



Preston, South Ribble and Lancashire City Deal - Combined

Tuesday, 5th February, 2019 in Committee Room 'C' (The Duke of Lancaster Room) - County Hall, Preston, at 2.30 pm

Agenda

Part I (Items Publicly Available)

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

- 1. Welcome and Apologies for Absence**
- 2. Minutes of the City Deal Executive Meeting held on 18th December 2018 (Pages 1 - 4)**
- 3. Minutes of the City Deal Stewardship Board Meeting held on 18th December 2018 (Pages 5 - 8)**
- 4. Matters Arising**
- 5. Declaration of Interests**
- 6. City Deal 6 Month Performance Monitoring Report - Year 5 2018/19 (April - September 2018) (Pages 9 - 44)**

Stewardship Board Item (Chaired by Danielle Gillespie)

- 7. Homes England Quarterly Monitoring Progress Update - Q2 2018/19 (Pages 45 - 52)**
- 8. Any Other Business**
- 9. Date of Next Meeting**

The next combined Preston, South Ribble and Lancashire City Deal meeting is scheduled to be held on Tuesday 12th March 2019, 2:30pm in Committee Room 'D' - The Henry Bolingbroke Room, County Hall, Preston.

10. 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)

11. Detailed Private and Confidential Note of the Combined City Deal meeting held on 18th December 2018 (Pages 53 - 62)

12. City Deal Review (Pages 63 - 72)

Executive Committee Item (Chaired by Jim Carter)

13. South Ribble Western Distributor and Preston Western Distributor – Progression of Business Cases (Pages 73 - 84)



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Preston, South Ribble and Lancashire City Deal Executive

Minutes of the Meeting held on Tuesday, 18th December, 2018 at 2.30 pm at the Committee Room 'D' (The Henry Bolingbroke Room) - County Hall, Preston

Present

Jim Carter (Chairman)

Councillor Matthew Brown

County Councillor Geoff Driver CBE

Mark Rawstron

Councillor Margaret Smith

In Attendance

Danielle Gillespie, General Manager, Homes England

Heather McManus, Chief Executive, South Ribble Borough Council

Adrian Phillips, Interim Chief Executive, Preston City Council

Angie Ridgwell, Chief Executive and Director of Resources, Lancashire County Council

Councillor Peter Moss, Preston City Council (nominated Observer)

Councillor Phil Smith, South Ribble Borough Council (nominated Observer)

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

Joanne Hudson, Project Manager, Lancashire County Council

Chris Mather, Democratic Services Manager, Lancashire County Council

Sarah Parry, City Deal Programme Manager, Lancashire County Council

Stephen Young, Executive Director of Growth, Environment, Transport and Community Services, Lancashire County Council

Richard Kenny, Interim Director of Economic Development and Planning, Lancashire County Council

Ginnette Unsworth, Head of Service Communications, Lancashire County Council

Councillor Clifford Hughes, South Ribble Borough Council, Cabinet Member (Strategic Planning and Housing)

1. Welcome and Apologies for Absence

The Chairman, Jim Carter, welcomed all to the meeting.

Apologies for absence were presented from County Councillor M Green, Lancashire County Council's nominated observer.

2. Minutes of the City Deal Executive Meeting held on 29th November 2018

Resolved: That the minutes of the City Deal Executive meeting held on 29 November 2018 be approved as an accurate record and duly signed by the Chairman.

3. Minutes of the City Deal Stewardship Board meeting held on 29th November

2018

Resolved: That the minutes of the City Deal Stewardship Board meeting held on 29 November 2018 be approved as an accurate record and duly signed by the Chairman.

4. Matters Arising

None.

5. Declarations of Interest

None.

6. Any Other Business

None.

7. Date of Next Meeting

It was noted that the next combined City Deal Executive and Stewardship Board meeting would be held on Tuesday, 5 February 2019 at 2.30pm in Cabinet Room 'C', County Hall, Preston.

8. 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.

In addition, the Chairman proposed that Councillor Clifford Hughes, South Ribble Borough Council's Cabinet Member (Strategic Planning and Housing), be allowed to remain for the Part II items on the agenda given the links between the City Deal and his responsibilities as portfolio holder.

Resolved: That Councillor Clifford Hughes be allowed to remain present for the Part II items on the agenda.

9. Detailed Private and Confidential Note of the Combined City Deal meeting held on 29th November 2018

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interests in disclosing the information).

A private and confidential note of the Combined City Deal Executive and Stewardship Board meeting held on 29 November 2018 was presented for information.

Resolved: The Preston, South Ribble and Lancashire City Deal Executive and Stewardship Board confirmed the detailed private and confidential note of the Combined City Deal Executive and Stewardship Board meeting held on 29 November 2018 as an accurate record.

10. City Deal Review

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interests in disclosing the information).

The Executive and Stewardship Board were provided with an update from partners in relation to options for the financing and delivery of the Scheme.

Resolved: The Preston, South Ribble and Lancashire City Deal Executive and Stewardship Board:

- (i) Received and noted the information presented at the meeting.
- (ii) Expressed concern and disappointment that the Combined meeting was not yet in a position to consider and finalise options for income generation, scheme sequencing/prioritisation and expenditure mitigation.
- (iii) Recognised that the City Deal was now time critical and requested all partners to work together over the next few weeks to enable firm proposals for income generation, scheme sequencing/prioritisation and expenditure mitigation to be presented for determination at the next Combined meeting on 5 February 2019.



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Preston, South Ribble and Lancashire City Deal Stewardship Board

Minutes of the Meeting held on Tuesday, 18th December, 2018 at 2.30 pm at the Committee Room 'D' (The Henry Bolingbroke Room) - County Hall, Preston

Present

Danielle Gillespie (Chair)

Jim Carter

Heather McManus

Adrian Phillips

Angie Ridgwell

In Attendance

County Councillor Geoff Driver CBE, Leader, Lancashire County Council

Councillor Matthew Brown, Leader, Preston City Council

Councillor Margaret Smith, Leader South Ribble Borough Council

Mark Rawstron, Deputy Chair, Lancashire Enterprise partnership (Observer)

Councillor Peter Moss, Preston City Council (nominated Observer)

Councillor Phil Smith, South Ribble Borough Council (nominated Observer)

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

Joanne Hudson, Project Manager, Lancashire County Council

Chris Mather, Democratic Services Manager, Lancashire County Council

Sarah Parry, City Deal Programme Manager, Lancashire County Council

Stephen Young, Executive Director of Growth, Environment, Transport and Community Services, Lancashire County Council

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CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD

Private and Confidential: No

Date: Tuesday, 5th February 2019

City Deal 6 Month Performance Monitoring Report - Year 5 2018/19 (April - September 2018)

(Appendix 1 – City Deal Performance Dashboard, Appendix 2 – Housing and Commercial Sites Dashboard, Appendix 3 - Employment and Skills Case Studies Dashboard, Appendix 4 – Q2 Infrastructure Performance Dashboard, Appendix 5 - Risk Analysis/Management.)

Report Author: Joanne Hudson, City Deal Project Manager, Tel: 07772 536609, 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 from April - September 2018. The City Deal Performance Dashboard (Appendix1) attached provides a summary of performance against core and supporting outputs and will form part of the return to Government.

Performance can be summarised as follows:

Housing outputs – Overall, housing performance is positive against (15 year) targets with 540 unit completions against a revised target of 494. Total completions since the start of the deal are 4242 (including 346 re-use of empty homes) Individual site progress and performance on key sites is considered in Appendix 2.

Commercial sites – Demand for commercial land remains high and commercial floorspace completions against targets in this monitoring period remain positive as are job creation figures. Individual site performance and progress is considered in Appendix 2. Overall there has been a continuation of strong performance in commercial site activity, especially in respect of business park/edge of town retail/car showroom activity. Demand remains high at key employment sites in some sectors for industrial uses, with a range of schemes progressing well to make land available. The office market values remain challenging.

Employment and skills – Work continues with partners to deliver a range of activities with schools and businesses aimed at encouraging the recruitment of apprentices within the construction sector. This report represents the full end of year analysis of performance and activities in this area with detailed case studies presented in Appendix 3.



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Public and Private sector investment – A total of £9.5m of public and private sector investment has been made in transport infrastructure since April 2018.

Infrastructure update – Appendix 4 provides an update on performance against milestones for all infrastructure schemes in quarter 2 – July – September 2018. A number of schemes are reporting as red or amber in this quarter. Uncertainty around finances as well as resourcing are the main reasons for schemes being red, similarly competing priorities for a number of schemes have resulted in an amber rating and subsequent delays.

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

Recommendation

The City Deal Executive and Stewardship Board is requested to note the overall performance of the Programme in this monitoring period and endorse the proposed 6 monthly return to Government as set out in the report.

1.0 Background and Advice

1.1 This report provides an update on performance over the last six months on both core and supporting outputs.

2.0 Housing Outputs

2.1 Overall, since the start of the Deal period, housing completions stand at **4242** with **540** completions in the last six month period between April and September 2018, the target for this period was **494 (based on a 15 year forecast of delivery)**. Of the completions to date, 346 were from the re-use of empty homes.

2.2 From the planning perspective, a total of **14570** housing units cumulatively have been submitted for planning to date with **14136** being consented with outline or full planning permission. In the last six months **1560** were submitted and **1607** consented.

2.3 The city deal housing delivery profile was recently reviewed and updated by Hive independent Land and planning consultants. The revised profile has been used to set the targets for this monitoring period in terms of unit delivery and performance against these has been positive as illustrated in the table below.



Table 1 Housing – core and supporting outputs

Core and supporting outputs	Target (Apr-Sept 2018)	Actual (Apr-Sept 2018)	Total to date
Total number of Housing units completed	494	540	4242
Total number of housing units submitted for planning	-	1560	14570
Total number of Housing units consented for planning *	-	1607	14136
sites at which construction is actively taking place	-	-	31

* Includes Outline and Full Planning consent

Targets have been informed by the Hive housing trajectory 2018

How we are progressing housing delivery across City Deal Sites (Appendix 2):

2.4 The Development Sites Delivery Group continue to take a strategic role in progressing delivery on City Deal housing sites. Priorities for the Group include ensuring that the housing forecasts and performance of sites is kept under review and issues are identified and addressed wherever possible through collaborative action. Support for significant and complex sites is a priority, with the focus of activity continuing on Pickerings Farm, Moss Side Test Track and Cuerden in South Ribble, and North West Preston Strategic area and the former Whittingham Hospital in Preston. A recent review of housing performance by Hive Land and Planning consultants identified further need to engage with developers and raise awareness of City Deal across the area and this will be an increasing focus for the Group going forward. Individual site progress and performance is considered in more detail in Appendix 2.

