Higher Penwortham - City Centre corridor

– highway works to as part of the planning condition for the bypass are progressing with a range of works underway to promote use of the new road.

**A6/Broughton Corridor improvements** – work on this public transport corridor scheme completed in summer 2019. The scheme has significantly enhanced the local centre taking advantage of the reduce traffic flows as a result of the Broughton bypass.

**Preston Western Distributor** – the full business case was approved through the government process of the Department of Transport and the Treasury to release the final £31m of funding. Construction started on site on 30th September 2019.

**Community infrastructure** – improvements to the Guild Wheel cycleway have been completed with resurfacing and drainage improvements at Watery Lane in Preston. Future improvements are planned at Bluebell Way early in 2020. Playing pitch drainage improvements at Grimsargh Green were also successfully completed in summer 2019.

**A582 South Ribble Western Distributor widening** – the Strategic Outline Business Case (SOBC) was submitted to Transport for the North in June 2019 which carries the prospect of securing up to an additional £50m of funding towards the full A582 scheme through the Government's Major Road Network funding. Work continues to progress the planning application due for submission in February 2020.



### PUBLIC AND PRIVATE SECTOR INVESTMENT

Combined total  
**£3.938m**

### CITY DEAL SO FAR

Commercial floorspace  
**78,511**m<sup>2</sup>

Houses  
**5,474**

Jobs  
**15,268**

### JOBS

**339**

JOBS associated with commercial floor space

**45**

JOBS are associated with infrastructure projects

**15**

JOBS created through business support activities



### SKILLS AND EMPLOYMENT



Output	Year 1-5	Year 6	Total to date
16-24 year old residents of Preston and South Ribble who have started an apprenticeship in the construction sector.	679	237	1,017
16-24 year old residents of Preston and South Ribble who have started an apprenticeship (excluding construction).	3,959	1,067	5,026

**5,117**  
Young People

**588**  
Parents & Teachers

Education  
**248**  
Institutions

Took part in interventions/activities promoting City Deal and construction career opportunities during 2018/19 – see Employment and Skills dashboard for examples of activities and case studies.







Zone: North West Preston

Housing sites:

**Hoyles Lane** - 21 units completed (6 month target exceeded)

**Land off Eastway** – (Barratt Homes site) currently progressing well, annual delivery targets have been met and exceeded in the first six month monitoring period.

**Cottam Hall Phase 3** - Initial site preparation took longer than expected, delivery delayed.

Employment sites:

- 1

●

**Eastway** – Completion of retail unit (Aldi) plus on-going construction/site preparation on a number of other sites including further retail, plus a distribution warehouse and care home
- 41

●

**Cottam Hall/Brickworks** – developer discussions ongoing with regards new potential development scheme

Zone: Penwortham and Lostock Hall:

Housing sites:

**Land off the Cawsey** - The bridge link to complete the section of the Cross Borough link road between the Cawsey and Carr Wood Way is now complete and scheduled to open in November 2019.

**The Lanes (Pickerings Farm)** – the final Masterplan has not yet been submitted, this is expected imminently, along with an outline application for housing, and a full application for part of the link road.

Employment sites:

- 26

●

**Cop Lane, Penwortham** – Tesco have retained the site and are proposing to build a store by end 2020
- 27

●

**The Lanes (Pickerings Farm)** – the masterplan no longer includes a commercial element

Zone: Preston City Centre:

Housing sites:

**Mosley Street, Tetrad Site** - Affordable housing scheme, progressing well, on site, 30 units completed this period

Employment sites:

- 42

●

**Shankly Hotel, city centre** – construction underway but currently stalled pending further update from the company
- 43

●

**Park Hotel, East Cliff** – planning application consented, and due to start on site next calendar year following replacement of bridge
- 12

●

**UClan** – continued progress on the delivery of the Masterplan, with the completion of the Engineering Innovation Centre, and start on site of the major highways/public realm scheme and student centre
- 44

●

**Porsche car showroom, Docks area** – construction completed
- 22

●

**Queen's Retail Park** – construction ongoing of additional retail units, now nearing completion
- 17

●

**Prince's Central Buildings** – formal discussions with the health sector are to be scheduled to map out potential project scope and key milestones
- 18

●

**Preston CBD** – (Hill Street/Corporation Street) marketing ongoing for office scheme and market opportunities being explored
- 20

●

**Preston Cinema** – demolition of former market hall completed and programme revised with a new planning application expected Jan 2020
- 15

●

**College House, Winckley Square** - there has been little developer activity to support occupation

Zone: Preston East: Employment & Housing Sites

- 5

●

**Bluebell Way** - Planning approval for M6 'loop' site for a car showroom, plus development plans being progressed by Barnfield/Henry Boot Developments to bring forward a large employment site in the short-medium term
- 7

●

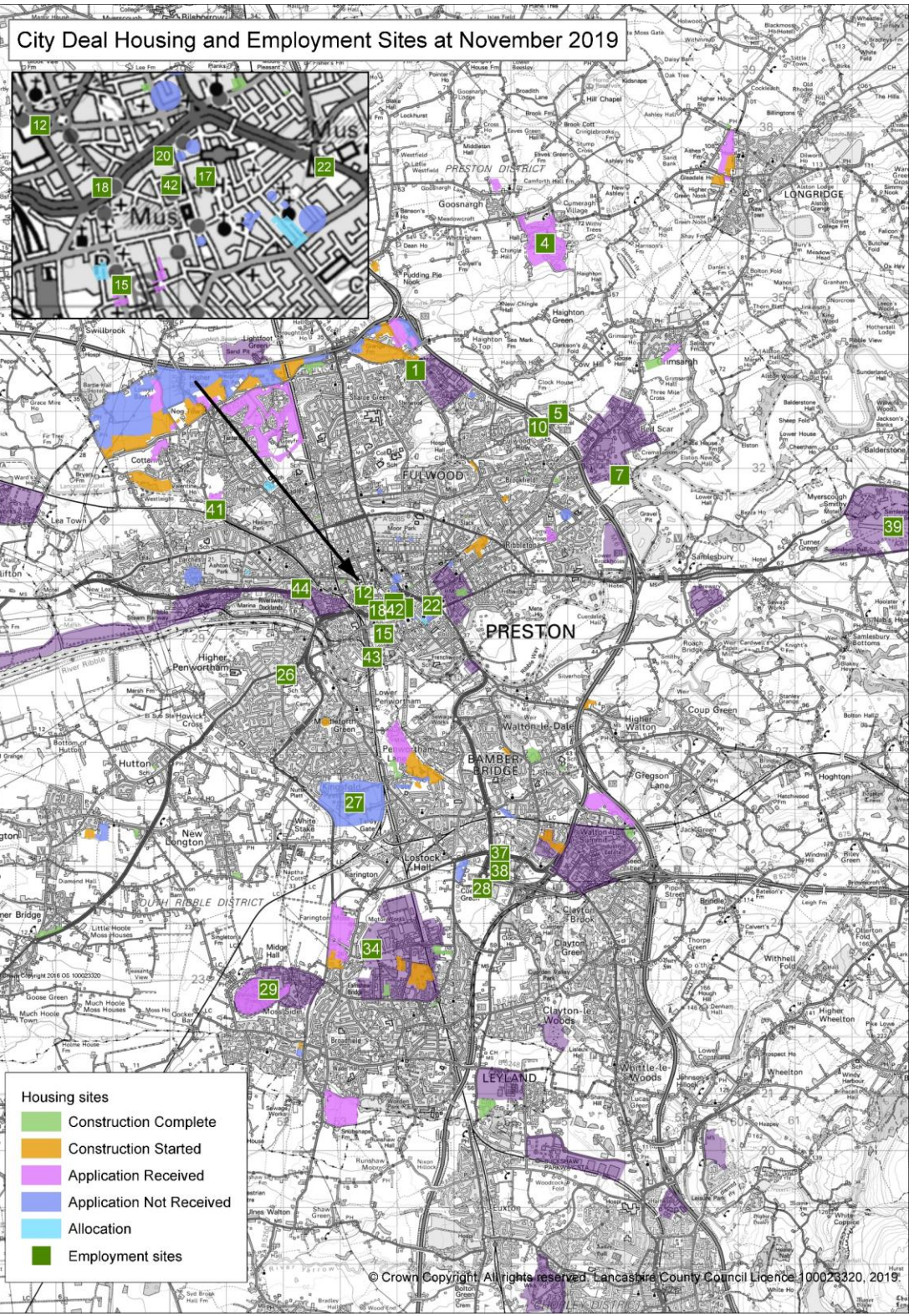
**Red Scar** - Next phase small speculative units are currently being constructed, plus Longridge Energy Plant awaiting final planning approval.
- 10

