

**Cabinet - 8 July 2013**

**Report of the Chief Executive**

|                                     |
|-------------------------------------|
| Electoral Division affected:<br>All |
|-------------------------------------|

**Preston and Lancashire City Deal**

(Annexes 1 – 3 refer)

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**Executive Summary**

The proposed City Deal represents a once in a lifetime opportunity to transform the long-term growth prospects of Preston and South Ribble and create lasting benefit for Lancashire as a whole. The City Deal will lead to the creation of over 20,000 new jobs, 15,000 new homes, and the generation of new economic activity valued at £1 billion over the next 10-years. It will also drive the delivery and maximise the economic impact of the Lancashire Enterprise Zone.

The City Deal will establish a £450 million Infrastructure Delivery Programme and Investment Fund. The Infrastructure Delivery Programme, at almost £350 million, will accelerate the delivery of critical infrastructure by at least 7 years and includes four major highway schemes, a new M55 junction, along with advanced preparations in support of a new bridge across the River Ribble. These key measures will be complemented by significant investment in the local community infrastructure required to sustain such an ambitious development programme. The Investment Fund consists of a £100 million local allocation from the Lancashire Pension Fund, which will be co-invested on a commercial basis in employment development and housing schemes in the City Deal area.

As part of the City Deal, Government and the 3 Councils will establish a new Stewardship Board to ensure the receipts generated by land assets held by the Homes and Communities Agency (HCA) are re-invested in agreed infrastructure priorities. Government will also offer an 8-year Local Major Transport Fund allocation to provide the certainty required to deliver key transport schemes.

Government officials are now charged with finalising our City Deal, with the Preston and Lancashire City Deal likely to be the first Wave 2 City Deal to be agreed. Indeed, subject to the approval of the County Council, Preston City Council and South Ribble Borough Council, Government is aiming to agree the Preston and Lancashire City Deal before Parliament breaks for the summer recess on 18 July.

To this end, this report sets out the key principles, core elements and governance arrangements underpinning the proposed City Deal with Government, as well as the

key milestone of the Development and Implementation Plan (DIP), which will guide the early progress of the Deal.

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

### **Recommendations**

Cabinet is asked to:

- (i) Endorse the key elements of the City Deal Infrastructure Delivery Programme and Investment Fund, as set out in section 2 of this report;
- (ii) Agree the County Council's level of financial commitment to the City Deal Infrastructure Delivery Programme, as set out in section 2 and Annex 1 of this report;
- (iii) Endorse the key actions identified in the City Deal Delivery and Implementation Plan, as set out in Annex 2 of this report;
- (iv) Endorse the role of the Lancashire Enterprise Partnership and City Deal Stewardship Boards in forming the overarching governance framework of the City Deal, as set out in section 2 and Annex 3 of this report; and
- (v) Authorise the Chief Executive and County Treasurer, in consultation with the Leader of the County Council, to finalise the City Deal agreement with Government and supporting agreements with Preston City Council and South Ribble Borough Council.

## **1. Background and Advice**

### *Progress So Far*

- 1.1 The City Deal represents a once in a lifetime opportunity to secure levels of new economic and housing growth the three City Deal authorities have sought to deliver for decades. The intensive efforts of the authorities have convinced Government that our City Deal will be the first of the Wave Two Deals to be agreed.
- 1.2 Members may recall, in October 2012, Government invited 20 city areas in England to submit Expressions of Interest (EOI) to secure Wave Two City Deal status. Preston was one of the 20 city areas invited to participate in the process.
- 1.3 In January 2013, the County Council, Preston City Council and South Ribble Borough Council submitted the Preston and Lancashire City Deal EOI to Government, following unanimous agreement by all three Council Cabinets at their respective meetings in early January.
- 1.4 In February, the Deputy Prime Minister announced that all 20 city areas would be invited to enter detailed discussions and negotiations with Government around their individual City Deal proposals.