2.5 Focussing upon the key Homes England sites, progress has been made against the following key milestones in 2017/18:



Table 2: Outputs on Homes England sites

OUTPUT	2018/19 Forecast	6 Monthly Actual (at 30 Sept 2018)
Start on site	1	0
Housing completions	139	72
Site completions	1	0
Planning application submissions (includes Outline and Reserved Matters)	3	1
Planning application approvals (includes Outline and Reserved Matters)	1	1
Sites currently under construction*	8 Housing 1 Employment	6 Housing 1 Employment

*When referring to Homes England sites, for the purpose of the table above 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

3.0 Performance on Homes England Sites:

3.1 Residential development is currently underway at 6 Homes England City Deal sites and developers are continuing to build out at a good pace. So far this year (up to Sept 18/19) 72 new homes have completed against the annual forecast of 139. A housing site performing particularly well is Whittingham Phase 1, completing 22 new homes between April and Sept 2018. Cottam Hall Phases 1 and 2 along with Eastway have all completed an average of 15 new homes per site. Lovell Homes had their Reserved Matters application approved at Altcar Lane in September 2018, which will result in them starting on site in January 2019 on a development that will deliver 200 new homes. Homes England entered into a conditional contract in August 2018 with Rowland Homes to deliver Cottam Hall Phase 4 for 135 new homes.

3.2 Progress is being made on the de-risking of Pickering's Farm and Whittingham Hospital. Masterplan preparation along with a range of work including technical studies is underway to support outline planning applications that are due to be submitted early/spring 2019. A range of consultation events either have taken place or are planned for the 2 sites. Other work relating to the renegotiation of an access agreement for the Cottam Brickworks site has also commenced in this 6 month period.

3.3 In terms of finances, Homes England is currently on track to pay the £37.5m grant by 2022/23. To date this year, two grant payments have been made to LCC, the first being c£2.49m in April 2018 in relation to Croston Road South and a further



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grant payment of £2m was paid in August 2018 in relation to Land at Eastway (residential). A loan payment of £3.9m was also paid to LCC in August 2018 in relation to Cottam Hall Phase 3 (Morris Homes).

4.0 Commercial Floorspace Outputs

- 4.1 Commercial floorspace completions continue to perform well especially on existing employment sites where build out has been brought forward for small units.
- 4.2 Completions will continue to be concentrated at Preston East employment sites where land is expected to be brought forward for similar smaller unit developments in the immediate term, whilst a range of other developments are being progressed for medium-sized occupier led schemes.
- 4.3 Demand remains high at key employment sites for large logistics operators and for some strategic local relocations. Work is ongoing to bring forward large sites.
- 4.4 Out of town retail sites are also performing well, where car retail showroom developments are proving attractive to the market, with other retail activity on-site at Eastway and Queen's Retail Park.
- 4.5 A review of commercial sites is currently underway for the Development Sites Delivery Group, and which will report upon the pace of progress against original baseline targets and current mitigation measures.

5.0 Completions

- 5.1 In the first 6 months of year 5, there has been a relatively strong performance of completions against targets with **8341.5 sq m** of commercial floorspace completed against a target of **669.5 sq m**. This includes additional sites that have boosted targets.

5.2 Submissions/Consents

- 5.3 In the first 6 months of year 5, **12,410 sq m** of commercial floorspace was **submitted** for planning and a total of **17,092 sq m** of commercial floorspace was **consented** for planning. Mid year targets are not set for submissions and consents, but a comparison will be made at year end.
- 5.4 A breakdown of the commercial site targets and outputs is outlined in table 3 below:-



Table 3: Commercial Floor Space – Core and Supporting Outputs

Core and supporting outputs	1st 6 months 18/19 Trajectory (sq m)	1st 6 months 18/19 Actual (sq m)	1st 6 months 18/19 Variance
Commercial floorspace completed (sq m)	669.5	8341.5	+7672
Commercial floorspace consented for planning (sq m)	0	17,092	+17,092
Commercial floorspace submitted for planning	0	12,410	+12,410

6.0 How we are working to progress employment sites:

6.1 In total, 19 projects are performing in line with anticipated completion targets. A further 13 projects have mitigation actions in place to support delivery, whilst 4 projects face commercial viability issues and significant barriers to progress.

6.2 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 releasing land, in particular on PCC, LCC and Homes England sites in Preston East, whilst work is ongoing in respect of Farington Hall Estate in South Ribble where there has been recent developer interest.
- Developing the city centre – a range of activities are being undertaken to develop and implement city-wide schemes, completing complementary public realm schemes, progressing an office scheme business case, developing key leisure schemes.
- Accelerating delivery - a review of commercial sites has begun and which will report to DSDG for consideration.
- Marketing - implementation of a Marketing & Communications Plan continues to generate investor interest. Recent activities include MIPIM marketing collateral (calling cards and supporting web content) and general communications for City Deal outcomes (e.g. Infrastructure schemes indirectly promoting accessibility to sites). A review of future marketing activity is being undertaken.

An overview of progress to date and key issues identified on each of the employment sites is provided in the attached city deal housing and employments sites dashboard at Appendix 2.



7.0 Jobs related to commercial floorspace

7.1 There have been a total of 353 jobs in the first 6 months of Year 5 that are associated with City Deal commercial floorspace completions, infrastructure construction and BOOST business support activities.

7.2 This excludes new letting and acquisitions of existing commercial floorspace employment associated with the apprenticeships, for which data is not yet available but will be included in the Annual Report.

Table 4 below provides a breakdown of jobs targets and outputs.

Table 4: Jobs – outputs

Jobs outputs	1 st 6 months 18/19 Trajectory	1 st 6 months 18/19 Actual
Jobs accommodated		
- Via commercial floorspace completions*	15	194
- Construction jobs connected to Capital Investment**	N/a	103
- Business Support activities	N/a	56
-		

* 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, 107 businesses in Preston and South Ribble have been supported specifically through the BOOST project, and 56 associated jobs created, see table 6 below.

Table 5: Business support and associated jobs

Output	2018/19 (1 st 6 months)
New businesses supported through BOOST	107
Jobs created through BOOST business support	56

Source: BOOST

8.0 Skills and Employment (Appendix 3)

8.1 The key outputs in regard to skills and employment metrics are outlined in Table 1 below. For reference the period over which this data measures is the academic year 2017/18. In the main performance is in line with profiled delivery for outputs with some notable exceptions detailed below:

- **Apprenticeships – Key performance indicators No's 1 & 2.** Starts amongst the 16-24yr old group have increased again from those reported in 2016/17. In 2017/18



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there were a total of 1,018 reported starts compared with a total of 875 starts in 2016/17. This is the fourth year in succession in which apprenticeship starts amongst this age group has registered an increase. These rises buck the national trend of declining numbers since the introduction of the apprenticeship levy and the introduction of the new apprenticeship standards.

Apprenticeship starts in the construction sector in 2017/18 experienced an even greater year on year increase of 80% over the same period amongst the 16-24 cohort.

- **Graduate Destinations – Key performance indicators No's 3 & 4.** There was a rise reported in the number of graduates across the City Deal area securing positions in the construction and engineering sectors from 78 reported in the 2015/16 academic year to 85 in 2016/17, the last year that data is available. The number of graduates securing graduate level positions across all sectors registered a slight fall over the corresponding period. Future reporting on student destination metrics will be impacted due a change of HESE reporting cycles moving from 6 month after graduation to 13 months.
- **Undergraduate Science Technology Engineering and Maths Starts – Key performance indicators No 6.** There was marked rise in the number of new students enrolling on STEM and construction undergraduate programmes from 2,146 in 2015/16 to 3,120 in 2016/17, representing a 45% year on year increase. This is significantly above target for STEM undergraduate starts for the year.
- **DWP Claimant Count – Key performance indicators No 7.** Jobseeker's Allowance (JSA) and Universal Credit (UC) claimants have again experienced year on year increase against a general back drop of static unemployment. The implementation of Universal Credit requires a broader span of claimants to look for work than under Jobseeker's Allowance. The further roll out of Universal Credit has no doubt impacted on the Claimant Counts over the period being reported.
- **Careers Engagement – Key performance indicators No 8.** The number of interventions/ activities promoting City Deal and construction career opportunities with the City Deal area has continued on a positive trajectory. 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. Of these there have been a number of successes including the 'Bridge the Gap' STEM Challenge commissioned by the Lancashire Enterprise Partnership and the Truck Trail – 'Routes to Success' programme in the South Ribble area.

Table 6 below provides a breakdown of the skills and employment targets and outputs.

8.2 The City Deal Employment & Skills Steering Group continues to play a key role in coordinating activity aimed providing the training and skills to enable local residents to benefit from the opportunities generated through the City Deal investment.

8.3 Unfortunately we have been notified that a joint Lancashire bid submitted in September 2018 for the Department for Education/Construction Industry Training Board Construction Skills Fund has been unsuccessful. This was a joint bid made up of 15 providers from across Lancashire the with Preston's College acting as



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the lead provider in pulling together responses and collating the bid narrative/content. More detailed feedback on the bid will be provided in due course.

