



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

**Tuesday, 3rd March, 2020 in the Jordan Suite - The Exchange -  
County Hall, Preston, at 2.30 pm**

### **Agenda**

#### **Part I (Items Publicly Available)**

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

#### **Stewardship Board Item (Chaired by Danielle Gillespie)**

- 6. Homes England Quarterly Monitoring Progress Update Report Quarter 3 2019 /20** (Pages 13 - 22)

#### **Executive Committee and Stewardship Board Item (Chaired by Jim Carter)**

- 7. Preston Western Distributor - Update**  
*Phil Wilson, Lancashire Master Plan Delivery Manager, Planning and Environment, Lancashire County Council to present.*
- 8. Any Other Business**
- 9. Date of Next Meeting**  
The next Combined City Deal Executive and Stewardship Board meeting is scheduled for Tuesday 14 July 2020, at 2:30pm in the Albion Suite, The Exchange, 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)**

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

**11. City Deal Review (Pages 23 - 28)**

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

**12. Finance Monitoring Report - Quarter 3 (October - December 2019)  
(Pages 29 - 34)**

**13. Infrastructure Delivery Performance Monitoring Report - Quarter 3  
(October-December 2019) (Pages 35 - 44)**



## CITY DEAL

Preston, South Ribble & Lancashire

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

#### **Minutes of the Meeting held on Tuesday, 3rd December, 2019 at 2.30 pm at the Savoy Suite 1 - The Exchange - County Hall, Preston**

#### **Present**

Jim Carter (Chairman)

Councillor Matthew Brown

Councillor Paul Foster

County Councillor Geoff Driver CBE

Mark Rawstron

#### **In Attendance**

Danielle Gillespie, Director, Homes England

Nicola Elsworth, Head of Public Sector Land, Homes England

Adrian Phillips, Chief Executive, Preston City Council

Gary Hall, Interim Chief Executive, South Ribble Borough Council

Stephen Young, Executive Director of Growth, Environment and Planning, Lancashire County Council

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

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

Deborah Holroyd-Jones, Senior Development Manager, Homes England

Joanne Hudson, Project Manager, Lancashire County Council

Marcus Hudson, Planning Manager, Lancashire County Council

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council

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

Sarah Parry, City Deal Programme Manager, Lancashire County Council

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

The Chairman, Jim Carter, welcomed all to the meeting. Apologies for absence were presented from Angie Ridgwell (Chief Executive and Director of Resources, Lancashire County Council) with Stephen Young formally nominated as her representative.

#### **2. Minutes of the City Deal Executive meeting held on 14th October 2019**

**Resolved:** That the minutes of the City Deal Executive meeting held on 14<sup>th</sup> October 2019 be approved as an accurate record and duly signed by the Chairman.

**3. Minutes of the City Deal Stewardship Board meeting held on 14th October 2019**

**Resolved:** That the minutes of the City Deal Stewardship Board meeting held on 14<sup>th</sup> October 2019 be approved as an accurate record and duly signed by the Chairman.

**4. Matters Arising**

None

**5. Declarations of Interest**

Jim Carter's long standard declaration in relation to Eric Wright and work on the Cuerden Development site was noted and that there were no specific recommendations in relation to the Cuerden Development site on the agenda.

**6. Project Updates**

A presentation was delivered on four specific projects as set out below:

Guild Wheel Watery Lane – Russell Rees, Preston City Council  
Broughton Village – Shaun Capper, Lancashire County Council  
Penwortham Bypass – Alan Eastham, Lancashire County Council  
Preston Western Distributor – Phil Wilson, Lancashire County Council

Each presented highlighted the key achievements of each project and the key milestones and also lessons learned for those projects that had been completed or were nearing completion.

With regard to Penwortham Bypass it was noted that, at the time of the City Deal meeting, the Bypass had just opened the day before. Clarification was sought from City Deal Members that the initial traffic flow issues were being reviewed and adjustments would be made over the coming weeks as traffic patterns develop.

**Resolved:** The City Deal Executive and Stewardship Board thanked all officers for their presentations and noted the completion or progress made regarding each major scheme.

