

Report to the: Leader of the County Council, the Cabinet Member for Economic Development, Environment and Planning, and the Cabinet Member for Highways and Transport
Report Submitted by: The Director of Economic Development
Date: 12th February 2013

Part I - Item No.

Electoral Divisions affected:
Preston City and Preston
Central South

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Executive Summary

County Council officers, working with Preston City Council, have developed a proposition to deliver a high quality public realm scheme in Preston City Centre. The project is focussed on a re-configuration of key routes and gateways to enhance the attractiveness of the City Centre as a viable business location and act as a catalyst for new private sector investment.

Subject to contract, the County Council has secured European Regional Development Funds (ERDF) to deliver this first phase of a wider programme of gateway development work to improve connectivity between the City's principal public transport hubs, the city centre core, the Central Business District and University Campus.

The project will be delivered in phases, with Phase 1 commencing late Spring 2013, and final completion of Phase 3 in Summer 2014.

The scheme design will be informed by stakeholder and public information events during Spring 2013.

A total allocation of £1.6m from the Economic Development Capital Programme is requested to match fund the ERDF project, to deliver associated works and to enable progress to be made on delivery of future phases.

This is deemed to be a Key Decision. Standing Order 26 has been complied with.

Recommendations

That the Leader of the County Council, the Cabinet Member for Economic Development, Environment and Planning, and the Cabinet Member for Highways and Transport:

- (i) Approve the objective, scope and timescales of the Fishergate Central Gateway project;
- (ii) Note that, subject to contract, European Regional Development Funds have been secured to deliver the transformational scheme.
- (iii) Approve expenditure of up to £1.6m from the approved Economic Development Capital Programme towards the project;
- (iv) Approve that the Cabinet Member for Highways and Transport is the "Project Champion" supported by the Director of Lancashire Highway Services and the Director of Economic Development; and
- (v) Approve that the County Secretary and Solicitor, in consultation with the Director of Economic Development, and the County Treasurer be authorised to conclude contract negotiations with Department of Communities and Local Government.

1. Background and Advice

- 1.1 Preston City Centre has lacked investment of a significant scale over a number of years. The City Centre has not seen the same level of private sector investment and development as has been experienced by comparable cities.
- 1.2 In addition to this private sector under investment, the "public realm", streetscape and physical environment at key City Centre gateways is poor, particularly at the railway station.
- 1.3 It is apparent that the functions of towns and cities are changing, whether as commercial centres, and/or as places to exchange goods and services and enjoying leisure. Internet shopping, social networking, agile working and out of town shopping centres are all impacting on the viability of towns and city centres. People no longer "need" to come to urban centres, they have to "want" to come.
- 1.4 Creating places that people want to visit, pass time in, and spend money in is vital. As well as towns and cities providing access to the right balance of leisure, shopping and cultural facilities and attractions it is also important that the physical environment is welcoming, distinctive and interesting.
- 1.5 In April 2012, Preston Vision launched the Preston Investment Prospectus that set out a vision to attract investment into the City, and highlighted development opportunities in the City Centre.
- 1.6 One project identified within the Prospectus is the Fishergate Central project, which seeks to integrate two key corridors, Fishergate and Corporation Street. Fishergate is the central spine in Preston City Centre, linking the railway

station to the City Centre core. Corporation Street is a key pedestrian and vehicular route to the UCLan Campus and the Central Business District (CBD). Appendix A shows the project boundary.

- 1.7 The close proximity of Fishergate and Corporation Street to Ringway has, over many years, served to make both corridors heavily vehicular dominated, highly regulated routes with constrained provision for pedestrians.
- 1.8 The Fishergate Central Gateway area is anchored by Preston Railway Station. The physical environment at the Butler Street and Fishergate entrance is poor and the Station is an underwhelming arrival entry for anyone arriving in Preston and Lancashire. Facilities for bus passengers at this location are also in need of upgrading.
- 1.9 The sustainable economic growth of Preston City Centre will only be achieved by investment by the private sector in viable, market led development opportunities. Work is ongoing to encourage such investment into Preston and other key locations in the County.
- 1.10 The public sector can itself invest resources in creating the right conditions to promote and stimulate private sector investment.