- 8.4 The 'Bridge the Gap' programme has continued to go from strength to strength. Developed in partnership with STEMFirst the activity aimed at Year 8 and 9 pupils has been designed to shine a light on the wide range of STEM and construction careers being created across the City Deal area. A total of 43 staff have been trained with 963 pupils spread across 15 schools benefiting from the programme.
- 8.5 A range of hands-on Science Technology Engineering and Maths Challenges have been produced as part of the Truck Trail programme all with educational sessions being rolled out across Leyland and South Ribble primary and secondary schools. The Routes to Success programme, comprising an interactive board game and accompanying materials, was conceived to highlight the variety of career opportunities that fall under the STEM banner. From an initial pilot of 9 schools the programme has now engaged with a total of 1,148 pupils from right across the South Ribble area.
- 8.6 The City Deal Skills and Employment Steering Group are currently developing a marketing prospectus to build on the Invest Central Lancashire brochure in marketing the Skills and Employment offer. The business facing prospectus will highlight the Skills and Employment offer across the City Deal area and will focus on key target sector provision.
- 8.7 Martin Hill has now been appointed to the position of City Deal Skills and Employment Coordinator and took up post with the Lancashire Skills & Employment Hub on the 20th August. This role will support the embedding of employment and skills across the City Deal area through liaison with developers and occupiers, relevant groups and leads within the City Deal Skills and Employment Governance structure, the Local Planning Authority and other relevant partners.



Table 6: Skills and Employment metrics

Output	Baseline:	Year 1*	Year 2*	Year 3*	Year 4*		Year 5*	
	Academic Year 2012/13	2013/14	2014/15	2015/16	2016/17		2017/18	
		Actual	Actual	Actual	Target	Actual	Target	Actual
<p>*refers to academic year</p> <p>1. Apprenticeships starts in construction 16-24 year olds residents of Preston and South Ribble who have started an apprenticeship in the construction sector. Additional numbers year on year.</p> <p>Source: Preston's College, Runshaw College and T2000 ESFA data</p>	N/A	101	121	124	5% 130	25% 155	8% 167	80% 279
<p>2. Apprenticeship starts in all subjects 16-24 year old residents of Preston and South Ribble who have started an apprenticeship (excluding construction). Additional numbers year on year.</p> <p>Source: Preston's College, Runshaw College and Training 2000 ESFA data</p>	N/A	672	684	710	2% 724	23% 875	4% 910	16% 1,018
<p>3. HE leavers getting graduate jobs in construction and engineering Destinations of leavers in higher education (DLHE) into construction and engineering graduate jobs. Additional numbers beyond the 2012/13 baseline</p> <p>Source: DLHE Data</p>	85	116	69	78	5% 82	9% 85	5% 89	2016/17 is the latest data available
<p>4. HE leavers getting graduate jobs in all sectors Destinations of leavers in higher education (DLHE) into all graduate jobs. Additional numbers beyond the 2012/13 baseline</p> <p>Source: DLHE Data</p>	4,223	4,332	4,118	4,151	2.5% 4255	-2% 4,072	2.5% 4174	2016/17 is the latest data available
<p>5. Graduate placements and internships across all sectors Additional numbers beyond the 2012/2013 baseline</p> <p>Source: UCLAN</p>	323	476	566	537	2% 548	-20% 432	2% 441	2016/17 is the latest data available
<p>6. New students choosing STEM and construction undergraduate degree subjects at UCLan</p> <p>Source: UCLAN</p>	1,359	1,431	1,988	2,146	2.0% 2,189	45% 3,120	2.0% 3182	2016/17 is the latest data available



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Output	Baseline:	Year 1*	Year 2*	Year 3*	Year 4*		Year 5*	
	Academic Year 2012/13	2013/14	2014/15	2015/16	2016/17		2017/18	
	*refers to academic year	Actual	Actual	Actual	Target	Actual	Target	Actual
7. Job Seekers Allowance (JSA) and Universal Credit (UC) claimants <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: NOMIS	Apr-13	Apr-14	Apr-15	Apr-16		Apr-17		Apr-18
		-23%	-23%	2%		9%		5%
	4,803	3,705	2,855	2,900	n/a	3,175	n/a	3,325
8. Number of interventions/ activities promoting City Deal and construction career opportunities with: A. Young People, B. Teachers/IAG practitioners, C. Parents, and D. Education Institutions Source: Preston's College, Future U, STEMFirst and UCLAN	Not available	Not available	Not available					
				A 660	A 1500	A 760	A 1500	A 4048
				B 150	B 300	B 161	B 300	B 133
				C 100	C 200	C 262	C 200	C 471
				D 70	D 200	D 105	D 200	D 336

Details of supporting activities and a range of case studies are presented in the accompanying Skills and Employment dashboard (Appendix 3).

9.0 Public and Private Sector Investment

9.1 Since April 2018, £9.5m 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 4. In addition £58m Pension fund investment has been made to date.



Table 7: Public and private sector investment – core outputs

Core outputs	18/19 Trajectory £m	18/19 YTD Actual £m	All Years Cumulative £m
Public Sector Investment (to support Infrastructure programme)	40.881	9.372	112.393
Private Sector Investment (to support infrastructure programme)	12.801	0.248	20.893
Pension Fund Investment	-	-	58.000

10.0 Performance on key strategic infrastructure schemes

- **Preston Western Distributor** – Work is progressing on the detailed design which in turn will determine a more accurate cost. Planning permission was granted and the public inquiry was held in November.
- **Broughton corridor** – started on site in July 2018 and the scheme is progressing well. A new parallel crossing has been installed, the first such crossing in Lancashire and has received positive media coverage.
- **Penwortham bypass** – currently onsite and work is progressing well and on programme for completion early in 2020.
- **Hutton/Higher Penwortham/city Centre corridor** – a series of public consultation events took place in September 2018 to understand local priorities and issues. The information obtained will help inform the concept design going forward.
- **Preston bus station** – concrete repairs to the car park refurbishment of the concourse and on site highways works all completed in summer 2018. The final section, the western apron is to be delivered as part of Fishergate phase 3 works.
- **Community infrastructure** – A contract for the delivery of Grimsargh Green playing field improvements was awarded this period and work is expected to take place early in 2019. Progress was also made on progressing the design for the East cliff cycle link with funding being secured to deliver the cycle path improvements.

A full update on progress for all infrastructure schemes up to the end of quarter 2 (July-Sept 2018) is provided in Appendix 4.

11.0 Risk Analysis/Management

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 6 monthly in keeping with Government reporting requirements.



CITY DEAL

Preston, South Ribble & Lancashire

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A

APPENDIX 1

Year 5 (April – Sept 2018 – 6 month Performance)

HOUSING



TARGET: 494

Construction is actively taking place on 32 sites.

HCA sites

- Submitted for planning permission = 1
- Granted planning permission = 1
- Where construction is actively taking place = 6
- Total number of units completed on HCA sites = 72

COMMERCIAL FLOOR SPACE

COMPLETIONS
8,341m²
TARGET: 669m²

SUBMISSIONS
12,410m²
TARGET: 0

CONSENTED
17,092 m²
TARGET: 0



NOTABLE PROGRESS:

Eastway (Oliver's Place) – Following planning consent in 2017/18 construction has begun on a retail scheme.

Bluebell Way (LCC site) – Contracts have recently been exchanged and a planning application is anticipated.

Horrockses (Queen's Retail Park) – An additional retail warehouse is currently under construction.

UCLan Engineering Innovation Centre (EIC) – Progress is being maintained on construction of the EIC (due to open Q4 2018/19)

South Rings Phase 2 – Hybrid units have been fully completed ahead of schedule with strong pre-sales.



PUBLIC AND PRIVATE
SECTOR INVESTMENT Combined total
£9.5m



INFRASTRUCTURE UPDATE

Penwortham bypass – construction is well underway and remains on track for completion early in 2020.

Hutton - higher Penwortham - City Centre corridor – A series of consultation events took place in September to consider local priorities for this scheme. Concept design work is underway.

Preston bus station – on site highway works, concourse and car park – all elements completed during summer 2018.

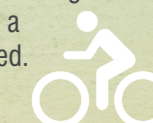
Broughton corridor – this scheme commenced on site in July 2018, work is progressing well.

Preston Western Distributor – preparation work continuing to programme – grant of planning permission and CPO Inquiry November

LOOKING FORWARD:

Moss Side Test Track – following extensive work to determine highways requirements it is now expected that a planning application will be submitted in January 2019.

East Cliff cycle link and bridge – funding for the cycle link has been confirmed and a design is currently being considered.



CITY
DEAL
SO FAR

Commercial floorspace
63,933m²

Houses
4,242

Jobs **13,512**

JOBS

194

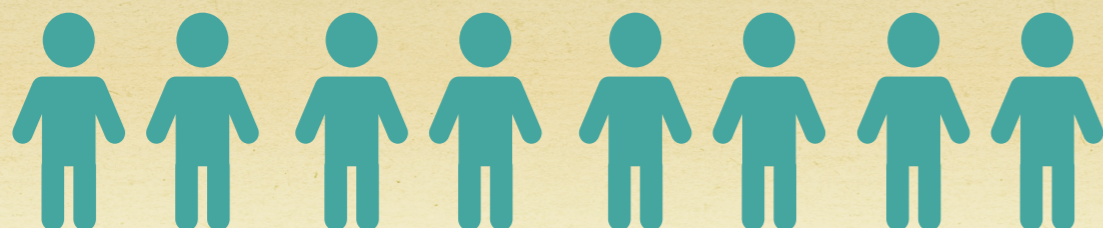
JOBS associated with commercial floor space

103

JOBS are associated with infrastructure projects

56

JOBS created through business support activities



SKILLS AND EMPLOYMENT



Output	Year 1-4	Year 5	Total to date
16-24 year old residents of Preston and South Ribble who have started an apprenticeship in the construction sector	501	279	780
16-24 year old residents of Preston and South Ribble who have started an apprenticeship (excluding construction)	2,941	1,018	3,959

4,048
Young People

604
Parents & Teachers

Education
336
Institutions

Took part in interventions/activities promoting City Deal and construction career opportunities during 2017/18 – see Employment and Skills dashboard for examples of activities and case studies.