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

Joanne Hudson, Project Manager, Lancashire County Council, presented a report (circulated) which provided the City Deal Executive and Stewardship Board with Performance Monitoring information for the period – Year 6 – April to September 2019.

It was highlighted that in relation to housing outputs 5474 completions have been made to date with 483 housing units have completed during the six month reporting period against a target of 772.

There are a large number of consents on windfall sites. Sites in North West Preston continue to develop well along with the mid-range sites in South Ribble.

With regard Homes England sites there is positive progress on 11 sites with six currently under construction. 90 homes have been completed during this period against the annual forecast of 252. Approval has also been granted on the Whittingham site.

With regard to Commercial floor space reporting just short of 15,000 sq m has been completed in the six month period with just short of 6,000 sq m consented. The annual target is just over 38,000 sq m and it is expected it will fall slightly short of that.

In addition it was noted that 399 jobs have been created in the first six months of 2019/20 that are associated with City Deal commercial floorspace completions and that 130 businesses in Preston and South Ribble have been supported specifically through the BOOST project, and 15 associated jobs created.

Martin Hill, Employment and Skills Co-ordinator, Lancashire Skills Hub also provided an update on the Employment and Skills section provided for the six month period. It was noted that there was an upward trend in Apprenticeship starts in construction with year 6 going down from 279 (year 5) to 237 (year 6) which is being reviewed.

One of the biggest successes in promoting Science Technology Engineering and Maths (STEM) across the City Deal area was the "Bridge the Gap' challenge which was commissioned by the Lancashire Enterprise Partnership. The programme succeeded in engaging with 3,560 pupils at 23 schools across the City Deal.

In addition a Construction Skills Hub was created from funding from Lancashire County Developments Limited for three years to sustain deliver and development of activity in Central Lancashire.

City Deal Members sought clarification on the older generation and the possibility to adapt to the trends of unemployment rising in the older generation, it was agreed that officers will review this action.

**Resolved:** The City Deal Executive and Stewardship Board noted the overall performance of the Programme in the last six months from April – September 2019 and endorsed the monitoring return to Government as set out in the report.

## 8. City Deal Social Value Update

Martin Hill presented a report (circulated) regarding City Deal Social Value.

It was highlighted that the report focused on capturing Social Value information and the measures being used including the direct employment of construction workers in the supply chain under the Unite Construction Charter.

The report also highlighted whether recruitment is being targeted in the most deprived areas and the procurement process being used and how far it supports the localism agenda ensuing that contractors deliver on their Social Value commitments.

City Deal Members noted that the Moss Side housing site is now consented and that it will be useful to investigate what Social Value information can be gathered for this site and brought back to the March meeting of the Combined City Deal.

City Deal Members also discussed and provided feedback on core design principles.

In addition it was noted that once the wider scoping exercise has been completed, the recommendations from this exercise and any implications for the City Deal will be considered and reported back to a future City Deal meeting.

**Resolved:** The City Deal Executive noted the report and considered the logistical challenges of mapping, monitoring and the report of Social Value across the programme portfolio.

## 9. Any Other Business

None

## 10. Date of Next Meeting

It was noted that the next Combined City Deal Executive and Stewardship Board meeting has been scheduled for Tuesday 3<sup>rd</sup> March 2020, at 2:30pm in a room to be confirmed at County Hall, Preston.

In addition a provisional programme of meetings for the remainder of 2020/21 was noted as follows:

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

All meetings will be held at County Hall, Preston.

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

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

## **12. City Deal Review - Proposal for a Revised City Deal**

Phil Green, Director of Growth, Environment and Planning, Lancashire County Council tabled a private and confidential report (circulated) regarding a City Deal Review – Proposal for a Revised City Deal.

Following consideration a series of revised recommendations were approved as follows:

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

- (i) Noted the draft proposals for a revised City Deal outlined in the report, which comprised a new funding model, infrastructure delivery programme, housing and delivery target and governance for the City Deal.
- (ii) Authorised the Programme Board to prepare Heads of Terms in accordance with the proposals set out in the report, subject to clarification by the Chief Executives of the three local authorities.
- (iii) Requested that the three local authority partners seek their Council's agreement, by no later than 31<sup>st</sup> January 2020, to the additional housing numbers in order to ensure that the funding bid to Government's Small Sites Fund can progress in accordance with the requirements set out in this report; and
- (iv) Noted that LEP Board approval to the revised terms will be sought at the appropriate time.

