



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

**Tuesday, 13th July, 2021 in Zoom Meeting, at 2.00 pm**

### **Agenda**

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

- 1. Welcome and Apologies for Absence**
- 2. Minutes of the City Deal Executive meeting held on 3 February 2021**  
(Pages 1 - 10)
- 3. Minutes of the City Deal Stewardship Board meeting held on 3 February 2021** (Pages 11 - 20)
- 4. Matters Arising**
- 5. Declarations of Interest**

#### **Stewardship Board Items (Chaired by Karl Tupling)**

- 6. Homes England Quarterly Monitoring Progress Update Report - Q4 2020/21** (Pages 21 - 30)

#### **Joint Stewardship Board and Executive Items (Chaired by Mark Rawstron)**

- 7. City Deal Employment and Skills, Social and Economic Impact Update**  
(Pages 31 - 36)
- 8. City Deal Q4 Infrastructure Report** (Pages 37 - 48)

#### **Executive Committee Items (Chaired by Mark Rawstron)**

- 9. A582 South Ribble Western Distributor - Update** (Pages 49 - 50)
- 10. City Deal Review Update** (Pages 51 - 54)
- 11. Any Other Business**
- 12. Date of Next Meeting**

Monday 4 October 2021 at 2:30pm via Zoom virtual meeting.

**13. 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 Items (Chaired by Mark Rawstron)**

**14. Preston Western Distributor Update (Pages 55 - 64)**

**Joint Stewardship Board and Executive Items (Chaired by Mark Rawstron)**

**15. City Deal Finance Monitoring Report - Quarter 4 2020/21 (To Follow)**

# Agenda Item 2

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

### **Minutes of the Meeting held on Wednesday 3 February 2021 at 2.30pm via Zoom**

#### **Present**

Mark Rawstron (Chair)  
Councillor Matthew Brown  
Councillor Paul Foster  
County Councillor Geoff Driver CBE

#### **In Attendance**

Karl Tupling, Director of Emerging and Developing Markets, Homes England  
Angie Ridgwell, Chief Executive and Director of Resources, Lancashire County Council  
Gary Hall, Interim Chief Executive, South Ribble Borough Council  
Adrian Philips, Chief Executive, Preston City Council  
County Councillor Michael Green, Cabinet Member for Economic Development, Environment and Planning, Lancashire County Council (nominated City Deal observer)  
Councillor Peter Moss, Deputy Leader, Preston City Council (nominated City Deal observer)  
Councillor Mick Titherington, Deputy Leader, South Ribble Borough Council  
Chris Hayward, Director of Development and Housing, Preston City Council  
Homairah Sheth, Project Officer, Lancashire County Council  
Joanne Ainsworth, Principal Accountant, Lancashire County Council  
Joanne Hudson, Project Manager, Lancashire County Council  
Laura Sales, Director of Corporate Services, Lancashire County Council  
Laura Tilston, Homes England  
Marcus Hudson, Planning Manager, Lancashire County Council  
Martin Hill, Skills & Employment Coordinator, Lancashire Skills Hub  
Nicola Elsworth, Head of Planning and Enabling, Homes England  
Phil Green, Director of Growth, Environment and Planning, Lancashire County Council  
Phil Wilson, Central Lancashire Master Plan Delivery 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  
Steve Burns, Head of Service - Strategic Development, Lancashire County Council  
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council  
Hannah Race, Business Support Officer, Lancashire County Council

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

The Chair welcomed everyone to the meeting.

No apologies of absence were received.

## **2. Minutes of the City Deal Executive meeting held on 6 October 2020**

**Resolved:** That the minutes of the City Deal Executive meeting held on 6 October 2020 were approved as an accurate record and signed by the Chair.

## **3. Minutes of the City Deal Stewardship Board meeting held on 6 October 2020**

**Resolved:** That the minutes of the City Deal Stewardship Board meeting held on 6 October 2020 were approved as an accurate record and signed by the Chair.

## **4. Matters Arising**

There were no matters arising.

## **5. Declarations of Interest**

No declarations of interest were made.

## **Stewardship Board Items**

### **6. Homes England Quarterly Monitoring Progress Update Report – Q3 2020/21**

Nicola Elsworth, Head of Planning and Enabling, Homes England presented a report which updated the City Deal Stewardship Board members about progress with Homes England sites during Quarter 3 of 2020/21.