2. Fishergate Central Gateway Proposal

- 2.1 Officers have assessed the viability of a scheme that both enhances the physical appearance of the Fishergate Central Gateway area and introduces "shared space" between pedestrians and changes some traffic routes, which can be accommodated, on the wider highway network.
- 2.2 Shared space is an urban design approach which seeks to minimise demarcations between vehicle traffic and pedestrians, often by removing features such as kerbs, road surface markings, traffic signs, and regulations.
- 2.3 Urban design and highway management principles have been established, a project area defined and costs estimated.
- 2.4 In summary the project will:
 - Transform the Gateway through installation of high quality public realm features including new paving;
 - Support enhanced movement, especially by pedestrians and public transport, to and from key strategic economic and employment sites in and around Preston;
 - Improve the pedestrian experience by widening of footways, removal of some traffic signals, and the creation of "shared space";
 - Improve connectivity between the railway station, CBD and UCLan;
 - Improve pedestrian desire lines through removal of redundant signs and guard-railing which restrict pedestrian movement;
 - Improve the public transport passenger experience through the installation of high quality contemporary design bus shelters; and

- create links back into established green areas of the city centre such as Winckley Square and Avenham Park.

3. Project Costs

- 3.1 In Autumn 2012 officers made an application for European Regional Development Funds to kick-start this project. Approval has now been granted, subject to contract, for a total ERDF project cost of £2.9m with £1.385m of ERDF resources secured. Match funding of £0.453m will be provided by existing Environment Directorate budgets and £1.071m from the Economic Development Capital Programme.
- 3.2 In addition to the direct ERDF project, additional works will be carried out during the lifetime of the project. Certain works have been classed as ineligible for ERDF funding, including some resurfacing works, public realm on private land and improvements immediately outside of the bid area. The estimated cost of these works is estimated to be £0.528m which will be met from the Economic Development Capital Programme allocation. Officers are working with private landowners and other stakeholders to ensure the County Council's resources are used effectively and appropriately.

4. Timescales and Delivery

- 4.1 The project will be delivered in 3 phases starting in Spring 2013 and completing in Summer 2014. These timescales are driven by the external deadlines of the ERDF resources.
- Scheme Concept Information sessions– complete mid March 2013
 - Phase 1 - Ringway Junction joining Corporation St. (Spring - late Summer 2013)
 - Phase 2 - Fishergate - (Lune Street to Mount Street) (late Summer - Winter 2013)
 - Phase 3 - Fishergate - (Mount Street to Pitt St incl. Corporation St (Winter - Summer 2014)
- 4.2 Within Phases 2 and 3 the exact extents are approximate at this stage as works will need to be suspended over the Christmas period to ensure a disruption free environment.
- 4.3 The scheme will be project managed by the Environment Directorate, assisted by the Economic Development Service, supported by a multi-disciplinary team from the two Councils and advised by expert consultants.
- 4.4 Once the scheme design and materials are finalised both Councils will develop and implement an appropriate Management and Maintenance Plan.

5. Governance and Stakeholder Involvement

- 5.1 Project development has been overseen, to date, by a Steering Group comprising Directors from both County Council and City Council. This Steering Group will continue to guide the project through its delivery stages.

- 5.2 A number of "concept information" sessions are scheduled to take place over the coming weeks with a range of stakeholders, users and other interest groups. The purpose of these sessions is to outline the principles of the scheme and to seek responses to the proposal.
- 5.3 A proposal, having regard to the comments received, will inform the detailed design which will be made public during March 2013.
- 5.4 Schemes of this nature are complex and it is recommended that the Cabinet Member for Highways and Transport is the "Project Champion" supported by the Director of Lancashire Highway Services and the Director of Economic Development.
- 5.5 Preston City Council Deputy Leader and Cabinet Member for Planning and Regulation will be the City Council's "Project Champion".