## **13. Homes England - Small Sites Fund**

Sarah Parry, City Deal Programme Manager, Lancashire County Council tabled a private and confidential report (circulated) regarding the Homes England – Small Sites Fund.

Following consideration a series of revised recommendations were approved as follows:

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

- (i) Agreed to support the preparation of the SSF business case, in order for it to be considered by HMT and MHCLG, on the basis of the additional housing numbers offered by the district councils and the commitment to continue to work towards an agreed revised Heads of Terms.
- (ii) Agreed to delegation authority to the Council Chief Executives to agree final content of the business case ; and
- (iii) Requested that the LEP Board receive an update on the SSF proposal at its meeting in February in order to provide its support for the business case.

#### **14. City Deal Finance Report - Oct 2019**

Jo Ainsworth, Principal Accountant, Lancashire County Council, tabled a private and confidential report (circulated) regarding the City Deal Finance Report for the period ending October 2019.

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- (iv) Noted the key risks and potential going forward and accepted mitigation is needed to ensure the model remains balanced over the lifetime of the deal utilising the three strategies advised by the Steer Review report of expenditure mitigation, income generation and scheme prioritisation.
- (v) Agreed to write to Government seeking clarification on the impact of New Homes Bonus funding to the City Deal; and
- (vi) Agreed to liaise with other City Deal Schemes to see how they might be affected from the current consultation on New Homes Bonus by the Government.





## CITY DEAL

Preston, South Ribble & Lancashire

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

#### **Minutes of the Meeting held on Tuesday, 3rd December, 2019 at 2.30 pm at the Savoy Suite 1 - The Exchange - County Hall, Preston**

#### **Present**

Danielle Gillespie (Chairman)

Jim Carter  
Gary Hall

Adrian Phillips  
Stephen Young

#### **In Attendance**

Councillor Matthew Brown, Leader, Preston City Council  
County Councillor Geoff Driver CBE, Leader, Lancashire County Council  
Councillor Paul Foster, Leader, South Ribble Borough Council  
Mark Rawstron, LEP Director  
Jo Ainsworth, LEP and Special Projects Finance Manager, Lancashire County Council  
Nicola Elsworth, Head of Public Sector Land, Homes England  
Deborah Holroyd-Jones, Senior Development Manager, Homes England  
Phil Green, Director of Growth, Environment and Planning, Lancashire County Council  
Joanne Hudson, Project Manager, Lancashire County Council  
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- (vi) Agreed to liaise with other City Deal Schemes to see how they might be affected from the current consultation on New Homes Bonus by the Government.



Homes  
England



CITY DEAL  
Preston, South Ribble & Lancashire

Making homes happen

## CITY DEAL EXECUTIVE & STEWARDSHIP BOARD 3<sup>rd</sup> MARCH 2020

Homes England Quarterly Monitoring Progress Update Report

Quarter 3 2019 /20

OFFICIAL

Agenda Item 6

## 1. Report Overview

- 1.1. This report provides an update on the progress that has been made in relation to the Homes England sites that form part of the Preston, South Ribble and Lancashire City Deal. The update relates to the progress that has been made during the third quarter of 2019/20, between 1st October and 31st December 2019.
- 1.2. The report focuses on key delivery milestones, finances invested, and outputs generated, as well as providing a breakdown of the key risks and any emerging issues.

## 2. Recommendation

- 2.1. Homes England recommends the Executive and Stewardship Board:

*Note the content of this report and the progress made by Homes England during quarter 3 of 2019/20.*

## 3. Homes England Site Highlights

- 3.1. Good progress has continued to be made across Homes England’s sites between 1st October and 31st December 2019.
- 3.2. Key highlights from quarter 3 and the milestones forecast for quarter 4 are set out in the table below:

Phase / Plot	Status	Completions/ Total Units	Completions (Oct – Dec)	Finance (Oct – Dec)	Summary	Q4 Milestones
<b>1. Cottam Hall</b>						
Phase 1	Completed by Barratt Homes	104 / 104 (100%)	Site Completed	n/a	This site has now completed build out.	n/a
Phase 2	Story Homes on-site	109 / 283 (38%)	14	n/a	Story Homes building out well, with 14 completions claimed within this reporting period.	Ongoing build out
Phase 3	Unconditional deal with Morris Homes in place	0 / 119 (0%)	n/a	n/a	Ongoing issues with newt trapping however a formal start on site was made by Morris Homes in January 2019.	Ongoing site preparation works and first completions



						now expected Q4
Phase 4	Conditional deal with Rowland Homes in place	0 / 141 (0%)	n/a	n/a	Reserved Matters Application for 141 homes was approved on 11 <sup>th</sup> July 2019.  A great crested newt licence has been secured, however modification to this is required through Natural England and this process is taking some time. Homes England is also progressing resolution of the Section 106 agreement.	Deal to go unconditional and first contractual payment expected in Q1 20/21.
Phase 5	Site not yet released.	0 / 233 (0%)	n/a	n/a	Homes England determining disposal to SME developer(s) anticipated within 2020 / 21	Update on disposal route.
Phase 6 (Plots 14 and 15)	Homes England continues to progress the disposal of Phase 6 (split between two Plots 14 and 15):  Currently contracting with preferred developer (Countryside) on Plot 14 (68 units).  Marketing has been undertaken for Plot 15 (121 units) with four bids returned.	0 / 189 (0%)	n/a	n/a	A Preferred Bidder has been identified for the western part of Phase 6 (Plot 14) with disposal of this parcel on an Unconditional Freehold Basis expected to complete in Q4.  The remainder of Phase 6 (Plot 15) has been marketed through Homes England Development Partner Panel (DPP3) during October through to December, with four bids received.	Disposal of Plot 14 expected to complete Q4.  On Plot 15 a preferred developer is to be selected from the four bidders and conditional contract to be complete by end of Q4.
<b>2. Cottam Brickworks</b>						
n/a	Homes England re-recommended negotiations with the	0 / 206 (0%)	n/a	n/a	Further information requested of BXB a number of times to inform the valuation appraisal process however not received to	Homes England (working in collaboration

	landowners agent (BxB) and LCC for past 12 months				date and discussions have been fragmented at times. Further meeting and liaison between Homes England, LCC and the landowner's have been held and discussions are ongoing to find a resolution to the sites access rights.	with LCC) to review next steps and potential alternative approach to negotiation
<b>3. Land at Eastway</b>						
Residential Plot	Story Homes on-site completing build out	89 / 300 (30%)	7	n/a	Story Homes continues to build out, with 7 completions during this reporting period. Delivery of the Link Road is well underway with completion anticipated Q4.	Link road opening scheduled Q4
Commercial Plot	Site under conditional contract with HSB Healthcare	n/a	n/a	n/a	Homes England progressing the acquisition of community registered asset (CRA) land within the vicinity of the site. This land is required to enable HSB Healthcare to deliver their scheme.	Site access to be delivered April – September 2020 before unconditional deal
<b>4. Whittingham Hospital</b>						
Phase 1	Taylor Wimpey has completed Phase 1	150 / 150 (100%)	n/a	n/a	Taylor Wimpey has completed build out of Phase 1.	n/a
Phase 2	Preferred bidder has been selected subject to Homes England board approval	0 / 232 (0%)	n/a	n/a	A preferred bidder has been selected following finalisation of tender process subject to Homes England board approval	Preferred bidder to be selected following finalisation of tender process subject to Homes England board approval and seeking to