Updates were provided on the progress made across the Homes England portfolio. It was noted that the Covid-19 pandemic had continued to impact the delivery of development across all Homes England sites. Although, despite a second national 'lockdown' taking effect during Quarter 3, construction at most sites had continued.

A financial update was provided, which highlighted that £1.2m had been paid into the City Deal Infrastructure Delivery Fund in December 2020 and further payments amounting to £2.7m were forecast to be made by the end of the financial year.

**Resolved:** That the City Deal Stewardship Board noted the contents of the report and the progress made by Homes England during Quarter 3 of 2020/21.

## Joint Stewardship Board and Executive Items

### 7. City Deal Employment & Skills Monitoring Report

Martin Hill, City Deal Skills and Employment Coordinator, Lancashire Skills Hub presented a report which provided an update on a range of City Deal employment and skills metrics for the 2019/20 academic year.

The following points were highlighted:

- The number of apprenticeship starts across all subjects had declined compared to those reported in the 2018/19 academic year, with a 21% fall in apprenticeship starts across the whole of Lancashire.
- Redundancy and furlough figures resulting from the Covid-19 pandemic were expected in the following academic year's statistics, so the full effect of the pandemic was not yet apparent.
- To respond to the Covid-19 pandemic the Skills Hub had launched a Skills for Work microsite, a Lancashire Redundancy Task Force had been established in partnership with national organisations, and the Careers Hub was continuing careers engagement with schools virtually with the help of a new platform, Starting Lancashire.
- Work continued with the Construction Skills Fund to provide employment and skills for local people, with the number of starts and engagements in Lancashire exceeding that of other regions in the North West.

**Resolved:** That the City Deal Executive and Stewardship Board noted the report and the Employment and Skills Case study Dashboard, as presented.

### 8. Infrastructure Delivery Quarterly Monitoring Reports – Quarter 3 October-December 2020

Sarah Parry, City Deal Programme Manager, presented a report which provided a progress update on the City Deal infrastructure projects during Quarter 3 of 2020/21.

It was highlighted that only those projects where there was a contractual, planning, or health and safety obligation to meet were being progressed. All other non-committed funding was paused, pending the outcome of the City Deal Review, as agreed by the City Deal Executive in March 2020. As a result, 7 schemes were paused but good progress continued on the other projects, including the Preston Western Distributor Road and the Lancaster Canal Towpath.

**Resolved:** That the City Deal Executive and Stewardship Board noted the report.

## 9. Affordable Housing Provision Update

Chris Hayward, Director of Development and Housing, Preston City Council presented a report which provided City Deal Members with further information on the delivery and role of affordable housing provision within the City Deal area.

The following points were highlighted:

- Of the total number of homes delivered in the City Deal area between 2013 and 2020, 19% were affordable homes. Whilst this appeared low, the detail behind the statistics demonstrated that the City Deal area performed favourably in respect of affordable housing provision when compared with the wider Lancashire picture.
- For the 2019/20 monitoring period, South Ribble and Preston had delivered the second and third (respectively) highest number of completed affordable housing across Lancashire.
- Increasing affordable housing requirements and delivery across the City Deal area could have an impact on CIL receipts if affordable housing was to replace market housing. City Deal income may fall as result of delivering more affordable housing.
- Whilst performance on affordable housing delivery is generally good, there are opportunities to improve, especially regarding the delivery of affordable rented housing.

It was noted that given the current government's approach to the local planning process and affordable housing, and the likelihood of a recession that would soon limit the private sector's capacity to deliver affordable housing, it may be necessary to consider innovative ways of funding affordable housing outside of the City Deal framework for the future.

Karl Tupling, Director of Emerging and Developing Markets, Homes England highlighted that £12bn had been confirmed to aid the delivery of affordable housing nationally and that an aim of the planning authority could be to secure Central Lancashire's share of that funding. To do so it may be necessary to attract more investor partners with access to the government's funding into Lancashire, to increase the capacity of existing investor partners, or for the local authorities to become investor partners themselves.

It was noted that Homes England was willing to support local authorities in that endeavour and that a conversation could be initiated with officers.