●

**Preston East Expansion Area Land** - discussions ongoing with Homes England to bring forward the site and undertake due diligence prior to taking it to the market
- 4

●

**Whittingham site** - (Housing) Outline planning application submitted for 750 units. (Employment) Currently no commercial use in the masterplan due to a lack of market demand



● On track    ● Behind target but mitigation in place    ● Not on track – no mitigation

Zone: Bamber Bridge

Housing sites:

**Wesley Street Mill** – 29 units completed this period

Zone: Leyland and Cuerden

Housing sites:

**Croston Road Heatherleigh** (south of southern) - continuing to progress well, 30 units completed this period

**Altcar Lane** – 18 units completed this period

Employment sites:

- 37

●

**Momentum, South Rings (Phase 2)** - Final build out of units currently underway.
- 39

●

**Samlesbury Aerospace Enterprise Zone** - Start on-site made for BAE Systems' Advanced Manufacturing Facility with preparations being made for AMRC build programme.
- 28

●

**Lancashire Central, Cuerden** - Options review completed and M65 Terminus & Sliproad design underway
- 29

●

**Moss Side Test Track** - Planning application approved November 2019
- 34

●

**Farrington Hall Estate** - Site currently in the process of being disposed of & **Lancashire Business Park** - Planning application being prepared for a range of small industrial units
- 38

●

**Amethyst Court, South Rings** - Site currently being marketed

Updates since September 2019

**Moss Side Test Track** - Hybrid application approved for up to 950 units the whole site, 197 unit with full planning permission

**Whittingham Hospital site** – planning application approved for 750 units





PRESTON'S COLLEGE



The HNC at Preston's College has provided the perfect platform for me to develop my knowledge of a wide range of construction topics and demonstrate my capability to learn at a higher level. It has already proved invaluable in my current role and I know it will help me secure a promotion in the near future."

Student Profile: Gary Fisher, Design Technician, HNC Construction

Gary began his career sixteen years ago, in the Construction industry. He recently returned to college to study a HNC in Construction, with the goal to develop knowledge and skills that would take his career to the next level.

"As a Design Technician, I have found that my role is quite specialised and it can be difficult to find new learning opportunities.

CENTRAL LANCASHIRE CONSTRUCTION SKILLS HUB

Creating Employment & Skills Opportunities for the community of Central Lancashire

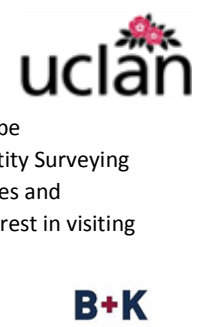
The Central Lancashire Construction Skills Hub was established three years ago with the aim of supporting the delivery employment, skills and procurement opportunities across Central Lancashire. Over that period the Hub has demonstrated its impact and value in delivering wide range of outcomes aimed at realising the local economic benefits of the City Deal investment.

- These include:
- City Deal & Local Authority update on regional residential and industry projects
  - Employment & Skills Support workshops for SMEs
  - Pathway to Construction Events (College learners to Apprentices)
  - Meet the Buyer Events (Procurement support for SMEs)



**UCLan Careers Festival**

Bowmer and Kirkland attended the UCLan Careers Festival on the 5th November 2019. At the event Phoebe Dennis (CSR Coordinator) and Jess Taylor-Booth (Quantity Surveying Degree Apprentice) spoke to UCLan students about roles and opportunities at B+K. Many students expressed an interest in visiting the UCLan SCUS construction site for a site visit which B+K will organise in the New Year.



Appendix 3

**B+K Enterprise Advisor Network – Bowmer and Kirkland and Our Ladies Catholic High School, Preston**



Since August 2019, Phoebe Dennis – CSR coordinator for Bowmer and Kirkland (B+K), has been working as an Enterprise Advisor with the Lancashire Network and Our Ladies Catholic High School to support the school in developing their careers program.

As part of this work, Phoebe has had meetings with the senior manager at the school and the schools Enterprise Coordinator to develop a careers week which will be happening in January 2020 and will involve B+K staff getting involved in the delivery of some careers sessions.

In addition to assisting with strategic careers planning, Phoebe and Joe McEvoy, a Construction Trainee from B+K, have also had a practical role in supporting the careers program at the school through attending the schools speed networking event. This event gave students the chance to interview employers and learn about job roles and routes into employment.



**'Bridge the Gap' - Promoting STEM across City Deal schools**

In partnership with STEMFirst, the Skills Hub have developed the 'Bridge the Gap' game into a school based activity about City Deal and construction careers.

The 2 hour sessions aimed at Year 8 and 9 pupils helps shine a spotlight on the wide range of opportunities in STEM and construction.

The activity was bought by businesses and post 16 education providers, such as Preston's College, The Eric Wright Group and Future U, and delivered it in schools across the City Deal area.