						complete conditional contract in Q4.
Phases 3 and 4	Not yet released. Disposal phases and options to be reviewed in 20/21.	n/a	n/a	n/a	n/a	n/a
<b>5. Preston East</b>						
Expansion Area	Homes England is supporting further allocation of the site through the submission of a development statement to the Central Lancashire Local Plan review.	n/a	n/a	n/a	Homes England has prepared a Development Statement to promote the site for continued allocation within the Central Lancashire Local Plan.	Submission of representation to Central Lancashire Local Plan.
Sector D	Deal completed with Inchcape Estates now on site	n/a	n/a	n/a	Inchscape Estates continue development of site with construction underway.	Ongoing build out / near completion.
<b>6. Pickerings Farm</b>						
n/a	Masterplan and outline application prepared	0 / 345 (0%)	n/a	n/a	Finalisation of Masterplan and technical studies for submission as part of the outline planning application process. Ongoing detailed discussions and dialogue with SRBC.	Outline Planning Application submitted in Q4
<b>7. Altcar Lane</b>						
n/a	Reserved Matters application approved	21 / 200 (10%)	21	n/a	Lovell are ahead of programme and first completions achieved in quarter 3.	Ongoing build out
<b>8. Croston Road North</b>						
n/a	Preferred Bidder (Keepmoat) approved October 2019	0 / 400 (0%)	n/a	n/a	Formal ITT was issued during March 2019 and bids were returned on 19 <sup>th</sup> June. Home England approvals were obtained to	Conditional Contracts expected to be entered in to by

						proceed with a Preferred Bidder at the beginning of October 2019.	the end of Q4 19/20.
<b>9. Croston Road South</b>							
Phase 1	Miller Homes has completed Phase 1	96 / 96 (100%)	19	n/a		Miller Homes has completed Phase 1	Ongoing build out
Phase 2	Miller Homes on-site	62 / 79 (78%)	13	n/a		13 completions have been recorded on Phase 2 of this site during this period.	Ongoing build out
<b>10. Brindle Road</b>							
n/a	Complete	46 / 46 (100%)	n/a	n/a		All units completed and all finances paid.	n/a
<b>11. Walton Park Link</b>							
n/a	Morris on site	0 / 275 (0%)	n/a	n/a		Morris commenced early site clearance works on site in September. Remediation work and construction of link road.	Ongoing site works and completions expected

#### 4. Finance

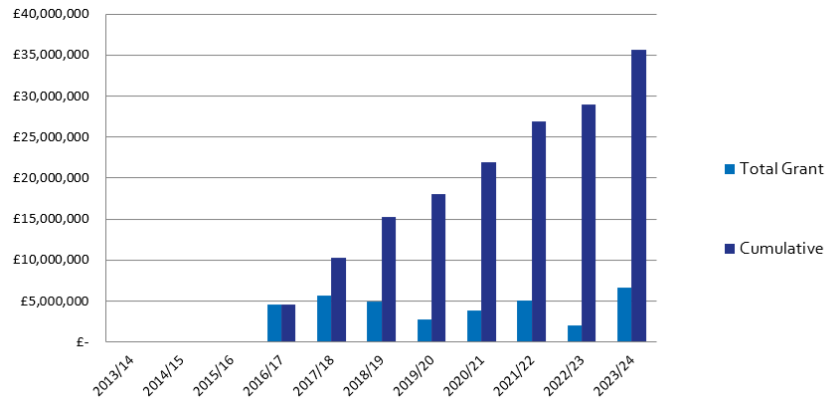
- 4.1. Homes England is currently on track to pay the majority of £37.5 million grant by 2023 / 24 however this position will be reviewed as part of the BDP Refresh (2020/21-2023/24).
- 4.2. No grant or loan payments were made to LCC during quarter 3 of 2019 / 20 due to ongoing contractual discussions prior to completion with Countryside Properties on Plot 14, Cottam Hall. These matters are to be finalised within Q4 which will see a loan and grant payment made in relation to Phase 6 (Plot 14) of Cottam Hall.
- 4.3. A loan amount of £2.8 million has now been moved out to the next financial year 2020 / 21 due to ecological matters and land take discussions for the PWD on Plots 1-3 with Rowland Homes.