In addition, it was noted that both Preston City Council and South Ribble Borough Council had been involved in discussions with Homes England about delivering more affordable housing outside of the City Deal framework across Central Lancashire.

**Resolved:**

- i) That the City Deal Executive and Stewardship Board noted the report; and
- ii) That Karl Tupling, Homes England agreed to arrange further discussions with officers at Preston City Council, South Ribble Borough Council and Lancashire County Council regarding Affordable Housing.

**Executive Committee Items**

**10. A582 South Ribble Western Distributor - Update**

Marcus Hudson, Planning Manager, Lancashire County Council, presented a report which provided an update on the Department for Transport advice regarding the programme period for the Major Road Network and Large Local Major schemes.

It was highlighted that since the last meeting of the City Deal Executive Board in October 2020, the Department for Transport had reiterated its commitment to the A582 scheme and clarified its funding timescales. Changes to the Department for Transport's timescales had allowed for a review of the scheme's delivery programme, affecting several of the project's key milestones.

The following points were highlighted:

- The scheme's design and costing exercise would be extended to July 2021.
- Completion of the Outline Business Case would be extended to August 2021, and submission of the Compulsory Purchase Order would follow.
- The City Deal Executive and Stewardship Board would need to be in a position to approve the full cost of funding for the scheme at the point the Outline Business Case is submitted, which provided a timeframe for funding decisions to be made by the Board.

The Chair highlighted the need to ensure costings for the scheme were closely monitored and thereby ensure all proposed specifications comprising the scheme were to an appropriate standard, reflecting function rather than highest specification and cost.

**Resolved:** That the City Deal Executive noted the report.

**11. Any Other Business**

There was no other business to be considered.

## 12. Date of Next Meeting

It was noted that the next Combined City Deal Executive and Stewardship Board meeting was scheduled for Wednesday 17 March at 2.30pm, via Zoom.

## 13. Exclusion of the Press and Public

**Resolved:** That the press and public be excluded from the during consideration of the following items of business on the groups that there would be a likely disclosure of exempt information as define 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.

## Executive Committee Items

### 14. Re-imagining the Harris Project

Chris Hayward, Director of Development and Housing, Preston City Council presented a private and confidential report which detailed Preston City Council's request for re-confirmation of the £1m City Deal funding, which was committed to the 'Re-imagining of the Harris' project at the City Deal Executive meeting held on 16 August 2018.

There was a period of debate where each Local Authority expressed their position on funding commitments within the City Deal programme.

The Board was unanimous in its view that the Harris Project was a critical scheme in the City Deal programme and one that they continued to support.

**Resolved:** That the City Deal Executive:

- i) Noted the report;
- ii) Reaffirmed its support to the 'Re-imagining the Harris' project and its commitment to the project's development, with the drawdown of funds being prioritised as part of the City Deal Review work.

### 15. Preston Western Distributor – Update

Phil Wilson, Central Lancashire Master Plan Delivery Manager, Lancashire County Council presented a private and confidential report which provided an update on the programme and financial position of the Preston Western Distributor Scheme.



It was highlighted that overall progress on the project was good, though unseasonal wet weather throughout 2020 had caused challenges to construction. Despite the challenges it was anticipated that the scheme would remain on programme for completion in 2023

**Resolved:** That the City Deal Executive noted the current programme and financial position of the Preston Western Distributor Scheme.

## **16. Preston Western Distributor – Social Value Update**

Martin Hill, City Deal Skills and Employment Coordinator, Lancashire Skills Hub presented a private and confidential report which provided an update on the social value delivery of the Preston Western Distributor scheme.

It was requested that future reports were entitled 'Preston Western Distributor – Social and Economic Value Update'.

It was highlighted that, despite the challenging conditions presented by the Covid-19 pandemic, the project had generated very positive results during Year 1 and examples of the project's positive social engagements were given.

Councillor Matthew Brown, Leader of Preston City Council expressed a willingness to assess what more could be done to advance the project's social and economic value, and to engage local and cooperative businesses in the project's supply chain to ensure the project was supporting the local economy.

**Resolved:** That the City Deal Executive noted the report and the full Preston Western Distributor Road, Social Value Report Year 1, as presented.