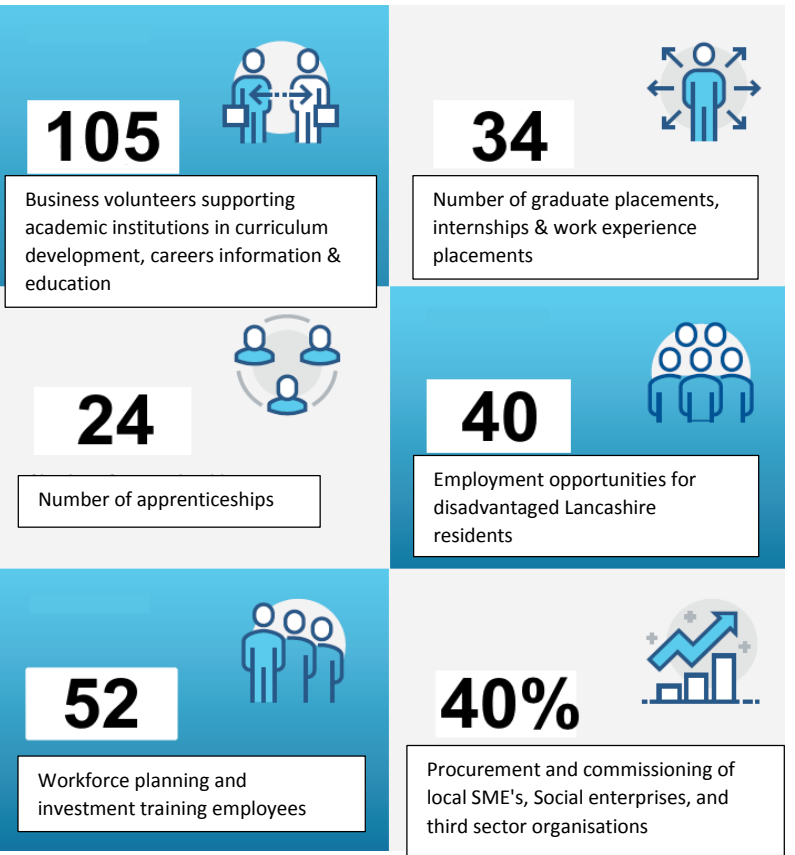
During the 2018/19 academic year the programme succeeded in engaging with a 3,560 pupils at 23 schools across the City Deal area to raise awareness about the STEM related career opportunities being generated across central Lancashire.

Recruitment of business volunteers from across the sector is underway to support future delivery and ensure the continued success of the programme.



*"I enjoyed hearing about STEM in the world around us – it made us think"*

PWD Social Value Forecast



**COSTAIN**  
Delivering Social Value through Preston Western Distributor

Scheduled to open early in 2023, this £200m road scheme is the biggest new road programme in the Preston, South Ribble and Lancashire City Deal.

In addition to increasing road capacity, promoting new housing and business development in the area, the scheme will deliver a wide range of social value benefits in each and every year of the construction period.

The project will generate employment and procurement opportunities for local people and businesses and support a number of invaluable apprenticeship and work placement opportunities for young people from the area. Work experience will also be geared toward providing pupils undertaking T-Levels with sector specific industry placements.

Lancashire Skills and Employment Hub will work with the contractor to broker links with appropriate organisations including the Enterprise Advisor Network and local schools, colleges to promote careers in engineering and construction through careers events, STEM activity and providing site visits and 'taster days'.

PRESTON'S COLLEGE

Educating the Future Construction Workforce

Lea Hough is delighted to announce the appointment of its first apprentice. Jacob Wade joins the firm as an Apprentice Architectural Technician via a partnership between Lea Hough and Preston's College. Jacob will work at Lea Hough alongside attending the college on a day release basis to complete his BTEC Level 3 course in Professional Construction and NVQ.

As an Apprentice Architectural Technician, Jacob's role involves preparing drawings in relation to the building and construction projects that are project-managed by Lea Hough. Jacob will also undertake site visits, measured surveys and inspections of existing buildings to identify all construction details needed to prepare construction drawings using the AutoCAD drawing package.

Commenting on Jacob's appointment, Paul Dignan, Partner, said "we're delighted to have appointed Jacob – he's enthusiastic and is showing a good level of skill. We realise the importance of training up young staff and the apprenticeship route provides the best of both worlds with on the job training alongside the structure of a further education course.

As a regional firm, apprentices and graduates that work with us get a good level of exposure to all types of work, often working alongside our senior surveyors and having access to a huge amount of knowledge and support. We look forward to seeing Jacob progress within the firm and wish him all the best with the rest of his studies."







Central Lancashire Construction Skills Hub  
Impact & Engagement Summary Report  
2016-2019



## Scope & Context

The Central Lancashire Construction Skills Hub aims to provide support to the construction industry in Preston and South Ribble, to ensure the social and economic benefit for the people of Central Lancashire.

Research carried out for the Lancashire Enterprise Partnership on Skills and Employment in 2015 and commissioned to provide a basis for future action in supporting skills development in Lancashire, clearly identifies both the opportunity and risk associated with the demand for and supply of construction skills at all levels. This work was further enhanced by more recent research by the Construction Industry Training Board focusing on the gap in skills based on current skills levels and Lancashire's project pipeline.

As an initial response to the City Deal agenda, partners including Preston's College, Local Authorities, CITB, Calico and the construction sector themselves came together to seek a collaborative response.

Initially that response has focused primarily on maximising the impact and effectiveness of existing provision, sharing information, creating a virtual entity in the Central Lancashire Construction Skills Hub.

This has ensured a strong level of co-ordination and shared response to both the challenge and the opportunity.





## Strategic Objectives

The primary objectives are to deliver a coordinated and collaborative approach to training in Central Lancashire by delivering against the objectives detailed below:

1. Coordinate and deliver Central Lancashire Construction key sector updates – Providing information on the economic and construction activity across the region, engaging large construction organisations and SMEs and the self-employed.
2. Create Employment & Skills Opportunities for the community of Central Lancashire
3. Deliver a centralised coordinated approach to the procurement of training services within the construction industry
4. Widening participation & the promotion of the Construction & Education sector in Primary, Secondary, and Further Education & Higher Education.

## Events & Engagement

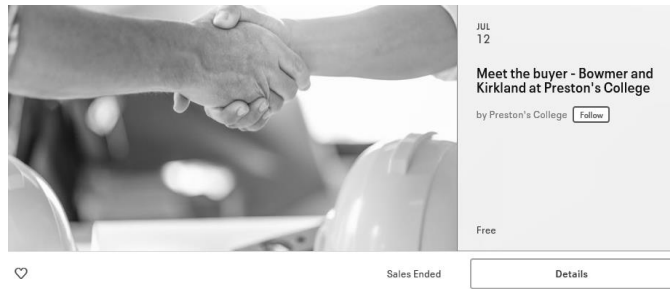
Coordinate and deliver Central Lancashire Construction key sector updates – Provide detailed information on the economic and construction activity across the region, engaging large construction organisations, SMEs and the self-employed.

Number of Events delivered	SMEs engaged & Attended	Large employers / Tier 1 contractors attended	Local Authorities and Other public organisations
12	307	14	7

The events delivered have provided important regional updates from three key local authorities, which detailed strategic information of developments which provide procurement, contracting and employment opportunities for employers and the community of Central Lancashire.

The events consisted of:

- City Deal & Local Authority update on regional residential and industry projects
- Employment & Skills Support workshops for SMEs
- Pathway to Construction Events (College learners to Apprentices)
- Meet the Buyer Events (Procurement support for SMEs)



### Description

Preston's College are delighted to be working with Bowmer and Kirkland, offering local contractors a unique opportunity to be a part of the £32million transformation of UCLan's Preston campus.

Contractors are required, for a September start, in the following areas:

- GF concrete slab
- Floor screeds
- Blockwork
- Intumescent painting
- Raised access floors
- Handrails and balustrades (metal)
- Rooflights
- Internal glazed screens
- Doors and ironmongery
- Partitions and ceilings
- Internal floor finishes
- Decoration
- Ceramic tiling
- IPS/Vanity/WC cubicles
- Blinds

Join us on Friday 12th July 2019, at Preston's College's Fulwood Campus, for your opportunity to pitch directly to representatives from Bowmer and Kirkland. Successful contractors will be placed on the tender list.