- 1.5 Each City Deal area was allocated a lead officer from the Cabinet Office's Cities Policy Unit to advise and guide discussions and negotiations between city areas and individual Government departments.
- 1.6 Since this time, officers across the three authorities have worked intensively to define and develop the Preston and Lancashire City Deal offer and ask of Government, based on the original EOI submission. This has required a collaborative and inclusive approach both amongst local partners and with Whitehall, specifically Cabinet Office, HM Treasury (HMT), Department for Communities and Local Government (DCLG), Department for Transport (DfT), and Department for Business Innovation and Skills (BIS).
- 1.7 The significant level of momentum achieved to date is a direct result of the compelling, yet easy to understand rationale of our City Deal offer which can deliver a scale of economic and housing growth that would be otherwise unachievable.
- 1.8 As part of the detailed discussions and negotiations with Government, and to signal their commitment to the City Deal, the Leaders and Chief Executives of the three authorities have jointly represented City Deal partners in face-to-face sessions with Ministers, including the Ad Hoc Ministerial Committee of Cabinet which took place in London on 5 June.
- 1.9 The Lancashire Enterprise Partnership (LEP) is fully supportive of the City Deal proposal, and has formally affirmed its unanimous support for the proposal on three occasions. The LEP Chair was also present at the Ministerial meetings alongside the Leaders of the three City Deal authorities.
- 1.10 In recognition of the wider economic benefits this proposal represents for Lancashire, the Leaders of Blackburn with Darwen Council and Blackpool Council have also indicated their full support for the City Deal proposal.

## **2. Preston and Lancashire City Deal**

- 2.1 The Preston and Lancashire City Deal has the potential to create over 20,000 new jobs, 15,000 new homes, and generate new economic activity valued at £1 billion, over the next 10-years.

### *Infrastructure Delivery Programme and Investment Fund*

- 2.2 To ensure this scale of economic growth and private sector-led development can be delivered, City Deal partners will work with Government to establish an Infrastructure Delivery Programme and Investment Fund.
- 2.3 Worth almost £450m, the City Deal Infrastructure Delivery Programme and Investment Fund will act as a catalyst for economic development and housing sites in the City Deal area, with the DfT, Homes and Communities Agency (HCA) and Lancashire Pension Fund investments key elements of the Fund. The City Deal Infrastructure Delivery Programme, at almost £350m, will accelerate the delivery of critical infrastructure by at least 7-years, ensuring the

delivery of the Central Lancashire Transport Masterplan, which, in turn, enables the full development of significant housing and commercial development schemes as set out in the adopted Central Lancashire Core Strategy. This includes four major highway schemes, namely the Preston Western Distributor, South Ribble Western Distributor, Broughton Bypass and Penwortham Bypass, and the necessary local community infrastructure such as education and health facilities, open spaces and town and district centre improvements all of which will be required to support the scale of such ambitious development.

- 2.4 The respective financial commitments of the three City Deal authorities, Government and private developers are set out in detail in the tables and charts at Annex 1.
- 2.5 Given the importance of the funding generated by New Homes Bonus, as a function of the growth secured by the Infrastructure Delivery Programme, the City Deal agreement will require Government to replace this funding source with an alternative should this national financial instrument be abolished or its central purpose changed.
- 2.6 In addition, the City Deal Investment Fund, which consists of a £100m local allocation from the Lancashire Pension Fund, will be co-invested on a commercial basis in housing and development schemes in the City Deal area. The £100m allocation is a new venture by the Lancashire Pension Fund.

#### *City Deal Asks from Government*

- 2.7 The City Deal proposal focuses on three key asks from Government: the establishment of a City Deal Stewardship Board; an 8-year Local Major Transport Allocation; and a new junction on the M55.

#### *City Deal Stewardship Board*

- 2.8 The HCA has established stewardship arrangements in a number of its Operating Areas and cities. Given the cluster of the HCA's assets in the City Deal area, there is a strong case for similar arrangements in the City Deal area.
- 2.9 The Stewardship Board would have responsibility for guiding the disposal of HCA assets in the City Deal area and would set priorities and ensure alignment with wider City Deal economic and housing growth objectives.
- 2.10 The Stewardship Board would be chaired by the HCA's Executive Director for the North West and would also include the three City Deal local authority Chief Executives and is a key requirement to ensuring the retention of HCA/DCLG receipts within the City Deal area. The County Council will provide the secretariat function to the Stewardship Board.
- 2.11 City Deal partners would work with Government to ensure these arrangements are in place by the time of the next Comprehensive Spending Review, with effect from 2015/16.