Housing

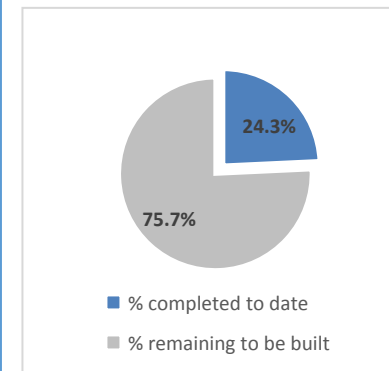
Notable progress this monitoring period:

- **The Southern end of Croston Road Heatherleigh** – progressing well – 18 completions in the last six months.
- Wesley Street Mill – progressing well - 14 completions in the last six months.
- **Eastway (Barratts)** – Build out continues at a fast rate with completions in the last six months, of 37 units already exceeding the annual target set at 30 units.
- **Hoyles Lane** – (Morris homes) progressing well with 30 units completed in the last six months against a target of 15 units.
- **Lightfoot Lane – phase 2(Redrow)** – delivery faster than predicted with 23 unit completions against a target of 13.
- **Whittingham Road -Ridings Depot Phase 1-** delivery faster than predicted -19 units completed against a target of 5.
- **Cottam and North of Eastway** – the pace of completions on these sites, both Story Homes has slowed.
- **Maxy House Farm** – (Bellway and Wainhomes) – delivery has been slower on these sites than predicted.
- **Altcar Lane** – Reserved matters approved for 232 and 200 dwellings.
- **Land to the north and south of the Cawsey** (Bovis and Morris) - Morris Homes are now on site on land to the south of the Cawsey with a number of units under construction. Additionally the bridge link to complete this section of the Cross Borough Link road between the Cawsey and Carr Wood Way is under construction. On the land to the north of the Cawsey, Bovis have declared an intention to sell the site and it is understood that they have a firm interest from another housing developer.
- **Northern part of Croston Road/Heatherleigh** – This part of the site has outline planning permission and is now out to tender to attract specific interest from the market. All of the roundabout works to the north of the site are complete and this will allow the construction of the spine road to serve the development.
- **Pickerings Farm** – A draft masterplan has been prepared by Taylor Wimpey and Homes England which provides the broad principles of how the site could be developed. The masterplan was received by SRBC Planning committee on 7 November who agreed to consult for a six week period.
- **Brindle Road** – with their appeal allowed at public inquiry Bellway now have planning permission for 193 units on this site. It is expected that build out will commence quickly.

Priorities and issues:

- **Moss Side Test Track** – The hybrid planning application was submitted in November 2017 for 197 units in full and 753 in outline. LCC Highways has confirmed that it can support 950 dwellings on the site. It is intended therefore to present this to a specifically organised planning committee in January 2019
- **Cuerden** – Outline planning approval is in place for up to 210 dwellings on the western part of the site. The withdrawal of IKEA from Phase 1 of the site has led to a review including timings and phasing. There remains strong commitment to the site and it is anticipated that the housing element could still come forward in a reasonable timescale.
- **Former Whittingham hospital site** – A revised masterplan is being prepared for this site and planning approval will have to be sought as a result. Implications for the City Deal financial model as a result of the revised masterplan, are currently being discussed.
- **Education provision on city deal sites** – The school place planning team have recently undertaken a series of consultation events with primary schools in the North and West Preston school planning areas and all Preston secondary schools in order to establish the appetite of existing schools to offer temporary places and expansion opportunities in advance of more permanent places coming forward. The team are currently reviewing the feedback from these events. The team noted that there was little awareness of the City Deal with head teachers and brought this intelligence back to the Development sites group who will consider options around addressing this as part of their action plan.
- **Housing delivery profile** – the Hive housing site review has resulted in a re-profiling of housing delivery across the city deal area. Whilst overall unit delivery targets are predicted to be achieved over 13 years, the mix of property types and 'value' of these for the city deal model means that financial targets are at risk. A series of scenarios have been developed to illustrate how the finance model could be affected, these are currently being considered by partners.

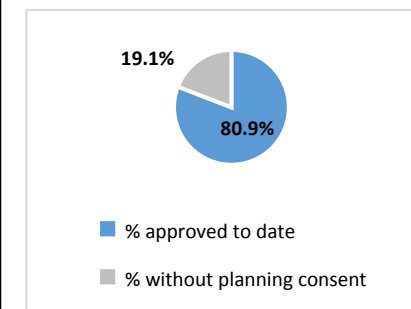
Fig. 1 - Housing delivery update- September 2018



Between April and September 2018 there were 540 completions against a target of 494.

Total completions to date since the commencement of the deal are 4242.

Fig 2: Percentage of housing units with planning consent (outline or full)



Units submitted for planning since April 2018 = 1560

Units consented since April 2018 = 1607

Commercial floorspace

Floorspace completed

Actual: 8341.5sqm Target: 669.5sq m

Floorspace submitted for planning: 12,410sq m

Floorspace consented for planning: 17,092 sq m

	Apr-Sept 2018	
	Target	Actual
Jobs outputs		
Jobs accommodated Via commercial floorspace completions*	15	194
Construction jobs connected to Capital Investment**	N/a	103
Business Support activities	N/a	56

Employment

Notable progress this monitoring period:

- **Preston East employment sites** – Ongoing enquiries are being handled for new build activity, plus additional land transactions, to bring forward other land, including discussions to expedite site preparation and due diligence activity at the Expansion Area land ahead of 2019/20 projections.
- **UCLan Engineering Innovation Centre (EIC)** - Progress is being maintained on construction of the EIC (due to open Q4 2018/19) along with ongoing activity on the proposed £60m Student Centre.
- **Horrockses (Queen's Retail Park)** – A retail warehouse is currently under construction. Planning permission has been granted for an extension to The Range, along with planning consent for neighbouring existing retail development.
- **Moss Side Test Track** – A Masterplan has been adopted and planning application submitted, included within which is a range of commercial space. The planning application is to be considered at the January 2019 Planning Committee.
- **South Rings Phase 2** - Hybrid units have been fully completed ahead of schedule with strong sales.
- **Samlesbury Aerospace Enterprise Zone (SAEZ)** – Development activity is ongoing with respect to the Advanced Manufacturing Research Centre and its potential location within the SAEZ. In Summer 2018 Sir Frederick Page Way (the Spine Road connecting the A677 & A59) was officially opened providing access to the SAEZ. A range of enquiries continue to be explored by commercial agents and the site is promoted as part of the LEP's Lancashire Advanced Manufacturing & Engineering Cluster.
- **Additional site identified and developed** - A new wedding/conference venue has opened at the Imperial Banqueting Suite, construction has started on the Shankly Hotel (former Post Office) and the contract to demolish the former market hall, to make way for a future Cinema/Leisure complex, has been let.

Priorities and issues:

The following sites are not on track against baseline targets but mitigation action in place (13 sites totalling 120,114 sq m.)

- **Eastway sites (5 in total)** – Planning consent was secured in 2017/18 and construction has begun on a retail scheme but completions are delayed due to infrastructure being prepared on other sites ahead of development activity.
- **Bluebell Way (LCC site)** - Contracts have recently been exchanged for the sale of the site and a planning application is anticipated imminently for a car showroom.
- **Preston Cinema/Leisure scheme** –scheme re-scheduled by c12 months. .
- **City Centre Office schemes** – A Business Case is being developed to attract public sector anchor tenants as current cost and values do not currently support private sector occupiers for new build schemes.
- **Prince's Central Buildings** – The Business Case for this city centre health hub on this site has been delayed due to difficulties in coordinating partner inputs. Officers continue to work to bring partners together and progress this scheme.
- **Cottam Hall** – This remains a viable site and consideration is being given to a retail element, albeit on a smaller footprint to previous schemes.
- **Cuerden Strategic Site** –. Following the announcement by Ikea in the spring of 2018 that it no longer intended to locate to the site, the County Council is working on details of a re-imagined scheme. The outcome of this exercise is likely to be announced in the spring of 2019. There remains very strong interest in the site from potential occupiers, developers and investors.
- **Cop Lane, Penwortham** – Following Tesco pulling out of the site, the recent re-marketing has attracted strong market interest from a range of end users.
- **South Rings**- market intelligence from the agent suggests that this small site is unlikely to come forward at the moment due to viability issues, such as the retail climate.

Sites not on track with baseline targets and no mitigation action in place - (4 sites – total floorspace 9,665 sq m)

- **Former Whittingham Hospital** – There is no commercial use in the current masterplan – understood to be due to a lack of market demand.
- **College House** – There has been little activity to bring the site forward although officers have sought to secure emergency repairs and physical improvements to the exterior of the building.
- **Pickerings Farm** – The masterplan currently out for consultation does not include any commercial element within the scheme.
- **Cottam Hall** – District Centre/Community uses may not come forward on-site due to site viability issues.

PRESTON'S COLLEGE



Longer Term Career Goals

"My career goal is to work as an architect, where I will be able to apply my practices learnt in my studies."

Student Profile: Choice Odumeru Level 3 Professional Construction

Choice studied in Italy before moving to the UK and furthering her studies at Preston's College. With enthusiasm to learn more about the construction industry, her Level 3 Professional Construction qualification will provide Choice with practical skills and industry experience.

"After high school, I wanted to advance my knowledge and learn more about the different areas in construction, to gain more of a practical insight into the industry and decide which area to go into as a career."

"My Level 3 Professional Construction course at Preston's College covers all aspects of construction, allowing me to gauge where I want to go after my studies. We also have work placement opportunities and site visits to gain real life experiences of working in the industry, which benefitted me in helping me decide which career pathway would suit me best after my studies."

INSPIRA

Inspiration for Life

STEM Design Challenge

In July pupils from Penwortham Girls School took part in a STEM Construction Design Challenge to design a landmark feature in South Ribble.

The Dragons Den style competition was generously supported by input from professionals from South Ribble Council's Planning, Regeneration and Economic Development (Investment & Skills) teams who provided professional guidance on concept, design and planning. The activity provided the perfect opportunity for pupils to share their design ideas with the team from South Ribble Council on hand to advise on site location, materials, sustainability and costs.

The activity clearly highlighted the value of councils and developers working with schools helps them to understand more about STEM and the different job roles in the construction and built environment sector as well as help pupils develop the transferable softer skills needed to progress in the workplace.

The activity took place at the end of the schools summer term in partnership with South Ribble Council and was supported by the Enterprise Advisor Network.