Due to demand, we kindly ask that a maximum of two people attend on behalf of your company. Refreshments will be provided.

Places are extremely limited and must be booked.

### Date And Time

Fri, 12 July 2019  
09:00 - 13:00 BST  
[Add to Calendar](#)

### Location

Preston's College  
Saint Vincenta Road  
Fulwood  
PR2 8UR  
[View Map](#)

*Bowmer & Kirkland Meet the Buyer Event 2019*



## Employment & Skills

Create Employment & Skills Opportunities for the community of Central Lancashire

The Central Lancashire Construction Skills Hub has enabled learners and employers to access a diverse curriculum and has significantly contributed to an increase in Apprenticeships in Construction (Central Lancashire) and improvements in the progression of learners to sustainable employment.

ESFA 16-18 Classroom based Study programmes	2016-2017	2018-2019	2019-2020
	176	229	262

ESFA 16-18 Classroom based Study programmes Progressions from Classroom based learning to Apprenticeships	2016-2017	2018-2019	2019-2020
	63	77	82 (Projected numbers)

14-16 Secondary School Construction Programme GCSE - Prog 8 (EWLF)	2016-2017	2018-2019	2019-2020
	11	57	102

Adults Learners Progressing to Sustainable Employment & Further Education	2016-2017	2018-2019	2019-2020
	78%	87%	90% (Target KPI)

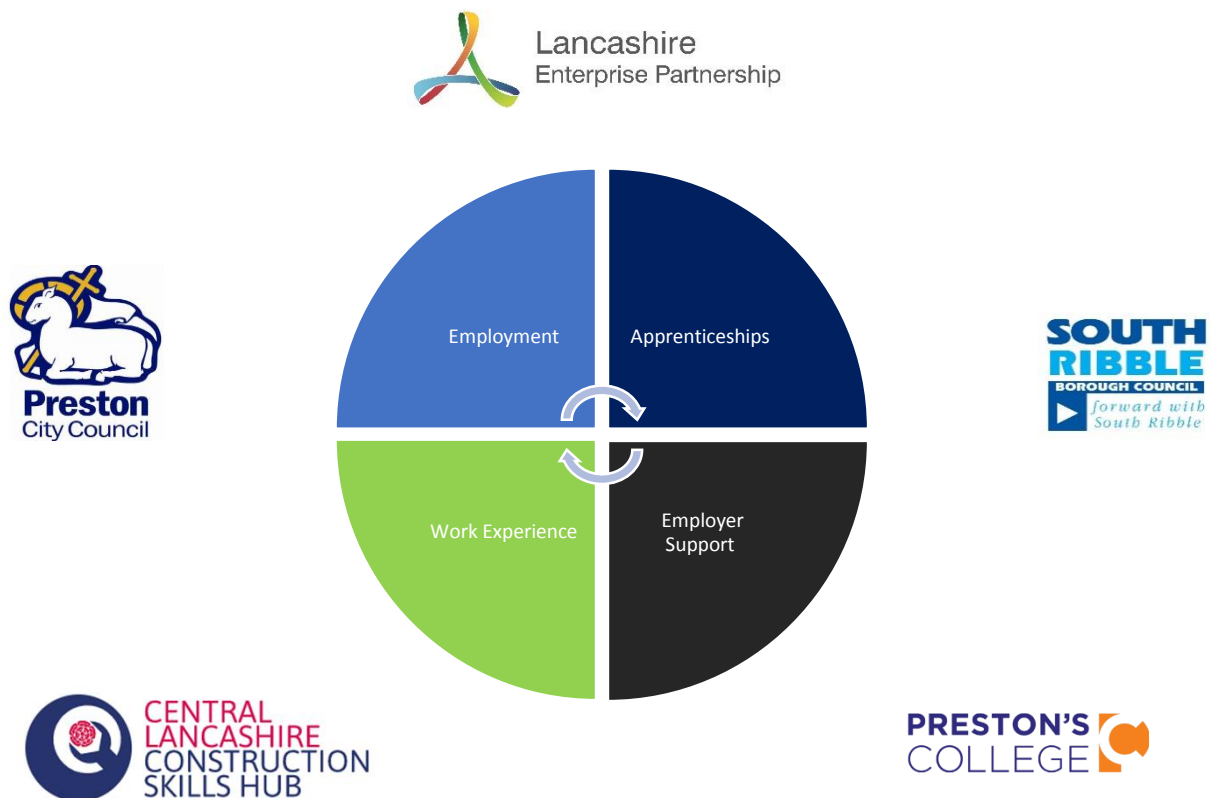
Apprenticeship starts <i>Excluding Building services</i>	2016-2017	2018-2019	2019-2020
	133	157	190 (Projected numbers)

## Procurement and Training Support

Deliver a centralised and coordinated approach to the procurement of training services within the construction industry

The Central Lancashire Construction Skills Hub has coordinated the communication and planning of employment and skills opportunities within the area, communicating and advising contractors on Employment and Skills plans, to enable work placements, apprenticeships and engagement visits for learners in Central Lancashire.

The Construction Hub has advised and referred learners to partner providers to ensure the correct provision and services are procured and delivered.



### Example of Actively Engaged Developments:

Bowmer & Kirkland: UCLan Adelphi Square

Seddon's Goosnargh: Residential Housing development

Taylor Wimpy: Pickering's Farm

## Curriculum Development aligned to City Deal Activity

### Civil Engineering Case Study



The Central Lancashire Construction Skills Hub has enabled the creation of a bespoke Civil Engineering apprenticeship programme, to address the skills needs of John Reilly Civil Engineering in Lancashire.

The programme has two active cohorts of apprentices and will see a third recruited in October 2019.



The apprenticeship programme will enable the creation of over 40 apprenticeships in the space of two years.



The programme has seen collaboration between the Hub, Preston's College & Monk's training services in Leyland, to enable the design and delivery of specialist Civil Engineering training to ensure learners are ready to progress and impact on the Civil Engineering industry.



## Widening Participation

The promotion of the Construction & Education sector in Primary, Secondary, Further Education & Higher Education.

### Bridge the Gap (Construction & Civil Engineering Masterclass)

The Central Lancashire Construction Skills Hub has delivered masterclass impact sessions to Secondary Education establishments in the 2018-2019 academic year.

This high impact session consists of Preston's College delivery staff and employers or apprentices employed within the industry providing information on possible career pathways in technical & Professional areas in Civil Engineering & Construction. The session is also aimed at promoting project management skills in the industry together with teamwork, English, Maths resilience and communication.

Bridge the Gap Masterclass	Schools Engaged	Learners participated	Staff trained to deliver
	23	3220	12

### 'BRIDGE THE GAP' - YEAR 9

This Monday the whole of year 9 took part in an Engineering activity day titled '*Bridge the Gap*'. The day was delivered by Preston's College alongside Conlon's Building Contractors. The students got first-hand experience of the types of career that are available in the world of engineering and the type of challenges that they would face in the industry. The main focus of the activity was the construction of a bridge on a new building project. The students were put into teams and had to adopt a different engineering career role within the build. The students enjoyed the activity and found the information useful, especially those who would consider an apprenticeship based learning pathway.