### *8-year Local Major Transport Allocation*

- 2.12 DfT has already announced a four-year indicative allocation for its Local Major Transport resources for Lancashire. Building on this allocation of resources, the City Deal proposal requests that an 8-year allocation is agreed.
- 2.13 Transport for Lancashire (TfL), chaired by the Leader of the County Council and on which DfT has observer status, will oversee the allocation of these resources on deliverable schemes which generate maximum economic benefit to the sub-region.
- 2.14 At its first meeting on 30 May, TfL confirmed its support for an 8-year Local Major Transport Allocation, as part of the City Deal proposal, and for the four highway schemes included in the proposal.
- 2.15 City Deal partners also agree that any offer of an allocation should be subject to TfL fully discharging its responsibilities with regard to independent scheme analysis, and agreeing a priority schemes schedule within an over-arching assurance framework.
- 2.16 At the scheduled 1 July meeting of TfL, the Board is expected to approve the Prioritisation of the Infrastructure Schemes, a key Ask of Government.

### *New Junction on the M55 (near Bartle)*

- 2.17 A critical City Deal infrastructure element is the provision of a Junction on the M55, near Bartle, which the Highways Agency (HA) has always anticipated may be required should economic growth proposals materialise.
- 2.18 City Deal partners have engaged the HA and agreement in principle has been reached, subject to the processes which govern delivery of major scheme enhancements to the trunk road network. It is agreed that now is the time to advance this proposal to unlock the development potential of the CD area.
- 2.19 The City Deal proposal therefore asks DfT to recognise the importance of the proposed new junction on the M55 in supporting growth and to support a collaborative approach to its delivery.

### *Delivery and Implementation Plan*

- 2.20 Following the extremely positive reaction received from the Ad Hoc Ministerial Committee of Cabinet and Government's ambition to finalise the Preston and Lancashire City Deal before the Parliamentary recess in July, Cabinet Office has asked City Deal partners to produce a Delivery and Implementation Plan (DIP).
- 2.21 This next phase of the City Deal process recognises that negotiations may continue on some issues, albeit within the 'spirit' of what has been agreed to date between City Deal partners and Government.

- 2.22 The DIP will be a key document for demonstrating early success and momentum, as well as key issues, and will be used as the basis for monthly updates to the Deputy Prime Minister, the Minister for Cities and Sir Bob Kerslake, as Head of the Civil Service.
- 2.23 The DIP is intended to be a relatively short-term document in lifespan, 6 to 9 months, and will provide the operational framework to ensure City Deal delivery commences in April 2014. On this basis, it is viewed by Government as a simple and clear contractual document and will include all actions which Government and City Deal partners have negotiated upon and committed to delivering, including the financial contributions of Government Departments and City Deal partners. Key actions and milestones from the DIP are set out in Table 2, which is attached at Annex 2.

#### *Governance Arrangements*

- 2.24 Established in April 2011, the LEP is the partnership vehicle of choice to secure the private sector leadership and leverage needed to deliver strategic economic change in Lancashire. It is within this context that partners have agreed the LEP should be responsible for the governance and delivery of the City Deal.
- 2.25 The County Council, Preston City Council and South Ribble Borough Council have expressed no hesitation in working together or in agreeing the LEP should provide the governance structure for the City Deal. Indeed, the settled and unanimous support of all councils involved in the delivery of the City Deal, as well as the support of all others across the sub-region, helps to demonstrate the initiative can deliver major benefits for the whole of Lancashire.
- 2.26 The proposed governance structure is set out at Annex 3. Only the City Deal Executive and Stewardship Board elements of the proposed arrangements are yet to be fully established and these will be finalised over the summer, subject to concluding City Deal negotiations with the HCA. The roles and responsibilities of the existing Joint Advisory Committee, with regard to City Deal, will also be reviewed and defined over the summer period.
- 2.27 The City Deal Executive will take all key decisions, but will be accountable to the main LEP Board. It will be chaired by the Chair of the LEP, with support from the LEP's Vice-Chair and the private sector Board Champion for Strategic Development. The Leaders of the County Council, Preston City Council and South Ribble Borough Council will also be represented on the Executive. The Chief Executive of the County Council will be the secretary to the group.
- 2.28 The Stewardship Board will be accountable to the LEP, via the Executive. However, these Board arrangements can only be finalised once City Deal negotiations are completed with the HCA, which has its own governance and financial accountability requirements to satisfy. However, on-going discussions with senior HCA representatives regarding the City Deal model have been highly positive and helped to shape this key ask of Government.