TRAINING 2000

AN AMAZING PLACE WITH AMAZING PEOPLE

Real life story: Frankie Thompson - Engineering

Frankie first found out about engineering while she was in year 8 at high school. She came to an event at Training 2000 that was aimed at getting girls into engineering and joined our Saturday morning club when she was in year 11. Since then she knew that a career in engineering was for her!

"It's good that they still do engineering for girls day, as that's what brought me into engineering and hopefully it will get more females interested. I would recommend an engineering apprenticeship, but it's not an easy option! But it does mean that you have got a job at the end unlike going to university"



Where next?



Francesca Beattie

Course: BTEC Engineering
Grades: D'D'D'
Destination: Engineering Product Design at UCLan

"There's a great choice of courses at Runshaw, with friendly people and teachers who are always available to give you the help and support that you need."



uclan

Preston-based Tranco enlisted one of UCLan's free business support projects, Digital First, a team of digital specialists and students that helps promote and achieve growth through a range of digital tools and tactics.

Director Darren Penn bought the business in 2003, which at the time was operating as a sole trader, and established to assist businesses in the construction industry. Under his leadership, the business now employs 22 people and has a turnover of £1million.

Completion of the project resulted in a more effective platform to Tranco's services. The new website features improvements in layout, functionality and customer experience, enabling Tranco to display client testimonials and case studies. It has led to an increase in traffic through to the site and number of enquiries received, along with a greater awareness of the business and the specialist skills of its workforce

"I genuinely believe that since achieving my degree and gaining support from Digital First there has been a huge impact on the business and my aim is to keep building on this growth" Director Darren Penn

Students Project: Environmental Impact Study



Environmental students at UCLan got the opportunity to get hands on experience of conducting a site based Environmental Impact Assessment. The students were studying the impact of noise on the area and needed recordings to be able to study in their assessments. They were assisted by Parkinson contractors and site operatives who carried out various activities on site to allow the students to record the different noise levels in the area. The students then analysed the recordings and use them in their coursework for the first semester.



Truck Trail: 'The Route to Success'

A range of hands-on STEM Challenges have been produced as part of the Truck Trail programme all with educational sessions being rolled out across Leyland and South Ribble primary and secondary schools.

The design and print of an interactive board game and accompanying materials was conceived to highlight the variety of career opportunities that fall under the STEM banner.

STEMFirst initially delivered sessions in 9 schools, with the programme being undertaken by 248 pupils in years 6. It has since gone for strength to strength and engaged with a total of 1,148 pupils from right across the area.

Delivery has been very well received so far by Educators with 100% of them saying that the activity was well prepared and organised, interactive, engaging and enjoyable.



Apprenticeships

Professionals and Trainees

Graduate Civil Engineer



Prior to joining the Professional Apprenticeship and Trainee Programme, I worked in the finance team for one of the leading independent forecourt operators in the UK. I have acquired a BSc (Hons) in Civil Engineering.

I have always been passionate about working on projects that are tangible and improve the lives of local people. My post offered an opportunity to be a part of many projects that will improve the local infrastructure and the lives of people as a result. This was a fantastic opportunity as it also offered on job training as well as academic training as part of the role.

"The programme offers an opportunity to work and learn amongst experienced members of Lancashire County Council, who are willing to help and support at this initial stage of my career."

I am currently working in the design team on a number of high profile projects as part of the City Deal. This is an opportunity that will expand my knowledge and assist to work towards achieving a chartered status. I aim to develop a long term career within LCC and continue to develop my technical and personal skills. The major benefit of the Programme is that you can gain experience in different areas of the County which helps to understand how the teams link together. Also you have the opportunity to continue with Education and put into practice what you learn. I am undertaking the MSc in Civil Engineering.

This is an excellent opportunity for graduates looking for their first step into their career. The Professional Apprenticeship and Trainee Programme offers an opportunity to work and learn whilst serving the local community.



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CITY DEAL
Preston, South Ribble & Lancashire

Appendix 3



'Bridge the Gap' in 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 Eric Wright, Preston's College and Future U, and delivered it in schools across the City Deal area. A total of 43 staff have been trained with 963 pupils spread across 15 schools benefiting from the programme.



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

PRESTON'S COLLEGE

Educating the Future Construction Workforce

Preston's College are providing training for three Taylor Wimpey apprentices on local Homes England and City Deal developments. Bricklaying apprentices Liam Fisher and Ryan Rowe alongside Site Carpentry apprentice, Kian Addison, are working on sites across the North West including Cottam's Hayfield Park development.

Thanks to the City Deal and other local developments, Preston's College has also seen a growth in demand for groundwork, highways maintenance and civil engineering apprenticeships, including eight recent additions from Lancashire County Council.

Anthony Mansfield, Managing Director of Taylor Wimpey North West, added: "We know we have a skills gap in this country and Apprenticeships are the best way of filling that gap."



Infrastructure Delivery – Year 5 - Quarter 2 - July –September 2018

This dashboard provides an overview of how the CD Infrastructure Projects have performed during Q2 July-Sept 2018

City Deal infrastructure delivery – Overview of progress against milestones for Quarter 2 – 2018/19

Scheme name	Project RAG	Stage	Significant Issues/Risks:
City Deal Zone 1: North West Preston			
Preston Western Distributor (PWD)/East West Link Road		Design/planning/land assembly/funding CPO	Land/funding/planning
Cottam Parkway (business case/grip 3)		Business case	
Broughton/Fulwood (North of M55)		Start on site	
Guild Wheel Upgrade Link – P1 Bluebell Way		Design	Timescales/funding
Guild Wheel Upgrade Link – P2 Watery Lane		Contract awarded	Timescales
Lancaster Canal Towpath and Tom Benson Way		Design developed	Resources/funding
City Deal Zone 2: North East Preston			
Grimsargh Green		Contract awarded	
City Deal Zone 3: Preston City Centre			
Fishergate Central Gateway – Ph3		On site	timescales
PWD to Samlesbury – New Hall Lane Local Centre (local centre)		On site/site complete	timescales
City Transport Plan		underway	Officer resources
Expanded City Cultural Development programme		Underway	
East Cliff Cycle Link and Bridge		Design	
City Deal Zone 4: Penwortham & Lostock hall			
Penwortham Bypass		On site	
A582 South Ribble Western Distributor dualling (SRWD)		Planning	Funding
Hutton/Higher Penwortham/City Centre		Planning/design	
City Deal Zone 5: Leyland and Cuerden			
Cuerden Strategic Site – road infrastructure		Under review	Under review
City Deal Zone 6: Bamber Bridge			
Bamber Bridge/City Centre		On site/site complete	Delivery delay
None Zone specific			
Corridors and local centres master planning		Underway	Officer resources
Cycling and walking delivery plan		Underway	Officer resources

Projects completed this quarter or removed from programme

Preston Bus Station – concrete repairs/car park
Preston Bus Station – refurb of concourse
Preston Bus Station – on site highways works
Preston Bus station – Youth Zone – removed from programme

Infrastructure Investment in City Deal – other emerging schemes

Pickering's Farm Link Road
Moss Side Test Track Road infrastructure

££££ City Deal investment – other emerging infrastructure schemes - There are a number of infrastructure schemes that if delivered will bring investment into the City Deal area. These are emerging schemes that will be funded by and may be delivered by the private sector. City Deal Officers provide specialist advice and support where possible to progress the schemes. Schemes are:

Moss Side Test Track Road Infrastructure –The planning application for this site and associated highway works was originally anticipated to reach committee in September. The highways modelling work has now been submitted to the developer who is now considering this. Submission now anticipated in January. The Development sites delivery group continue to work to progress this scheme.

Pickering's Farm Link Road – A draft masterplan has been prepared for the Pickering's Farm site. Officers from Homes England, South Ribble and LCC continue to support a steering group to progress this work.

Green – no issues - project is on target, within budget allocations - timescales and to an appropriate quality standard. Some risks have been identified (recorded on the risk register) but these are low and can be managed.

Amber – There are some issues that may affect programme, delivery, cost and/or quality but they are currently being managed and mitigation measures are in place - Project will be delivered in budget - Programme manager is satisfied that key stakeholders are aware of delay. PM has accepted that political/logistical impact will need to be managed. Mitigation measures being implemented.

Red – Issues have arisen but at this point appropriate mitigation measures have not been agreed or implemented. Project delivery timescales have slipped and financial forecasts indicates overspend. Programme manager/stakeholders are not yet aware of delay or have not accepted that the political/logistical impact on project delivery will need to be managed. Mitigation measures have not yet been implemented. When agreed they should be outlined in issues log with the appropriate issue owner.

A582 Dualling – Budget pressures remain on this scheme. An officer working group has been established and a mitigation strategy is being prepared.

Lancaster Canal Towpath and Tom Benson Way – A concept design was anticipated by June 2018. This has been delayed due to other priorities and resource issues. Some progress has been made and a design has been prepared to fit within budget but this does not fulfil the brief. A design will be brought for IDSG for consideration in Q3.

Guild Wheel Bluebell Way –A design has been prepared to the budget available but this was felt to be insufficient. Additional funding could secure a much improved scheme. Officers are exploring opportunities for additional funding to produce an enhanced scheme. Whilst on track at present this could present challenges for future milestones

Preston Western Distributor (PWD) and East West Link Road (EWLR)

Work is progressing in order to develop the detailed design that will in turn determine a more accurate cost for the scheme. The scheme received planning permission in November with the s106 agreement signed and decision notice issued. The CPO Inquiry proceedings have concluded with a substantial number of objections withdrawn. The scheme is on programme but typical for a scheme of this size and complexity, there are a number of risks that could impact on this deliverability. These include:

- Secretary of State confirmation of the CPO
- Threat of judicial review to the Planning Permission and CPO
- Security of funding should there be programme delay

Significant officer resource is required from legal, property, planning, finance and design in order to manage these risks and formulate actions in order to respond to them. An officer working group covering all disciplines meets regularly to consider mitigation options to keep the scheme on track.

Guild Wheel Watery Lane – The award of the contract for this scheme was anticipated by the end of quarter 2 but has taken slightly longer than planned and slipped by a matter of weeks into Q3. This has resulted in the likelihood of start on site pushed back into the New Year. Overall it is anticipated that the scheme will still complete on schedule by the end of March 2019.