6. Future Phases

- 6.1 The phases of the Fishergate Central Gateway project aim to significantly improve the physical environs of the section of Fishergate from Lune Street to the Railway Station, and Corporation St to the Ringway junction. These phases are the first delivery stages of a longer term aspiration to realise further public realm / highway improvements adjacent to the UCLan campus, at the Railway Station, and on the remainder of Fishergate and Church Street.
- 6.2 Work is ongoing with relevant stakeholders including UCLan, Virgin and Network Rail to consider delivery options and funding opportunities to secure these improvements. Further reports will be brought forward to the relevant Cabinet Member as proposals are further defined and costed.

7. Consultation:

- 7.1 Delivery timescales of the project are being determined by external funding conditions, with a detailed design required to be produced by mid March 2013. A number of sessions with stakeholders and interest groups are planned over the coming weeks to inform this detailed design.

8. Implications:

- 8.1 This item has the following implications, as indicated:

8.2 Risk management

A detailed risk assessment has been undertaken as part of the ERDF funding application. There are two key risks associated with this project. Firstly the risk of not completing the project within the timescales set by the external funders. This risk will be managed through dedicated project management incorporating rigorous investigation, planning and monitoring within each element of the project programme. The second risk is one of claw back from the external funders. This risk will be managed through ongoing close

dialogue with the funding body and compliance with the ERDF contract and conditions.

8.3 **Financial**

The financial implications of the proposals outlined above are as follows:

	<u>£m</u>
<u>Total Cost</u>	<u>3.438</u>
<u>Funding Breakdown</u>	
- <u>ERDF</u>	<u>1.385</u>
- <u>LCC Environment Directorate</u>	<u>0.453</u>
- <u>LCC Economic Development Capital Programme</u>	<u>1.600</u>
<u>Funding Total</u>	<u>3.438</u>

Spending of the ERDF resources must be carried out in accordance with Department of Communities and Local Government, DCLG, European Regional Development Fund 2007- 13 programme guidance. Compliance with these conditions will be monitored by the newly created Grants Team within the County Treasurer's Directorate.

The contributions proposed from the County Council's capital programme represent the commitment of resources within the existing approved programme and do not result in any increase in the capital programme or any impact on financing costs.

Significant improvements in the public realm in an area such as central Preston could in the short to medium term reduce pressures on maintenance budgets in this locality. However, there is a risk that maintenance demands might increase in the medium term in order to maintain the higher standards of environment delivered by this scheme.

8.4 **Legal**

The County Council will enter into a conditional contract with DCLG. The County Solicitor is advising on this contract that will be finalised by the end of February. The conditions are limited, such that DCLG have already approved the commencement of spend. Internal legal advice will also be sought through the lifetime of the project on a range of issues, particularly state aid, Network Rail consents, permissions and licenses.

8.5 **Equality and Diversity**

As part of the concept informing sessions it is anticipated we will engage with a number of groups including partially sighted and mobility impaired groups. In developing and designing the scheme regard will be taken of the views of these vulnerable road users and the challenges that they may face with the changing street scene.

8.6 Procurement

Procurement for the project will take place in accordance with the Lancashire County Council Procurement Policy and Strategy and ERDF national procurement requirements. The 'Restricted Procedure' will be used for this project.

8.7 Traffic Management

One of the aspirations of the project is to improve the pedestrian experience and introduce a shared space environment with the removal of unnecessary street furniture. Part of this approach looks to explore the reduction in the volume of vehicular traffic using Fishergate and assesses the impact this may have on other parts of the network in the city centre. The scheme proposes to restrict certain traffic movements which would be subject to statutory consultation.

9. List of Background Papers

Paper	Date	Contact/Directorate/Tel
Preston City Centre Investment Prospectus	April 2012	Beckie Joyce – Office of Chief Executive- (01772) 536617

Reason for inclusion in Part II, if appropriate

N/A.