*Fulwood Academy, Bridge the Gap Masterclass 2019*

### Construct@Preston Skills Competition

Over the last three academic years since 2016 The Hub has delivered a skills competition for 13-16 year-old Secondary school learners in Central Lancashire. This has involved learners participating in skills challenge in professional and trade occupational areas, providing insight and awareness of career pathways and possible progression routes for secondary school learners.

Construct @Preston Skills Competition	Schools Engaged	Learners participated	Events Since 2016
	22	326	3

News

**LANCASHIRE**  
BUSINESSVIEW

BY LANCASHIRE  
BUSINESS VIEW

Apr 17 2018

Construction event impresses  
high school pupils

[f](#) [t](#) [in](#) [p](#)

Construct at Preston, an event held by held by Preston's College, saw pupils from six high schools try their hand at working in the construction industry.

[f](#)  
[t](#)  
[in](#)



*Construct@Preston Professional Construction*

*Maths & Surveying skills Challenge 2018*

## Impact Summary

The Central Lancashire Construction Skills Hub was created as virtual entity with funding from the LEP (Lancashire Enterprise Partnership) of **£30,000** for three years of sustained delivery and development of activity in Central Lancashire.

Objective
1. Coordinate and deliver Central Lancashire Construction key sector updates – detail information on the economic and construction activity across the region, engaging large construction organisations and SMEs and the self-employed.
Success Measure
Engage more SME & Large organisations in Construction training and procurement opportunities
Impact
Over 12 events delivered, 307 SMEs engaged in procurement and education & training events.

Objective
2. Create Employment & Skills Opportunities for the community of Central Lancashire
Success Measure
Increase the participation of Construction Curriculum and regulated study for 14-16-year-old learners, 16-18s, and also in Higher Education/Higher level Apprenticeships.
Impact
Three years of increasing school leaver enrolments in Construction & The Built Environment, Three years of growth in apprenticeship starts in Construction & Building Services Three Years of increasing numbers of Higher Education apprenticeships at Level 4 Three years of increasing numbers of 14-16 learners participating in Construction education regulated study,

Objective
3.Deliver a centralised and coordinated approach to the procurement of training services within the construction industry
Success Measure
Create collaboration between local authority, Principal Contractors & Education providers to enable more opportunities or the community of Lancashire.
Impact
<p>An increase over three years of learners participating in External work experience 47% in 2016-2017 at Level 2 &amp; 3 to 74% in 2018-2019</p> <p>An increase in industry engagement within education and delivery,</p> <p>SME increase in the engagement of the procurement of apprenticeships.</p> <p>6 Principal contractors now engaged and recruiting apprenticeships in Central Lancashire</p>

Objective
4. Widening participation & the promotion of the Construction & Education sector in Primary, Secondary, and Further Education & Higher Education.
Success Measure
<p>Increase the number of Individuals receiving Careers Information, Advice and Guidance on the career pathways in Construction &amp; Civil Engineering professional and occupational roles.</p> <p>Increase enrolment at Level 1 – Level 4, of Construction &amp; The Built environment.</p>
Impact
<p>Over 3000, Learners participated in the Bridge the gap masterclasses</p> <p>Three successive years of growth in school leaver enrolments</p> <p>An increase in 14-16-year-old learners participating in Construction education 14 (2016) to 104 in 2019, currently studying towards a regulated construction programme whilst enrolled at secondary school.</p>





## Appendix 5 – City Deal Risk and Issue Log – updated November 2019

NO	Heading	Risk Type	Risk/Issue details description/potential impact	Risk /issue	Type	Status	Mitigation/Action Plan
1	<b>Inaccurate cost estimates for schemes</b>	Financial	Cost estimates set out in the City Deal (CD) may be inaccurate. The risk to city deal is that inaccurate scheme cost estimates will result in the budget allocations in the infrastructure delivery fund being un-reliable, making it impossible to maintain a balanced financial model.	Risk	financial	Open	<p>At the outset of the development stage, an appropriate optimism bias (relevant to the type of scheme) together with a risk contingency of plus or minus 40% is included. This therefore reduces the risk of the cost estimates, and in turn cost outturns, being higher than original budget allocations.</p> <p>On commencement of the design exercise QS resources are put to preparing a cost plan which is updated monthly. The industry standard/expectation for design costs as a percentage of overall scheme costs, is being used as a benchmark when pricing design work.</p>
2	<b>Scheme Cost Over-run</b>	Financial	With regard to infrastructure schemes and public transport corridor schemes, once land acquisition commences/compulsory purchase is concluded, unanticipated factors affecting land and compensation costs lead to an increase against estimates, which could negatively impact upon the infrastructure delivery fund.	Risk	financial	open	Estimates are made and factored into scheme costs in relation to Part 1 land claims
3	<b>Scheme Cost Over-run</b>		Once construction commences, unanticipated abnormal factors and/or changes to design could lead to an increase against tendered prices. The impact of this on the City Deal, is that there would not be enough funding in the model to deliver the whole programme of works.	Risk	financial	open	This risk is managed through design and costing works procedures as part of agreed project management controls.

NO	Heading	Risk Type	Risk/Issue details description/potential impact	Risk /issue	Type	Status	Mitigation/Action Plan
4	<b>Incorrect forecasting resources available to the programme</b>	Financial, Legal, Political, Regulatory	The level of resources available from the different funding sources may be less than set out in the CD proposal. The risk to City Deal is that there would not be enough funding in the model to deliver the whole programme of works.	Risk	financial	open	<p>This risk is being managed by using prudent estimates of resources available, such as New Homes Bonus, CIL and Business Rates Retention. The financial values of HE land receipts are based on the HE own assessments. Private sector contributions will be collected through robust and legally binding arrangements.</p> <p>Government policy changes to funding streams remains a residual risk and work is underway through the City Deal Review to analyse and mitigate. Uncertainty remains regarding NHB which is currently the subject of a consultation, any changes pose a risk to the City Deal Finance model and are being considered as part of the City Deal review.</p> <p>A review of CIL/s.106 contributions secured to date is underway, in order to inform future financial forecasting.</p> <p>Other capital funding sources will be accessed where appropriate, including funding bids for highways schemes.</p>
5	<b>Incorrect forecasting resources available to the programme</b>		Lack of skill and/or capacity to deliver the programme. The risk to City Deal is that it is poorly directed and delivered, risking time and cost overruns.	Risk	resources	open	<p>Expert resources are prioritised to the project by each partner.</p> <p>Governance and programme and project management processes are used to ensure projects are adequately resourced.</p>
6	<b>Incorrect forecasting resources available to the programme</b>		Neighbourhood Planning regulations in relation to CIL destabilise the project.	Risk	resources	open	The financial model reflects the financial impact of the Neighbourhood Planning Regulations. Closer working with Parish and Town council would be beneficial to identify projects of mutual interest and joint funding possibilities. This is not yet happening in any systematic way due to capacity/resources.