- 2.29 It is envisaged that the HCA's Executive Director for the North West will chair the Stewardship Board, with the rest of Board comprising the Chief Executives of the three City Deal local authorities alongside the LEP's Board Champion for Strategic Development.
- 2.30 The City Deal governance structure demonstrates robust arrangements are in place, with an agreed balance between private sector leadership and local authority accountability. These governance arrangements will enable key City Deal decisions on economic development, strategic transport, planning and investment to be taken by the right decision-makers.
- 2.31 In the Lancashire context, there is both a strategic and pragmatic sense in locating the governance arrangements of the City Deal within those of the LEP. By adopting this approach, the City Deal will have accountable and binding governance arrangements, which are strengthened by the full commitment of key partners in Lancashire, including the three upper tier/unitary authorities of the County Council, Blackpool and Blackburn with Darwen.

### **3. Way Forward**

- 3.1 City Deal partners will continue to work with Government to conclude City Deal negotiations in advance of the summer Parliamentary recess and in developing the DIP, both of which will remain consistent with the original EOI submitted to Government in January.
- 3.2 It is recognised by both Government and City Deal partners that the City Deal offers a real opportunity for national and local partners, with a clear understanding of the relationship between economic growth and critical infrastructure, to work together within robust, binding and innovative new governance arrangements.
- 3.3 Importantly, it provides a once in a lifetime opportunity to deliver local economic growth of national significance whilst also providing the private sector with the confidence that the public sector is fully and financially committed to a long-term investment strategy.
- 3.4 The leadership and commitment demonstrated by the three City Deal authorities and the LEP Board also positions Lancashire, nationally, as a place that can create the conditions for growth on the ground.
- 3.5 The area's hard fought reputation as a leading location for advancing economic change will be highly valuable as the LEP starts to work with Government to agree a Growth Deal for Lancashire, as part of the new Single Local Growth Fund, as the City Deal approach is the template for future joint planning with Government on key economic, transport and housing priorities.

### **Consultations**

N/A

## **Implications:**

This item has the following implications, as indicated.

## **Financial**

The Deal as constructed requires a range of financial inputs from the County Council into the City Deal Infrastructure Fund:

- A commitment of £39.4m, £15m of which falls within the next four year financial strategy, from within the Transport Capital Programme over 10 years, including the provision already made for the replacement of Preston Bus Station. This represents a call of c. 10% of the annual allocation of Transport Capital Grant, which is regarded as manageable and work will be undertaken to attract external funding such as that from the ERDF secured for the Fishergate scheme which will reduce the call on the Council's own resources from this source.
- The allocation of a capital receipt of £0.8m in 2014/15 into the Fund which is only realisable because of the development being undertaken as part of the City Deal.
- The allocation of the County Council's share of New Homes Bonus over and above that currently forecast which will result from the development of housing as a result of the City Deal. This amounts to £12.9m over the 10 years, of which £0.5m falls within the next four year financial strategy period.
- The costs of the staff time, largely from the Economic Development Service involved in managing the overall programme of work, amounting to £6.6m over 10 years, of which £2.6m falls within the next four year financial strategy period. These costs are met from existing revenue budgets. Given the overall pressure on the County Council's revenue budget this figure is likely to vary should more efficient and lower cost ways of delivering the same impact be found as the medium term financial strategy evolves.
- The costs of financing the cash flow within the overall deal. There is a significant mismatch between the rate of spending required to deliver the transport infrastructure and the resources from various sources flowing into the City Deal Infrastructure Fund. At peak in 2018/19 and 2019/20 this difference amounts to around £100m. The County Council is proposing to commit to underwriting this cash flow effect by temporarily running down its investment balances (£566m at the end of the last financial year). The impact of this is that the County Council is estimated to receive £10.3m less in interest receipts over the 10 years of the City Deal than would otherwise have been the case, of which £2.4m falls within the next four year financial strategy. The County Treasurer will factor this into the Medium Term Financial Strategy. The only alternative to this would be to undertake some form of borrowing to support this cash flow but given the inherent uncertainties around the cash flow within the City Deal this is the most cost effective approach. None of the other participants in the Deal has the financial scale or strength to undertake this role. However, it does mean that the County Council is shouldering the lion's share of the financial risk within the overall City Deal.