Cuerden Strategic Site Road Infrastructure – The project remains under review – in the last quarter, activities have focussed on safeguarding the site in order to protect the investment to date.

Fishergate Phase 3 (including Western apron) – Approximately 50% of this scheme has completed to date. Progress has been affected as a result of uncertainty around the Youth zone and the impact of this on the design of the western apron. The cabinet decision in August not to progress with the Youth Zone has allowed the design of the western apron to be developed and will be finalised by the end of October. An indicative budget and programme will follow. Design changes mean that the scheme will be required to go back to planning (anticipated in Q4 Jan-Mar 2019) with start on site anticipated in Q1 year 6 (April 2019). The build is expected to take approximately 50 weeks.

New Hall Lane Local Centre – As reported last quarter, extreme temperatures have resulted in delays to surfacing. This has resulted in the final stage of road resurfacing needing to be delayed until the spring.

Bamber Bridge – Town Centre Improvements – This majority of the scheme (footways) will complete in Q3 which is slightly later than expected due to the complexities of working on a live highway and carriageway. The final road resurfacing element included in the scheme has now had to be delayed until the spring when weather conditions are more suitable.

Broughton/Fulwood (corridor north of M55) – Start on site took place in July with works near the primary school successfully completed. A new parallel (pedestrian and cycle) crossing was installed next to Church Lane, the first such crossing in Lancashire and this received positive media coverage (LEP & Blog Preston). More information has been published on the city deal website with the latest scheme proposals. The contractor has co-operated well with the Parish Council regarding facilitating an event to commemorate the centenary of James Towers' this has included installing a permanent lectern with display board at the war memorial and changing the site traffic management layout to suit the event. Cabinet approval was also obtained for additional traffic calming measures on Whittingham Lane.

Penwortham Bypass – Good progress has been made with this scheme. The new playing fields have been seeded and are growing satisfactorily. The Brown Hare roundabout is almost finished. Traffic signals have been installed and activated. The works to support the planning application submission is on track with future milestones expected to be met.

Hutton/Higher Penwortham/City Centre corridor –

Good progress has been made on this in quarter 2. Two Public engagement drop in events were held in order to learn about issues in the area and listen to suggestions for improvements. The 'Have Your Say' online consultation closes on October 10th. The publication of the responses to the consultation is planned in the spring along with further drop-in events and external consultations once the local centre concept design has been produced.

Grimsargh Green –This scheme has progressed well. The Parish council has agreed to take on any future maintenance responsibilities allowing the scheme to progress to design approved by IDSG which occurred in September. The contract has been awarded ahead of schedule. The duration of the works are minimal but weather dependant, this will affect start on site – currently programmed for Q4.

Cottam Parkway The production of the Grip 3 business case is still underway with the options report anticipated in November 2018, the business case will be completed by December 2018.

Expanded Cities cultural development programme –on programme

East Cliff Cycle Link and Bridge – Progress has been made with this scheme in that a Pid was approved by IDSG in September and additional funding secured through a s106 agreement to fund the cycle link. This is subject to clarification around the future funding of maintenance on the route. Officers are working to develop milestones aligned to the wider East Cliff project.

Preston City Transport Plan – the consultant's element of the work will complete as planned in December. The next stage will require officer input to consider the findings and prepare a delivery plan – competing priorities and lack of resources is likely to impact on this timescales so the scheme has been rated amber.

Cycling and Walking Delivery plan and Corridors Master Planning –

The consultants work has now completed but as with the City Transport Plan significant resource is required to prioritise and formulate a delivery plan, limited resources place this scheme as amber.

APPENDIX 5 - CITY DEAL STRATEGIC RISK REGISTER

VERSION.	1	Date	25.11.18
Produced By	Sarah Parry City Deal Programme Manager	Reported to	E&SB February 2019

RISK TITLE & TYPE	RISK DESCRIPTION	MITIGATIONS / CONTROLS	REVIEW COMMENTS/UPDATES
COST ESTIMATION RISK	The risk that the cost estimates set out in the City Deal (CD) may be inaccurate.	(i) Estimates of individual schemes and budget allocations in the BaDP are now subject to annual review.	Review by independent cost consultants is now being embedded into working practice on major road schemes.
		(i) At the outset of the development stage, an optimism bias factor of 44% has been included in the major road schemes, in line with DfT guidelines. This therefore reduces the risk of the cost estimates, and in turn cost outturns, being higher than original budget allocations.	<p>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> <p>A review of the budget allocations in the Business and Delivery Plan is underway, to ensure that up to date (high level) scheme estimates are reflected in the financial model.</p>
COST OVERUN RISK (FINANCIAL)	(i) The risk that for 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 negatively impacting upon the infrastructure delivery fund	(i) Partners will seek to be indemnified through relevant legal agreements against compensation claims.	(i) Estimates are made and factored into scheme costs in relation to Part 1 land claims.

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	(ii) The risk that once construction commences, unanticipated abnormal factors and/or changes to design could lead to an increase against tendered prices.	(ii) This risk will be managed through LCC's robust capital cost control processes to ensure that risks are identified, costed and managed effectively, that contingencies are put in place for unknown factors, and thereafter projects and their associated costs are managed within approved budgets and tendered prices. Any under utilised resources will not be released until all identified cost pressures have been addressed.	(ii) Going forward, mitigation for unanticipated abnormal factors has been partly accommodated in the above review where new benchmarks will be used for pricing design work.
QUANTITY OF RESOURCE RISK (FINANCIAL, LEGAL, POLITICAL, REGULATORY)	(i)The risk that the level of resources available from the different funding sources may be less than set out in the CD proposal.	(i) 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.	Government policy changes to funding streams remains a residual risk and work is underway through the City Deal Review to analyse and mitigate. Other capital funding sources will be accessed where appropriate, including funding bids for highways schemes.
	(ii) The risk that there is a lack of skill and/or capacity to deliver the project, internally amongst the four partners.	(ii) Expert resources are prioritised to the project by each partner.	(ii)The independent Review of City Deal is also considering the level of resources, skills and expertise required to deliver the Programme going forward.
	(iii) The risk that the Neighbourhood Planning regulations in relation to CIL destabilise the project.	(iii) Close collaboration and partnership working with the Parish and Town Councils and Neighbourhood forums are to be established early in the project.	(ii) This has not yet happened in any systematic way and needs attention.
PHASING SHIFTS RISK	(i) The risk that the developments may not come	(i) This risk has been mitigated through phasing of income in line with the statutory position of	An independent review of housing delivery has been carried out early in the

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(FINANCIAL)	forward in line with the timescales set out in the CD proposal.	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.	CD programme (2016), this is subject to annual review by local planning authorities.
		(i) In addition in recognition of the fact that the cash flow profile for the Infrastructure Delivery Programme is not even, Lancashire County Council will financially stand behind the CD to allow both the baseline cash-flow and some degree of slippage to be effectively managed	A further independent review of housing development sites has been undertaken, providing an updated forecast of housing delivery, enabling the financial model to be re-profiled in line with income projections.
		(i) 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.	A Development Sites Delivery Group (DSDG) has been established to provide oversight of housing delivery and issues emerging that might impact on delivery rates and the financial model.
		(i) Assumptions made in the original delivery model are also continuously tested to give an updated forecast of likely development timescales.	DSDG also consider the implementation of programme and site specific interventions to expedite delivery, as referred to in the above review.
	(ii) The risk that licences and consents from third parties aren't secured.	(ii) Effective forward planning and early engagement with statutory bodies	(ii) Project managers engage with statutory bodies in the early design stages of the projects to minimise this risk.
		(iii) Work is underway to look at opportunities for streamlining the planning process to ensure CD applications can be dealt with efficiently to make sure that delivery and output timescales are met.	(iii) This mitigation has not been actioned other than through a recommendation for the inclusion of a standardised statement to be incorporated in the planning officers report on applications for City Deal sites.

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			DSDG will be tasked with looking at the potential for streamlining processes in the next 12 months.
DELAY IN ROAD PLANNING (POLITICAL, REGULATORY, TECHNICAL)	<p>(i) The risk that road schemes may be subject to both local and national planning processes thereby increasing delivery timescales.</p> <p>(ii) The risk that road schemes may be delayed through local planning processes.</p> <p>(iii) The risk that road schemes may be delayed due to inability to assemble land</p> <p>(iv) The risk that the scheme may be delayed by Highway Act procedures.</p>	<p>(i) 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.</p> <p>(ii) The road schemes are set out in the Central Lancashire Highways and Transport Masterplan, adopted in March 2013, and in Local Plan Reviews and therefore have already been subject to extensive consultation and are material to determining planning applications.</p> <p>(iii) This will be mitigated through early commencement of the compulsory purchase order processes and land acquisitions.</p>	(i), (ii) and (iii) Based on the latest advice, it is unlikely that the major infrastructure schemes in the City Deal programme will go through the Development Control Order process. The focus is therefore on ensuring that the planning application and CPO orders are timely and robust.
PLANNING APPROVAL RISKS (REGULATORY, POLITICAL)	<p>(i) Changes to or lack of Planning Framework to support City Deal objectives.</p> <p>(ii) The risk of planning appeals</p>	<p>(i) & (ii) The City Deal area is supported by a Central Lancashire Core Strategy (2010-2026) that provides an over-arching development and planning framework, with a Local Plan for each of Preston and South Ribble offering more detailed policy on sites. The Community Infrastructure levy is now in place.</p> <p>An up to date Local Plan coverage provides a robust basis to defend challenges and appeals.</p>	<p>The challenge to a District's five year housing land supply position could risk non City Deal housing sites being progressed over City Deal allocated housing sites.</p> <p>The Central Lancashire Local Plan Review which is underway will roll forward the Core Strategy and will plan for part of</p>