NO	Heading	Risk Type	Risk/Issue details description/potential impact	Risk /issue	Type	Status	Mitigation/Action Plan
7	<b>Housing developments not delivered in line with forecasts (phasing shifts)</b>	Financial	Developments may not come forward in line with the timescales set out in the CD proposal. Risk is financial, if development does not come forward as predicted then income may be affected.	Risk	financial	open	<p>This risk has been mitigated through phasing of income in line with the statutory position of timescales when income streams, particularly New Homes Bonus and Business Rates, are payable. Legal agreements to capture private sector contributions will also ensure that private sector contributions are phased in line with the CD Infrastructure Delivery Programme.</p> <p>Close monitoring of both incoming resources and expenditure allows sufficient advance warning of issues for further mitigating action, such as adjustments to programme phasing, to be undertaken without destabilising the overall programme.</p> <p>Assumptions made in the original delivery model are also continuously tested to give an updated forecast of likely development timescales. The Project Team maintains oversight of housing delivery and issues emerging that might impact on delivery rates and the financial model.</p>
8	<b>Housing developments not delivered in line with forecasts (phasing shifts)</b>		Housing development is delayed due to licences and consents from third parties not being secured.	Risk	planning	open	<p>Effective forward planning and early engagement with statutory bodies.</p> <p>Project managers engage with statutory bodies in the early design stages of the projects to minimise this risk.</p>
9	<b>Delay in Road Planning</b>	Political, Regulatory, Technical	Road schemes may be subject to both local and national planning processes thereby increasing delivery timescales. Unforeseen risks may impact on delivery timescales therefore increasing costs to city deal.	Risk		open	This risk is likely to be wholly mitigated through proposed amendments to the Planning Act which will remove the need for local major schemes, which connect into the Strategic Road Network, to use the Development Control Order Process.

NO	Heading	Risk Type	Risk/Issue details description/potential impact	Risk /issue	Type	Status	Mitigation/Action Plan
10	<b>Delay in Road Planning</b>		Road schemes may be delayed through local planning processes, thereby delaying overall delivery and potentially impacting on the build out of local development sites.	risk		open	The focus is therefore on ensuring that the planning application and CPO orders are timely and robust.
11	<b>Delay in Road planning</b>		Road schemes may be delayed due to inability to assemble land or may be delayed by Highway Act procedures. The risk to City Deal is that such delays could slow down overall delivery and potentially impact on the build out of local development sites.	risk		open	This will be mitigated through early commencement of the compulsory purchase order processes and land acquisitions.
12	<b>Failure to secure planning approval</b>	Regulatory, Political	Changes to or lack of Planning Framework to support City Deal objectives. City deal may fail to achieve its agreed objectives (housing and employment) due to changes in government policy affecting growth.	risk	planning	open	Partners continue to work towards maintaining an up to date local plan
13	<b>Failure to secure planning approval</b>	Regulatory, Political	The risk of planning appeals	risk	planning	open	Partners continue to work towards maintaining an up to date local plan
14	<b>Failure to secure planning approval</b>	Regulatory, Political	Sites don't get developed because Masterplans are not in place.	risk	planning	open	<p>Early engagement between local planning authority and applicant/landowner/developer to initiate site masterplanning.</p> <p>Early involvement of infrastructure and service providers into master plan preparation.</p> <p>Incorporation of site masterplans into supplementary planning documents where applicable/necessary.</p>

NO	Heading	Risk Type	Risk/Issue details description/potential impact	Risk /issue	Type	Status	Mitigation/Action Plan
15	<b>Failure to secure planning approval</b>	Regulatory, Political	Planning permissions not being consented and/or progressed through the planning system sufficiently quickly, affecting City Deal income and outputs.	risk	planning	open	<p>Planning consents are already in place for over 3/4 of the target number of housing units. ?</p> <p>Recent updates:</p> <p>A Stoneygate Masterplan has also been developed to support site development and delivery in this city centre area.</p> <p>Planning application for Moss Side Test Track submitted in October 2019. Outline consent for 950 units.</p>
16	<b>Failure to secure planning approval</b>	Regulatory, Political	Lack of Planning officer Capacity. The risk to city deal is the slowing down of processing planning applications and therefore slowing down delivery.	risk	planning	open	<p>£200k has been granted from Homes England to provide additional capacity. Some of that funding is being used to appoint additional planning capacity in the districts which will assist in finding solutions to blockages to ensure sites come forward swiftly.</p> <p>Housing Zone status has also been established for sites in Preston City Centre that cover c750 units, and will enable progress.</p>
17	<b>Homes England Site Delivery</b>		Homes England sites are not delivered in line with the Homes England Business & Disposal Plan, which could affect outputs and income to the City Deal.	risk		open	<p>Homes England has undertaken a detailed in-house resource capacity review and have streamlined their site disposal processes. Homes England are continuing to work with agents to ensure the dynamics of the local housing market are factored into disposal activity.</p> <p>Direct commissioning will also be considered in order to maximise delivery on the sites</p> <p>Homes England sites are being de-risked via a package of measures e.g. Title due diligence, securing planning, full engagement with agents and legal team in all land transactions. Regular soft market testing is carried out to understand market trends i.e. the current position and future forecasts, and respond accordingly.</p>

NO	Heading	Risk Type	Risk/Issue details description/potential impact	Risk /issue	Type	Status	Mitigation/Action Plan
							City Deal Investor and Developer Forums held to ensure house developers and other investors are aware of City Deal site disposal opportunities. A programme of investor Awareness activity is programmed as part of the City Deal Marketing & Communications Strategy.
18	<b>Housing and Commercial Construction and Skills Capacity</b>		Construction skills are not sufficient to match the requirements of individual/overall scheme targets, thereby slowing down rates of delivery.	risk			<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 Skills Action Plan has been produced that details 9 areas of activity to support the broad skills aims. Metrics have been developed to establish targets and monitor programme effectiveness.</p> <p>A Central Lancashire Construction Skills Hub has also been established with one of its aims to build capacity within the local construction sector, including technical development.</p> <p>In accordance with the Central Lancashire SPD, all new developments which exceed the threshold are required to submit an Employment and Skills Plan. These are to be reviewed at the City Deal Skills and Employment Steering Group to identify skills shortage areas and training priorities.</p>

NO	Heading	Risk Type	Risk/Issue details description/potential impact	Risk /issue	Type	Status	Mitigation/Action Plan
19	<b>Commercial Development may not come forward.</b>	Political, Financial	Private sector may not come forward with investment proposals for housing and employment sites.	risk	commercial	open	<p>These risks have been mitigated, in part, through the proven private sector confidence and investment appetite in the CD area.</p> <p>Preston and South Ribble Councils will work towards the adoption of their respective LDF's to secure the allocation of the City Deal sites. This will provide a strong policy position against which to resist unallocated sites coming forward. The Councils are currently undertaking a Local Plan Review which will identify development land over the longer term and present potential opportunities for City Deal.</p> <p>Developer interest remains high, with high delivery rates in parts of the City Deal area. The risk of saturation is a concern and the Project Team is monitoring the phasing of delivery going forward to mitigate this risk.</p> <p>There is ongoing agent feedback, via project updates, to understand where market failure exists. This is most evident for commercial sites in some retail/leisure markets where viability issues remain. The market is responding by altering land use to reflect market demand ie including additional residential elements on smaller mixed-use sites, whilst the public sector is able in some cases to support sites in securing/developing business cases for anchor tenants.</p> <p>There are continuing signs of market recovery in that there is ongoing speculative build at Red Scar and South Rings, whilst other sites are coming forward ahead of anticipated start date, and there are some notable city centre leisure developments, plus other retail activity across the City Deal</p>



NO	Heading	Risk Type	Risk/Issue details description/potential impact	Risk /issue	Type	Status	Mitigation/Action Plan
20	<b>Commercial Development may not come forward.</b>		Landowners may not sell due to market viability issues.	risk		open	as above
21	<b>Commercial Development may not come forward.</b>		Sites outside the agreed list of City Deal development sites come forward and undermine the City Deal Programme.	risk		open	A number of sites outside of the agreed list of sites have and continue to come forward. Some of those have been captured towards the additional housing requirement set out in the Deal, but the partnership is currently looking at the financial impact of sites that are not being captured in this way.
22	<b>Commercial Development may not come forward.</b>		Low commercial values	risk		open	As speculative build remains relatively 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, is supporting the increase in investor, developer and occupier demand, whilst market adjustment is occurring where some retail plots on smaller mixed-use sites are being considered for housing. Consultant support is also being provided to aid landlord negotiations and moderate site aspirations in order to encourage quicker delivery.
23	<b>Commercial Development may not come forward.</b>		Supply phasing	risk		open	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. 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 An understanding of the hierarchy of development sites exists with public sector land holding to help co-ordinate the handling of enquiries and control the supply of land on the market.