The provision of support for the cash flow within the City Deal will require changes to be made to the following elements of the County Council's Policy and Budget Framework when they are next reviewed.

- The Minimum Revenue Position Policy Statement – Currently this would require the Council to set aside resources for the repayment of debt in relation to assets constructed as part of the City Deal as they would be being financed by internal borrowing, albeit in the short term. Whether to make such provision is ultimately a decision for the Council to make and set out within its MRP Policy Statement. Subject to further discussion with the External Auditor as to the detail of any change it would be proposed to revise the current policy to exempt assets constructed as part of the City Deal from MRP as they are being financed only until the relevant other income streams become available. This position will need to be reviewed each year as the City Deal progresses in light of whether resources flow into the City Deal as currently planned. This is one aspect of the timing risk referred to below.
- The Treasury Management Strategy currently states that the Council will aim as closely as possible allowing for day to day cash fluctuations to hold those elements of its balance sheet which reflect cash as investments. This position will need to be revised to reflect the running down of investment balances on a temporary basis to support the City Deal. This is a local policy position and internal borrowing of the sort described is a position adopted by many local authorities.

Both these elements of the Policy and Budget Framework are subject to annual approval by Full Council in February each year and these changes will be reflected in the next annual updates.

The County Council's direct financial input into delivering the City Deal does commit a range of resources well beyond the current financial planning horizon at a time when local government finances are under significant pressure, and removes those resources from consideration in terms of dealing with the broader financial pressures facing the Council. However, by placing these resources within the City Deal framework the Council is assisting in securing a significant amount of central government resource for the City Deal area which would otherwise not have been available, while creating infrastructure which will ultimately increase the revenue base available to the Council. At the same time the Council will still have resources available within budgets such as the transport capital programme to address priority needs identified in other parts of the County.

The City Deal, as currently proposed, does not increase the long term indebtedness of the County Council while adding infrastructure assets worth around £300m at cost to the balance sheet.

## **Financial Risks**

In financial terms the City Deal is conceptually simple. A range of income streams generated for the various participating organisations through development are pooled in order to facilitate this development through the delivery of the transport infrastructure that makes the development possible.

While conceptually simple such an arrangement creates a range of specific financial risks for the County Council, which will in effect be the "managing agent" for the delivery of the whole City Deal, given that it will be the contracting party for the delivery of the transport infrastructure.

This "managing agent" status, and the fact that the County Council as the largest local participant needs to stand behind the cash flow profile of the deal means that the County Council is taking on significantly more financial risk exposure in ensuring the delivery of the City Deal than the other local participants. However, this risk exposure is not of a scale that is unmanageable given the overall strength of the County Council's balance sheet and its credit rating.

The key financial risk exposures relate to:

- Cost risk – this is the risk that the programme of works costs more or less than originally estimated. Steps have been taken to mitigate this risk through the inclusion of a significant "optimism bias" within the cost estimates produced. It is expected that this methodology together with the County Council's existing strong mechanisms for controlling the costs of projects of this sort will address both this risk and the impact of inflation on construction prices over the course of what is a 10 year programme.
- Timing risk – this manifests itself in two ways
  - Firstly, in the risk that the works programme runs ahead of or behind schedule, which will result in changes to the level of support for the cash flow within the City Deal which the County Council will need to provide. The build programme is regarded as ambitious, but realistic, and the risk is more to the side of the programme running behind schedule which would reduce the financial cost in terms of cash flow support to the County Council
  - Secondly, through development delay, which occurs where developers do not build out schemes in line with the overall agreed plan. This could impact on the receipt of the development related income by the various participants in the City Deal meaning that the County Council would have to provide a greater level of cash flow support than originally estimated. Steps are to be taken to enter into contractual agreements with developers which commit them to payment of certain sums by "long stop" dates regardless of whether they have built or not which will to some extent mitigate this risk.
- Financial System Risk – The deal is dependent upon a number of income streams which form part of the local government finance system, in particular New Homes Bonus and retained business rates. There is clearly a risk that a future government might make further changes to the local government finance system which either reduced or removed these income streams. This risk will be addressed within the deal through a provision for renegotiation with central government in such circumstances. A similar risk exists around the availability or not of Community Infrastructure Levy which is dependent upon