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	(iii) The risk that sites don't get developed because Masterplans are not in place.	<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>	<p>the City Deal period.</p> <p>(iii) North West Preston development sites are covered by a Masterplan approved in February 2014, and introduced as a supplementary planning document in 2017, which provides a comprehensive framework to guide the development process.</p> <p>Under Local Plan policy, site masterplans are to be prepared for a number of large sites.</p>
	(iv) Planning permissions not being consented and/or progressed through the planning system sufficiently quickly	<p>(iv) Planning consents are already in place for over half of the target number of housing units.</p> <p>(iv) Milestones are in place for all housing and commercial sites in order to help monitor progress through the planning system and resolve any planning related matters.</p>	<p>Consultation on the Altcar Lane masterplan has been completed, two outline applications were subsequently approved for a total of 600 dwellings and a Reserved Matters application on part of the site for 232 dwellings and 200 dwellings approved.</p>
	(v) Lack of Planning officer Capacity	<p>£200k has been granted from Homes England to provide additional capacity. Some of that funding will be used to create a shared post between Preston and South Ribble which will focus on finding solutions to blockages to ensure sites come forward swiftly. Furthermore the Government is due to increase Planning Fees by 20% in July 2017. This will be invested in the development management services.</p>	<p>A planning application for Moss Side Test Track will be considered at committee in January 2019.</p> <p>Consultation on a masterplan for Pickering's Farm took place in November/December 2018 and a revised masterplan being prepared for the former Whittingham Hospital site.</p> <p>The northern part of Croston</p>

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			<p>Road/Heatherleigh has outline planning permission and is out to tender to attract specific interest from the market.</p> <p>The Development Sites Delivery Group has a focus on identifying issues in the development process and identifying solutions in order to progress all large housing sites. An issues log is now in place for all key sites with responses and actions being formulated.</p> <p>Effective project management of site delivery is being overseen by large site Steering Groups, for example Pickering's Farm. Project progress is reported to DSDG.</p> <p>Housing Zone status has also been established for sites in Preston City Centre that cover c750 units, and will enable progress.</p> <p>A Stonegate Masterplan is also being developed and which will support site development and delivery in this city centre area.</p> <p>Further consideration needs to be given to ensure that the most value is gained from the capacity funding and DSDG will</p>

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	(vi) The risk of failure to provide sufficient and appropriate infrastructure	(vi) A North West Preston Infrastructure Group has been established with the major house builders and land-owners to co-ordinate development and resolve land equalization matters.	be looking at this.
HOMES ENGLAND SITE DELIVERY	The risk that the Homes England sites are not delivered in line with the Homes England Business & Disposal Plan.	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.	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.
		Direct commissioning will also be considered in order to maximise delivery on the sites.	
		Homes England sites are being de-risked via a package of measures eg. 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 ie. the current position and future forecasts, and respond accordingly.	
Housing and commercial construction and skills capacity	The risk that construction skills are not sufficient to match the requirements of individual/overall scheme targets.	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.	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. A Construction Hub has also been established with one of its aims to build capacity within the local construction sector, including technical development.

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			<p>Ongoing funding opportunities are being explored to further develop and enhance the current offer, including the recent Construction Skills Fund.</p>
<p>COMMERCIAL DELIVERY RISK (POLITICAL, FINANCIAL)</p>	<p>(i) The risk that the private sector may not come forward with investment proposals for housing and employment sites.</p>	<p>(i), (ii) & (iii) 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.</p>	<p>The Council's 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 DSDG will be monitoring the phasing of delivery going forward to mitigate this risk.</p> <p>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.</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.</p>
	<p>(ii) The risk that landowners may not sell due to market viability issues.</p>	<p>As above.</p>	
	<p>(iii) The risk that sites outside the agreed list of City Deal development sites come forward and undermine the City Deal Programme.</p>	<p>As above.</p>	
	<p>(iv) Planning support</p>	<p>Enterprise Zone is covered by a Local Development Order, and a number of Prior Notice for Developments have been completed to allow construction on the ASK Training facility and Defence Logistics facility. Cuerden employment site has an approved Masterplan and planning consent, and SRBC's Site Allocations Plan was also approved in July 2015. Other strategic sites are developing masterplans</p>	

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		including Pickerings Farm and Moss Side Test Track, in addition to the one already secured at NW Preston. Stoneygate Masterplan is also being prepared to support development and delivery in the city centre.	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.
	(v)Low commercial values.	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.	<p>There are signs of market recovery in that there is 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 retail and leisure developments. Demand for employment land is highest for freehold sites and smaller industrial units. The focus for larger footprint units is on a Design and Build basis for strategic re-locations.</p> <p>A number of high profile events to promote the Invest Central Lancashire proposition have been delivered in partnership with Place North West, with a follow-up being held in January 2019.</p>
	(vi)Supply phasing.	Partner working groups, partnerships and alliances have been formed to share market intelligence and support the phasing of development activity to help co-ordinate sustainable development, particularly on the major employment sites.	<p>The City Deal offer has also been promoted as part of the Lancashire Enterprise Partnership's presence at MIPIM London and MIPIM Cannes.</p>

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		<p>An outline development study has been produced with commercial land owners at Preston North East with the purpose of understanding constraints, aligning developer interests and identifying potential land uses to support incremental development.</p> <p>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.</p>	<p>It should be noted that ultimately, commercial delivery will be influenced by national and international economic conditions, however a targeted Comms Strategy will be implemented cognizant of the current market position, scheme priorities and the City Deal housing review.</p>
Commercial Delivery Risk (Developers)	<p>VARIOUS 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</p>	<p>Feedback from housebuilders across the City deal area has identified a variety of potential delivery risks. It is proposed that DSDG will further evaluate and formulate appropriate responses (MITIGATIONS) to these risks as appropriate.</p>	<p>An independent review of housing delivery has been carried out early in the CD programme (2016), this is subject to annual review by local planning authorities.</p> <p>A further independent review of housing development sites has been undertaken, which as well as identifying current risks and opportunities, provides an updated forecast of housing delivery, enabling the financial model to be re-profiled in line with income projections.</p>

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	<p>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>		
CONSULTATION & MARKETING RISK	<p>(i) The risk that the project is not communicated adequately to all stakeholders.</p> <p>(ii) The risk that the potential of City Deal is not marketed sufficiently to attract people to live and work in the area.</p>	<p>(i) & (ii) 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.</p>	<p>A Comms 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 Comms Strategy should also link to</p>

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	(iii) The reputational risk to all partner authorities if the Deal fails to deliver the intentions and aspirations set out in the Agreement.	iii) Robust partnership working in place supported by strong governance arrangements and an effective marketing and communications plan. (vi) A strong focus is on promoting central Lancashire regionally and nationally, to attract inward investment and appeal to a business audience.	the broader Lancashire proposition marketing activity being delivered by the LEP/Marketing Lancashire. The current marketing and communications strategy will be reviewed in 2018/19 to ensure that it aligns with the LEP's wider investment proposition and marketing strategy.
SOCIAL VAUE RISK (REPUTATIONAL, POLITICAL)	The risk that Social Value may not be realized.	The implementation of Employment & Skills Plans in line with the planning, economic and social value priorities will help to reduce this risk.	City Deal Employment and Skills co-ordinator post, now established in order to drive forward the employment and skills plans.
New Homes Bonus CIL/NNDR Policy Change Risk (POLITICAL, FINANCIAL)	The risk that Government may change its policy regarding the New Homes Bonus/CIL/NNDR thereby reducing the resources available to deliver the CD Delivery Infrastructure Programme.	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.	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. Potential impact of Starter Homes and Direct Commissioning also being factored into negotiations with Government as part of the Review.

RISK TITLE & TYPE	RISK DESCRIPTION	MITIGATIONS / CONTROLS	REVIEW COMMENTS/UPDATES
Political Administration Change Risk (POLITICAL)	(i) The risk that local political administration changes may impact upon the CD proposals.	(i) & (ii) 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.
	(ii) The risk of being unable to secure partner agreement and co-operation throughout the life of the CD programme.	As above	



1.0 Report Overview

1.1 This report provides an update on the progress made by Homes England on the delivery of the City Deal housing sites from 01.07.18 to 30.09.18. It focuses on the key delivery milestones, finances invested, outputs and draws out key risks and emerging issues.

2.0 Recommendation

2.1 The Stewardship Board and Executive are recommended to:

2.1.1 Note the content of the report and the progress made

3.0 Homes England Site Highlights – Q2 2018/19 (01.07.18 to 30.09.18)

3.1 Between the period 01.07.18 and 30.09.18, good progress has been made on a number of Homes England sites. Key highlights and future milestones for this quarter can be found in the table below:

Site	Project	Status	Completions/ total units	Completions (July-Sept)	Finance (July-Sept)	Summary	Milestones for next quarter (Oct - Dec)
1	Cottam Hall Phase 1 (Site K)	Barratts on site	87/104 (84%)	3	N/A	There have been 3 further completions within this reporting period. All grant payments associated with this site have now been paid to LCC. The site is anticipated to complete during 2018/19	Ongoing build out

Site	Project	Status	Completions/ total units	Completions (July-Sept)	Finance (July-Sept)	Summary	Milestones for next quarter (Oct - Dec)
	Cottam Hall Phase 2	Story Homes on site.	57/283 (20%)	9	N/A	Story Homes building out well, with 9 completions this reporting period.	Ongoing build out
	Cottam Hall Phase 3	Unconditional deal with Morris Homes in place.	0/119 (0%)	N/A	£3.9m loan payment	Unconditional deal was achieved in July which was a great achievement after complications with legal documents and newt/ecology matters on the site. £3.9m loan payment was paid to LCC in August due to unconditional stage being achieved.	
	Cottam Hall Phase 4	Site has been marketed	0/135	N/A	N/A	Rowland Homes is the preferred bidder for this phase.	Reserved Matters application for 135 homes is due for submission in Spring 2019
2	Cottam Brickworks	Recommended negotiations with land owner and LCC	0/206 (0%)	N/A	N/A	Meetings and negotiations have taken place with the land owners newly appointed representatives. Access land agreement to be prepared from early 2019.	Further meetings to be held between Homes England, LCC and the landowner's representatives to draft heads of terms for new access agreement.
3	Land at Eastway (resi)	Story Homes on site.	38/300 (13%)	7	£2m grant payment	Story Homes building out well with 7 completions this reporting period. Grant payment of £2m paid to LCC in August 2018 upon receipt of an annual payment from	Ongoing build out