NO	Heading	Risk Type	Risk/Issue details description/potential impact	Risk /issue	Type	Status	Mitigation/Action Plan
24	<b>Commercial Development may not come forward.</b>		Investor awareness	risk		open	A City Deal 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.
25	<b>Commercial Development may not come forward.</b>		<p>DELIVERY RISKS IDENTIFIED BY HOUSEBUILDERS</p> <p>Developers can no longer benefit from pre-CIL permissions so all developments are liable to CIL.</p> <p>Site specific issues on key strategic sites</p> <p>Extensive range of sites available in the wider Central Lancashire market area which is allowing developers to be selective in the phasing of their developments</p> <p>Developers desire to regulate the flow of new housing so as not to saturate the market</p> <p>Uncertainty over the Government CIL review, housing white paper and delivery of Affordable Housing</p> <p>On-going uncertainty as to the economic effect of Brexit.</p> <p>Availability of materials and significant skills/labour shortages</p> <p>In some cases sites already under construction are reaching the less marketable areas of the site and therefore completions are slower</p>	risk		open	<p>Feedback from housebuilders across the City deal area has identified a variety of potential delivery risks. Ongoing engagement with Developers is a priority both through the planning process and as part of the wider City Deal Strategic ambition via developer forums.</p> <p>Regular reviews of housing delivery will help to highlight issues as well as keeping abreast of changes in national policy and local housing market influences.</p> <p>An independent review of housing development sites was undertaken in 2018/19, which as well as identifying current risks and opportunities, provided an updated forecast of housing delivery and enabled the financial model to be re-profiled in line with income projections.</p>

NO	Heading	Risk Type	Risk/Issue details description/potential impact	Risk /issue	Type	Status	Mitigation/Action Plan
26	<b>Consultation and Marketing not effective</b>	(Reputational, Political)	<p>The project is not communicated adequately to all stakeholders.</p> <p>The risk that the potential of City Deal is not marketed sufficiently to attract people to live and work in the area.</p>	risk		open	<p>Early communication and establishment of working forums with key stakeholder groups, supported by a robust marketing and communications plan put in place for each project. A Communications Strategy will continue to be delivered and will respond to the market demand/market failure, business Plan priorities and sites requiring strategic support as identified in the current City Deal review.</p> <p>The Communications Strategy should also link to the broader Lancashire proposition marketing activity being delivered by the LEP/Marketing Lancashire.</p>
27	<b>Consultation and Marketing not effective</b>		The reputational risk to all partner authorities if the Deal fails to deliver the intentions and aspirations set out in the Agreement.	risk		open	<p>Robust partnership working in place supported by strong governance arrangements and an effective marketing and communications plan.</p> <p>A strong focus is on promoting central Lancashire regionally and nationally, to attract inward investment and appeal to a business audience</p>
28	<b>Social Value not realized.</b>	Reputational, Political	Social Value may not be realized.	risk		open	The implementation of Employment & Skills Plans in line with the planning, economic and social value priorities will help to reduce this risk
29	<b>New Homes Bonus, CIL, NNDR Policy Change</b>	Political, Financial	Government may change its policy regarding the New Homes Bonus/CIL/NNDR thereby reducing the resources available to deliver the CD Delivery Infrastructure Programme.	risk		open	<p>The City Deal agreement contains a provision that allows the parties to review the Deal with Government in the event of national policy changes that have a direct financial impact on the Deal</p> <p>A piece of work has been done to identify the impact of proposed changes in national policy on the City Deal. A City Deal Review is underway which will identify options for mitigating the impact which may include Government, the LEP and CD local authorities.</p>

NO	Heading	Risk Type	Risk/Issue details description/potential impact	Risk /issue	Type	Status	Mitigation/Action Plan
							Potential impact of Starter Homes and Direct Commissioning also being factored into negotiations with Government as part of the Review
30	<b>Political Administration Change</b>	Political	Local political administration changes may impact upon the CD proposals. Unable to secure partner agreement and co-operation throughout the life of the CD programme	risk		open	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. Senior personnel changes have happened in the last two years and work is underway to bring new senior leaders and CEO's up to date through the City Deal Review work





## CITY DEAL

Preston, South Ribble & Lancashire

### **CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD**

**Private and Confidential: NO**

**Date:** Tuesday, 3 December 2019

#### **City Deal Social Value Update**

(Appendix '1' refers)

**Report Author: Martin Hill, City Deal Skills and Employment Co-ordinator,  
Lancashire Skills Hub Email: [martin.hill@lancashirelep.co.uk](mailto:martin.hill@lancashirelep.co.uk)**

#### **Executive Summary**

The purpose of this paper is to provide an update on the delivery of Social Value across the City Deal project portfolio. In particular the paper focuses on specific points raised by the City Deal Executive, as set out below:

- The intention to capture Social Value information and the measures being used.
- The direct employment of construction workers in the supply chain – under the Unite Construction Charter.
- Whether recruitment is being targeted in the most deprived areas.
- The procurement process and how far it supports the localism agenda.
- Ensuring that contractors deliver on their Social Value commitments.

#### **Recommendation**

The City Deal Executive are asked to note the report and consider the logistical challenges of mapping, monitoring and the reporting of Social Value across the programme portfolio.

### **Background and Advice**

#### **1. City Deal Social Value**

The City Deal projects contain a substantial number of residential, commercial and infrastructure projects at various stages of development from pre-planning through to projects which have already achieved practical completion.

With the exception of projects which have received an element of joint funding through the Growth Deal programme which have Social Value embedded, projects that are underway do not have pre-agreed social value commitments. Attempting to retrofit social value commitments post commencement or post completion would be difficult given the lack of leverage through planning, contractual clauses or funding agreement conditions.





# CITY DEAL

Preston, South Ribble & Lancashire

For this reason, the focus of engagement has centred on projects at pre-planning stage where buy in could be secured through the Central Lancashire Employment and Skills Supplementary Planning Document or alternatively through the Growth Deal Funding Agreement social value clauses.