## 5. Summary of Delivery

- 5.1. Good progress has been made on site delivery across Homes England's portfolio during quarter 3, with a grant and loan payment forecast to be paid to LCC within the final quarter of 2019 / 20. Key milestones have included:
- 5.1.1. A preferred bidder has been selected for the delivery of Phase 2 at Whittingham Hospital and
  - 5.1.2. Miller Homes has completed build-out of Phase 1 at Croston Road South.
  - 5.1.3. Lovell has started to complete initial delivery of homes at Altcar Lane
  - 5.1.4. Taylor Wimpey has completed all build out and site works on Phase 1 at Whittingham Hospital and exited the site;
  - 5.1.5. Build out and completion rates on Homes England sites have continued to increase within Q3. During the winter months particularly around Christmas time we would usually expect build out/sales rates to generally slow down and this is considered a normal pattern based on previous years and knowledge of the housing market across the country. However in this particular year (19/20), 74 new homes were completed in quarter 3 compared to 57 in quarter 2. This change in pattern could be specific to the 11 Homes England City Deal sites though, as the majority of these 11 sites (number of phases) are now building out with some phases fully completed during the last 2 quarters of 19/20. This is considered a very positive milestone and shows the ongoing/growing interest by a range of developers in the local housing market along with great progress being made on Homes England sites.
  - 5.1.6. We expect build out and completion rates to increase further over the spring and summer months and particularly as we look towards the next 12-18 months as more Homes England's sites/phases are disposed of to developers (as detailed in Section 3 of this report). Further consideration of build out rates across all City Deal site is to be considered by officers.
- 5.2. Due to the date of this report being presented, some of the milestones set out within Table 1 have been superseded. This will be formally documented in the quarter 4 report, however a summary of these include:
- 5.2.1. Selection of a preferred developer on Plot 15 at Cottam Hall, subject to board approval;
  - 5.2.2. Outline planning consent achieved at Whittingham Hospital, subject to a Section 106 agreement;
  - 5.2.3. Completion of the Link Road at Eastway, Preston;
  - 5.2.4. Submission of an outline application on Pickering's Farm; and
  - 5.2.5. Selection of a preferred developer for Whittingham Phase 2, subject to board approval.

# APPENDIX I - DASHBOARD

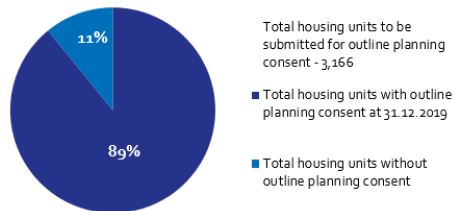
## Summary of BDP Payments



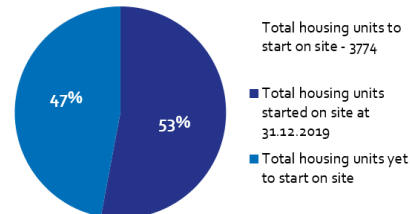
## BDP Forecast 2019 / 20

	Q1	Q2	Q3	In Year Actual	Revised BDP Forecast for Year
Grant	£0	£2,000,000	£0	£0	£2,000,000 £429k
Loan	£0	£0	£0	£0	£1,153,000
Housing Completions	33	57	74	164	252

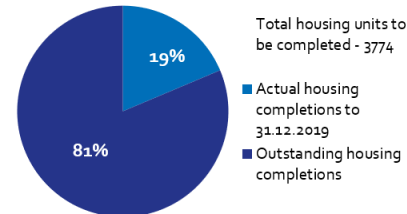
## Planning Consents



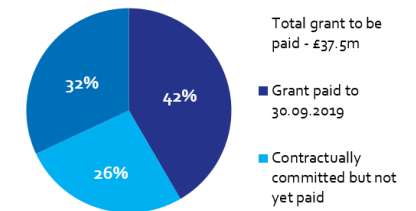
## Starts on Site



## Housing Completions



## Grant Payments



## APPENDIX I - DASHBOARD

Of the Homes England residential City Deal sites, only Pickering's Farm is yet to achieve planning consent.

This is due to be submitted in the final quarter of 2019 / 20.

Housing starts have been claimed for 1,678 units on Homes England City Deal sites to date. During this reporting period 21 new starts on site have been recorded.

Starts are claimed in full upon commencement of the site.

There have been 704 housing completions to date on Homes England City Deal sites.

There were 74 housing completions during this reporting period.

To date, £15,605,975 has been paid to LCC as grant, with a further £10m contractually committed to be paid upon receipt of annual payments on completed disposals.

No payments were made during Q3 2019/20.



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# Agenda Item 11

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# Agenda Item 12

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# Agenda Item 13

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