decisions within the planning system which, at the time of writing, have yet to be made.

The City Deal represents a once in many generations opportunity to provide significant impetus to economic growth both within the City Deal area and across the County, thus the potential rewards in terms of longer term increases in the sustainability of the local economy and for the Council directly in terms of increased tax base and the locally retained element of business rates are very significant, with the latter amounting to some £14.3m per annum by year 10 of the deal based on the current build profile.

There is therefore a balance of risk in terms of the risks identified above and the cash flow support being provided by the County Council with these rewards.

### **List of Background Papers**

| Paper | Date | Contact/Directorate/Tel |
|-------|------|-------------------------|
|-------|------|-------------------------|

|     |  |  |
|-----|--|--|
| N/A |  |  |
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| Reason for inclusion in Part II, if appropriate |
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| N/A |
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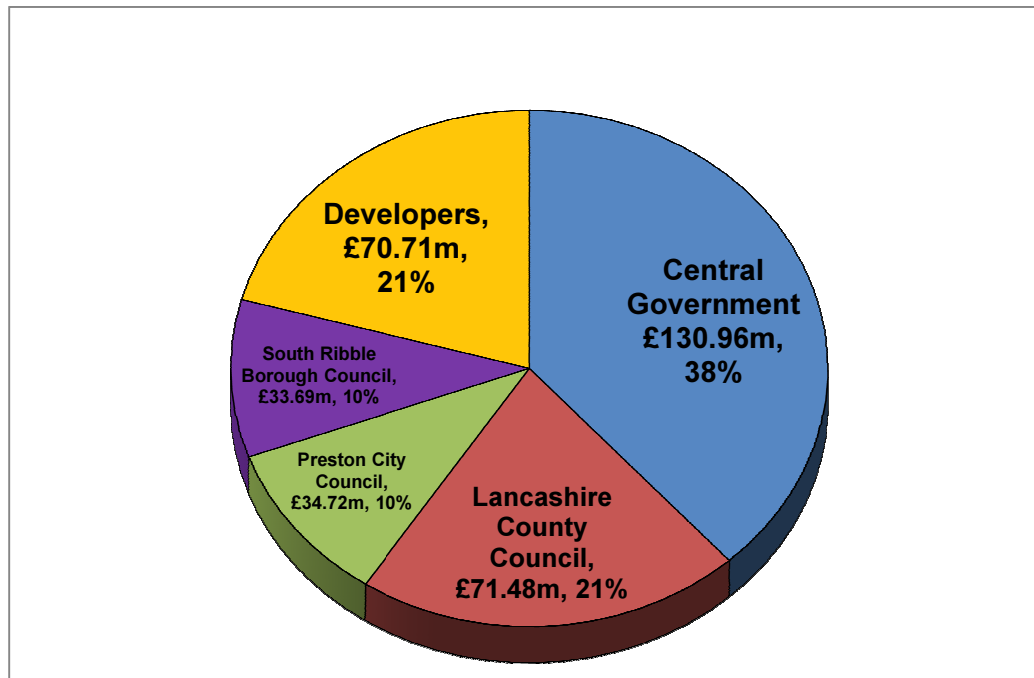
## ANNEX 1

**TABLE 1 – Infrastructure Delivery Programme – Funding Sources**  
**City Deal Infrastructure Delivery Programme – Funding Sources**