The City Deal projects initially identified as being at the optimum stage for development and of an appropriate size and duration to support the delivery a wide range of socio economic outputs are listed below:

- Preston Western Distributor/Costain
- Goosnargh Development/Seddon
- UCLan Student Centre/Bowmer Kirkland
- UCLan Infrastructure Work/Balfour Beatty
- D'Urton Lane Development - Wilmot Dixon/Trafford Housing Trust
- Altcar Lane/Lovell
- Pickering Farm/Taylor Wimpey
- Cuerden/ERG
- Preston Cinema/ERG
- Moss Side Test Track

Of these projects, 5 are currently live sites generating social value, with the remainder at various stages of pre-commencement.

With the exception of Moss Side Test Track, all of the projects identified have been engaged in discussion regarding the requirements to develop an employment and skills plan. Those sites which are currently live are actively working with local partners on the delivery of their plans. The Social Value commitments in the plans have been mapped according to the Lancashire Employment and Skills Strategic Framework thematic areas.

## **2. Local Employment Opportunities**

All of the projects outlined where fully worked up employment and skills commitments have been developed have commitments around local employment. These include targets for local labour utilisation on site, number of opportunities created and opportunities created for priority groups including those Not in Education, Employment or Training (NEET), unemployed residents, ex-offenders, people with disabilities etc.

In addition, all of these projects are committed to provide pre-employment or work trials for unemployed residents/returners to the workforce.

While none of the projects explicitly reference a commitment to the direct employment of workers in the supply chain under the Unite Construction Charter, there are a number of examples where commitments around the adoption of the Living Wage have been outlined in the employment and skills plans.



# CITY DEAL

Preston, South Ribble & Lancashire

### 3. Local Procurement

Local procurement commitments are a common theme across all of the employment and skills plans currently in place. These include commitments around local spend as a percentage of subcontract package let, spend with Small to Medium Sized businesses and third sector procurement.

A number of the contractors that are currently live on site have engaged with the Central Lancashire Construction Skills Hub to hold 'Meet the Buyer' events in partnership with Preston's College including Bowmer Kirkland and Seddon.

### 4. Environment and Sustainability

Environment and sustainability does not currently form a part of the measures and metrics contained within our current Social Value themes. These themes, which are common threads running through the Lancashire Enterprise Partnership's projects and programmes mirror the thematic priorities outlined in the Lancashire Strategic Employment and Skills Framework. Similarly, the theme of environment and sustainability does not form part of the Central Lancashire Employment and Skills Supplementary Planning Documentation (SPD).

This is not to say that the projects currently engaged in the delivery of Social Value do not have environmental commitments to be delivered through the project. These are captured separately and not explicitly outlined in the Employment and Skills Plans as this is not currently a requirement of the SPD but captured through a range of other commitments outlined in site sustainability plans, framework agreements (including Scape) and the Considerate Contractor Scheme etc.

Examples include:

Environment and Sustainability Metrics
Savings in CO2 emissions on contract not from transport
Car miles saved on the project (e.g cycle to work programmes, public etc)
Number of low or no emission staff vehicles included on project (miles driven)
Total energy use (Kwh)
Total water use (m3)
Total fuel use (litres)
Carbon emissions
Construction Waste Diverted from landfill
Construction waste intensity
Responsibly Sourced Materials
Biodiversity

In addition, there are a range of environmental requirements in place which directly place requirements upon developers and principle contractors undertaking new build residential or commercial developments across the City Deal sites which are set out in the Code for Sustainable Homes and BREEAM (international scheme that provides



# CITY DEAL

Preston, South Ribble & Lancashire

independent third-party certification of the assessment of the sustainability performance of individual buildings, communities and infrastructure projects) and enforced through planning conditions.

In summary, while the 'environment' forms one of the three pillars of triple bottom line accounting principles, along with 'society' and 'economy', it is not currently within the scope of the City Deals Social Value framework. Further development of the current scope of reporting to encompass environmental and sustainability indicators would first need to determine the following factors:

- Which environmental measures/standards to adopt
- Appropriate contractual mechanisms (SPD, Developer Agreements, Section 106 agreements etc.)
- Reporting and monitoring requirements
- Enforcement
- Resource requirements

## **5. Monitoring & Reporting**

The City Deal Skills and Employment Coordinator will work closely with the contractors nominated Community Relations Manager to identify opportunities with the principle contractor and wider supply chain. The City Deal Skills and Employment Coordinator will provide a link between local schools, colleges, universities and pre-employment providers and the Community Relations Manager to ensure that opportunities within the supply chain are identified prior to commencement on site.

Performance across these projects will be monitored on a half yearly basis throughout the construction phase of the projects. Project performance data will be submitted to the City Deal Project Team basis and reported to the City Deal Executive and Stewardship Board for review annually.

All of the projects outlined for monitoring are at a relatively early stage with the first reporting of outputs scheduled for the end of the 2019/20 financial year. These reports will aim to provide a programme wide report detailing social value delivery across the City Deal portfolio similar to what is currently being produced to monitor social value across the Growth Deal programme (see Appendix 1).

## **6. Logistical Challenges**

The City Deal programme contains a wide range of projects of varying size duration and nature. Residential sites alone number approximately 90 sites along with a significant number of infrastructure and commercial sites.

The effective harvesting of the socio economic benefits of this investment will require the adoption of a robust monitoring and reporting system centred around an appropriate Social Value monitoring tool.



# CITY DEAL

Preston, South Ribble & Lancashire

## 7. Recommendations

A number of the themes explored in this paper form part of a wider scoping exercise being undertaken by Matthew Baqueriza-Jackson, an independent policy advisor which has been commissioned by Lancashire Economic Development Officers Group (LEDOG).

The work is seeking to explore how local authorities in Lancashire could and should progress the way in which they undertake public procurement, with a particular focus on using the process to realise wider economic, social and environmental outcomes.

This consultation has explored what each local authority is already doing around public procurement and in turn provided bespoke recommendations as to how processes and practice can be progressed for the benefit of Lancashire. The work is also framed by practice from elsewhere.

Part of this work focusses on social value monitoring and reporting and in particular information provision and the utilisation of social value software solution to provide a portal for monitoring and reporting of social value across projects and programmes. The recommendations from the report and any implications for the City Deal programme will be considered once the piece of work has been completed.

## List of Background Papers

Paper	Date	Contact/Tel
-------	------	-------------

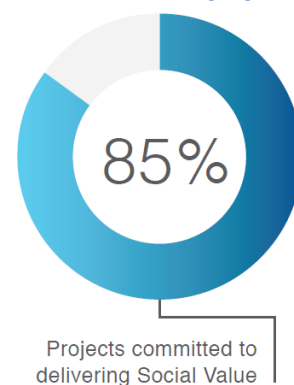
None		
------	--	--

Reason for inclusion in Part II, if appropriate		
---	--	--

N/A		
-----	--	--



## Lancashire's Growth Deal Social Value Performance



524



Business Volunteers supporting academic institutions in curriculum development, careers information & education

417



Number of Graduate placements, internships & work experience placements

601



Number of apprenticeships

45



Employment opportunities for disadvantaged Lancashire residents

1,220



Workforce planning and investment training employees

£2.8m



Procurement and commissioning of local SME's, Social enterprises, and third sector organisations





# Agenda Item 12

Document is Restricted



Document is Restricted



Document is Restricted





Document is Restricted



# Agenda Item 13

Document is Restricted



# Agenda Item 14

Document is Restricted





Document is Restricted



Document is Restricted



Document is Restricted