Site	Project	Status	Completions/ total units	Completions (July-Sept)	Finance (July-Sept)	Summary	Milestones for next quarter (Oct - Dec)
						Story Homes.	
	Land at Eastway (commercial)	Conditional contracts exchanged with HBS Healthcare Ltd – not yet on site.	N/A (commercial)	N/A	N/A	<p>Contracts were exchanged with HBS Healthcare Ltd in May on a conditional basis – the condition is that Story Homes construct the access to the site and that HBS secure RM planning consent. Story Homes have secured planning consent for the access road and changes to the guild wheel.</p> <p>Access works anticipated to start on site between October 2018 and January 2019.</p> <p>Unconditional disposal to HBS Healthcare anticipated for June 2019.</p>	Access works to commence
4	Whittingham	Taylor Wimpey on site (phase 1 only)	Ph 1 - 103/150 (69%)	9	N/A	<p>Good progress on Phase 1 with 9 completions in this reporting period.</p> <p>Masterplan consulted upon and further work on refining masterplan and outline application taken place supported by a range of technical studies.</p>	Finalise preparation of planning application and understand implications of viability work undertaken.
5	Preston East EA	Site not yet marketed	N/A (commercial)	N/A	N/A	<p>There is a range of interest in the site.</p> <p>The disposal options appraisal work was completed by JLL in December 2017 and their</p>	Homes England's internal approval for the required investment into the

Site	Project	Status	Completions/ total units	Completions (July-Sept)	Finance (July-Sept)	Summary	Milestones for next quarter (Oct - Dec)
						preferred option was to market the site, as one site, in its current condition. Homes England's internal approval for the required investment into the site, and the proposed disposal strategy, is required, and following this, site investigations and de-risking works will commence.	De risking works to commence
	Preston East – Sector D	Deal completed with Inchcape Estates – now on site	N/A	N/A	N/A	Inchscape Estates are site and construction is underway.	Ongoing build out
6	Pickerings Farm	Masterplan and outline application preparation	0/297 (0%)	N/A	N/A	Ongoing technical studies to support the preparation of the outline planning application. Finalisation of masterplan in preparation of submission to SRBC for consultation approval.	Masterplan to be approved for consultation by SRBC (This has been achieved - Nov 2018)
7	Altcar Lane	Reserved Matters application approved	0/200 (0%)	N/A	N/A	RM application approved in Sept 2018. Homes England have now completed the unconditional sale with Lovell starting. Anticipated start on site in January 2019.	Site preparation works
8	Croston Road North	Marketing commenced	0/400 (0%)	N/A	N/A	Soft market testing has been undertaken which has included larger developers from Homes England's panel as well as SMEs.	Detailed marketing stage to commence

Site	Project	Status	Completions/ total units	Completions (July-Sept)	Finance (July-Sept)	Summary	Milestones for next quarter (Oct - Dec)
9	Croston Road South	Miller on site.	74/175 (38%)	7	N/A	Miller on site and building out. Grant payment of £2,488,050 paid to LCC in April following receipt of the final annual payment from Miller. No further grant is due to LCC on this site.	Ongoing build
10	Brindle Road	Complete	46/46 (100%)	N/A	N/A	All units completed and all finances paid.	N/A
11	Walton Park Link	Morris on site	0/350 (0%)	N/A	N/A	Morris commenced early site clearance works on site in September. Remediation work and construction of link road means that the first housing completions are likely to be in early 2019.	Ongoing site works

4.0 Finance

- 5.1 Homes England is currently on track to pay the £37.5m grant by 2022/23. To date this year, two grant payments have been made to LCC, the first being c£2.49m in April 2018 in relation to Croston Road South and a further grant payment of £2m was paid in August 2018 in relation to Land at Eastway (residential). A loan payment of £3.9m was also paid to LCC in August 2018 in relation to Cottam Hall Phase 3 (Morris Homes) going unconditional. There is a further grant payment to be made in January 2019 of c£590k related to Cottam Hall Phase 2 (Story Homes).

6.0 Risks

6.1 There are two large sites in Homes England's ownership (Pickering's Farm and Whittingham Hospital) where unforeseen challenges have presented themselves due to a complicated mix of land ownerships and detailed technical matters. Very good progress is now being made. Comprehensive masterplans have been prepared for both sites and have been subject to consultation in preparation of planning applications which are due to be submitted in spring 2019.

7.0 Summary of Delivery

7.1 Overall, across the portfolio, good progress is being made.

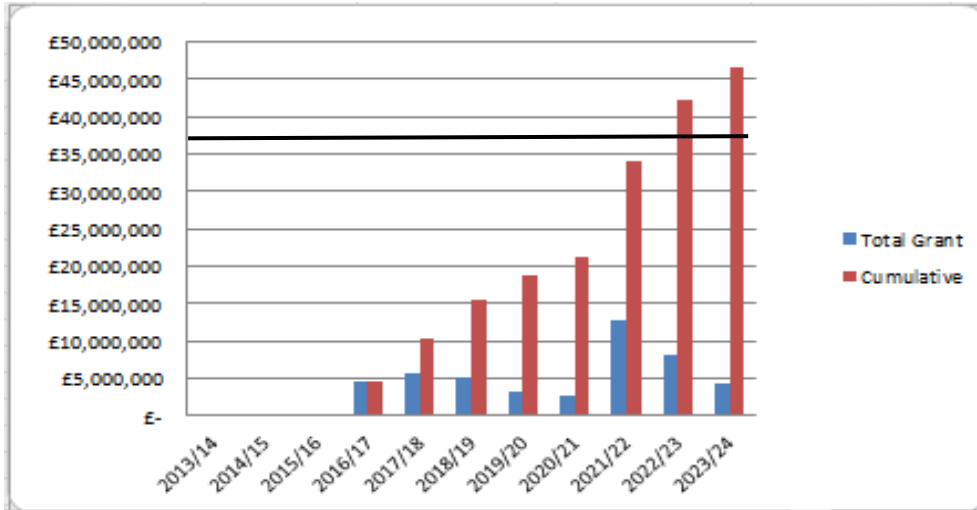
7.2 During Q2 delivery successes included:

- Altcar Lane – Lovell's Reserved Matters application was approved in Sept 2018
- Cottam Hall Phase 3 – Morris Homes deal went unconditional in July 2018
- Cottam Hall Phase 4 – Site marketing completed with preferred bidder selected summer 2018
- Whittingham – Masterplan consultation carried out over the summer 2018
- Croston Road North – Detailed soft marketing testing carried out throughout the summer 2018
- Pickering's Farm – Preparation / 1st stage consultation carried out on masterplan over the summer 2018
- Cottam Brickworks – Recommended discussions with land owners representatives in regards to site access agreement which is to be prepared

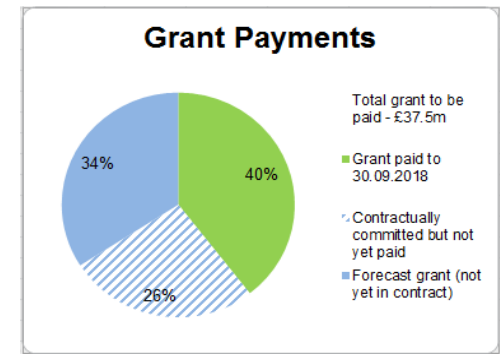
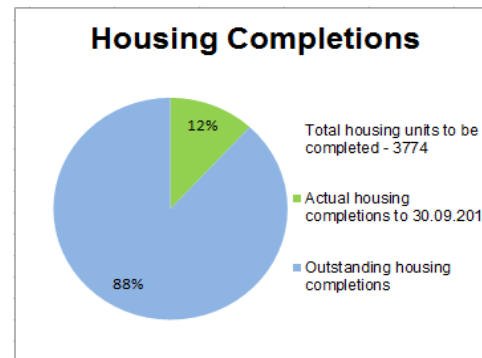
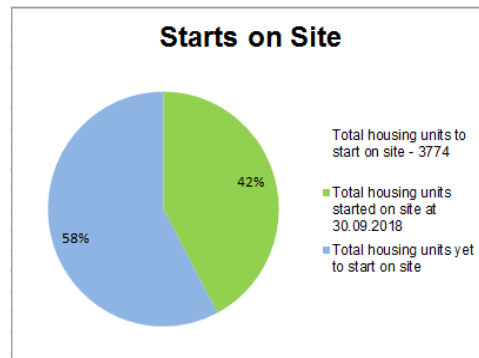
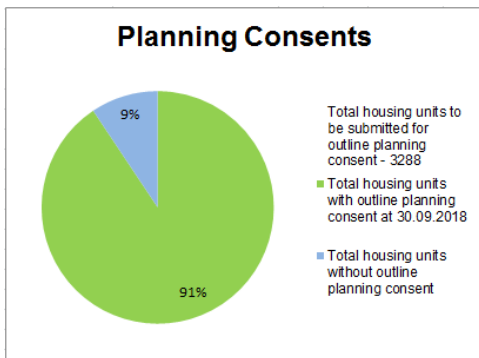
7.3 Housing activity should continue to increase over the course of the coming 6-12 months with a start on site expected at Altcar Lane and Cottam Hall Phase 3 and outline planning applications submitted for Whittingham and Pickering's Farm.



APPENDIX 1 – DASHBOARD



	Quarter 1 (April – June 18)	Quarter 2 (July – Sept 18)	In Year Actual	BDP Forecast for Year
Grant	£2,488,050	£2,000,000	£4,488,050	£5,079,785
Loan	£0	£3,900,000	£3,900,000	£3,950,000
Housing Completions	44	35	79	139



Of the Homes England residential City Deal sites, only Pickerings Farm is yet to achieve planning, however an amended planning consent for remaining Whittingham phases is required.

Housing starts have been claimed for 1338 units on Homes England City Deal sites to date. There were no new starts on site during this reporting period. Starts are claimed in full upon commencement of the site.

There have been 446 housing completions to date on Homes England City Deal sites. There were 35 housing completions during this reporting period.

To date, almost £15m has been paid to LCC as grant, with a further £12.7m contractually committed to be paid upon receipt of annual payments on completed disposals.

Agenda Item 11

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

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Agenda Item 13

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