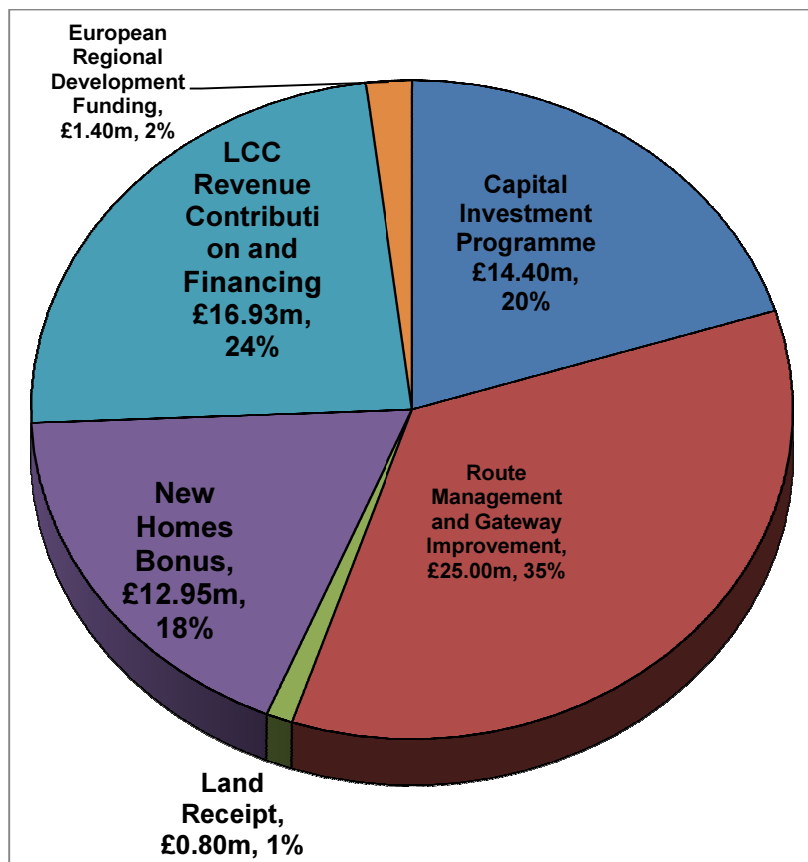
| Source                         | Contribution    |
|--------------------------------|-----------------|
| Central Government             | £130.96m        |
| Lancashire County Council      | £71.48m         |
| Preston City Council           | £34.72m         |
| South Ribble Borough Council   | £33.69m         |
| Developers                     | £70.71m         |
| <b>Total City Deal Funding</b> | <b>£341.56m</b> |

| Source  | Contribution    |
|---|-----------------|
| <b>Central Government</b>   |                 |
| <i>Homes and Communities Agency – Land Receipts</i>                                   | £50.76m         |
| <i>Homes and Communities Agency - Revenue Contribution</i>                            | £1.00m          |
| <i>Department for Transport – Local Major Allocation</i>                              | £72.00m         |
| <i>Highways Agency - Pinchpoint Funding for Broughton/ M55/ M6 Delivery Programme</i> | £7.20m          |
| <i>Total Central Government</i>   | <b>£130.96m</b> |
|   |                 |
| <b>Lancashire County Council</b>  |                 |
| <i>Capital Investment Programme</i>   | £14.40m         |
| <i>Route Management and Gateway Improvement</i>                                       | £25.00m         |
| <i>Land Receipt</i>   | £0.80m          |
| <i>New Homes Bonus</i>  | £12.95m         |
| <i>LCC Revenue Contribution and Financing</i>   | £16.93m         |
| <i>European Regional Development Funding</i>  | £1.40m          |
| <i>Total Lancashire County Council</i>  | <b>£71.48m</b>  |
|   |                 |
| <b>Preston City Council</b>   |                 |
| <i>Business Rate Retention at Strategic City Deal Locations</i>                       | £5.14m          |
| <i>New Homes Bonus</i>  | £28.05m         |
| <i>Revenue Contribution</i>   | £1.53m          |
| <i>Total Preston City Council</i>   | <b>£34.72m</b>  |
|   |                 |
| <b>South Ribble Borough Council</b>   |                 |
| <i>Business Rate Retention at Strategic City Deal Locations</i>                       | £4.35m          |
| <i>New Homes Bonus</i>  | £27.81m         |
| <i>Revenue Contribution</i>   | £1.53m          |
| <i>Total South Ribble Borough Council</i>   | <b>£33.69m</b>  |
|   |                 |
| <b>Developers</b>   |                 |
| <i>Community Infrastructure Levy and Associated Funding Structures</i>                | £41.1m          |
| <i>Other Developer Contributions</i>  | £29.60m         |
| <i>Total Developers</i>   | <b>£70.71m</b>  |
|   |                 |
| <b>Total City Deal Funding</b>  | <b>£341.56m</b> |

## Infrastructure Delivery Programme – Total Funding Breakdown



## Infrastructure Delivery Programme – LCC Funding Breakdown



## ANNEX 2

**TABLE 2 – CITY DEAL ACTIONS AND MILESTONES**

| <b>ACTION</b>  | <b>OWNER</b>                                 | <b>TIMELINE</b>       |
|--|--|-----------------------|
| <i>Transport for Lancashire Local Major Scheme priorities:</i><br><b>Approved</b>  | <i>TfL</i>                                   | <i>July 2013</i>      |
| <i>Preston City Deal Programme Board: First meeting held, Terms of Reference:</i><br><b>Agreed</b>                                   | <i>PCD Executive</i>                         | <i>August 2013</i>    |
| <i>Preston City Deal Stewardship Board First meeting held, Terms of Reference:</i><br><b>Agreed</b>                                  | <i>PCD Stewardship Board</i>                 | <i>September 2013</i> |
| <i>LEP Board's roles and responsibilities in relation to Preston City Deal:</i><br><b>Agreed</b>                                     | <i>PCD local partners / LEP</i>              | <i>September 2013</i> |
| <i>Modification of LEP Investment Panel to include member of Lancashire County Pension Fund Investment Team:</i><br><b>Completed</b> | <i>LEP</i>                                   | <i>October 2013</i>   |
| <i>Preston City Deal Executive First meeting held, Terms of Reference:</i><br><b>Agreed</b>  | <i>PCD Executive</i>                         | <i>October 2013</i>   |
| <i>JAC First formal Meeting re City Deal:</i><br><b>Held</b>   | <i>Joint Advisory Committee</i>              | <i>November 2013</i>  |
| <i>Preston City Deal Stewardship Board Agreement:</i><br><b>Signed</b>   | <i>PCD Stewardship Board</i>                 | <i>December 2013</i>  |
| <i>Section 151 Officer Preston City Deal Infrastructure Delivery Programme:</i><br><b>Approved</b>                                   | <i>LCC/SRBC/PCC</i>                          | <i>December 2013</i>  |
| <i>LCC / Developer Legal Agreement for Preston City Deal Value Capture Mechanism:</i><br><b>Certified</b>                            | <i>LCC / LPAs</i>                            | <i>December 2013</i>  |
| <i>3 Council Preston City Deal Legal Agreement to pool NHB / CIL / NNDR:</i><br><b>Agreed and Signed</b>                             | <i>LCC / PCC / SRBC</i>                      | <i>December 2013</i>  |
| <i>Final Route Definition:</i><br><b>Confirmed</b>   | <i>LCC</i>                                   | <i>February 2014</i>  |
| <i>2014-15 Preston City Deal Infrastructure Delivery Programme Plan:</i><br><b>Approved</b>  | <i>PCD Executive / PCD Stewardship Board</i> | <i>March 2014</i>     |
| <i>2014-15 Preston City Deal Business and Disposal Plan:</i><br><b>Approved</b>  | <i>PCD Executive / PCD Stewardship Board</i> | <i>March 2014</i>     |
| <i>2014-15 Preston City Deal Business and Disposal Plan:</i><br><b>Agreed and Recommended for Approval by National HCA Board</b>     | <i>PCD Stewardship Board</i>                 | <i>March 2014</i>     |
| <i>Preston City Deal Delivery Investment Fund:</i><br><b>Launched</b>  | <i>LEP / LCPF</i>                            | <i>June 2014</i>      |

## ANNEX 3

### GOVERNANCE ARRANGEMENTS