## **17. North West Preston East West Link Road – Bulwark Development Access Inclusion**

Phil Wilson, Central Lancashire Master Plan Delivery Manager at Lancashire County Council, presented a private and confidential report which detailed a proposal to include access to the housing development of Bulwark Ltd in the Preston Western Distributor Road contract works, at no cost to the City Deal, with the developer bearing all costs via a s.278/38 agreement

**Resolved:** That the City Deal Executive approved the inclusion of the access to the Bulwark developments in the Preston Western Distributor Road contract works, with costs recovered in full under the "Section 278 Agreement" referred to in the report, on the condition that there was no financial risk to the City Deal.

## 18. South Ribble Current Position on City Deal

Councillor Paul Foster, Leader of South Ribble Borough Council presented a private and confidential report which summarised the outcome of a meeting of the Members of South Ribble Borough Council, held on 25 November 2020, regarding its engagement in the City Deal.

A discussion took place regarding decisions taken previously by the Executive in relation to the original Heads of Terms for the City Deal.

It was proposed by the Section 151 Officer for City Deal that independent advice could be obtained on the interpretation of the City Deal Heads of Terms if required.

In addition, it was noted by all members that clarification of the process to achieve a full partnership agreement should be sought as soon as possible.

**Resolved:** That the City Deal Executive:

- i) Noted the position taken by South Ribble Borough Council as set out following its Council meeting in November 2020;
- ii) Requested that by the end of February 2021 Sarah Parry, City Deal Programme Manager work with officers at South Ribble Borough Council to 1) establish South Ribble Borough Council's interpretation of the existing Heads of Terms and 2) compile a list of previous decisions taken by the Executive that could have implications for the content of a full partnership agreement when compared to the original Heads of Terms; and
- iii) Agreed to meet informally following completion of ii) above, to discuss the outstanding issues and determine next steps.

## 19. City Deal Review Update

Sarah Parry, City Deal Programme Manager, presented a private and confidential report which provided an update following the last meeting, on progress with the City Deal Review.

**Resolved:** That the City Deal Executive noted the report and that as per the previous item, work regarding clarification of the City Deal Heads of Terms and decisions taken by the Executive will be undertaken in order to allow officers to prepare legal and financial advice.

## **Joint Stewardship Board and Executive Items**

### **20. City Deal Finance Monitoring Report – Quarter 3 2020/21 (Oct-Dec 2020)**

Joanne Ainsworth, Principal Accountant, Lancashire County Council presented a private and confidential report which provided a regular update on the City Deal Infrastructure Delivery Fund as at 30 December 2020.

It was highlighted that a range of forecasts and scenarios were being considered, which produced a range of financial implications for the City Deal.

It was noted that once clarity was provided regarding the City Deal Heads of Terms, further financial modelling would be undertaken and shared with the Board.

**Resolved:** That the City Deal Executive and Stewardship Board:

- i) Noted the December 2020 Finance Update; and
- ii) Noted the work ongoing and required in order to accurately forecast the infrastructure delivery funding model.



# Agenda Item 3

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

### **Minutes of the Meeting held on Wednesday 3 February 2021 at 2.30pm via Zoom**

#### **Present**

Karl Tupling (Chair)  
Angie Ridgwell  
Gary Hall  
Adrian Philips  
Mark Rawstron

#### **In Attendance**

County Councillor Geoff Driver CBE, Leader, Lancashire County Council  
Councillor Matthew Brown, Leader, Preston City Council  
Councillor Paul Foster, Leader, South Ribble Borough Council  
County Councillor Michael Green, Cabinet Member for Economic Development, Environment and Planning, Lancashire County Council (nominated City Deal observer)  
Councillor Peter Moss, Deputy Leader, Preston City Council (nominated City Deal observer)  
Councillor Mick Titherington, Deputy Leader, South Ribble Borough Council  
Chris Hayward, Director of Development and Housing, Preston City Council  
Homairah Sheth, Project Officer, Lancashire County Council  
Joanne Ainsworth, Principal Accountant, Lancashire County Council  
Joanne Hudson, Project Manager, Lancashire County Council  
Laura Sales, Director of Corporate Services, Lancashire County Council  
Laura Tilston, Homes England  
Marcus Hudson, Planning Manager, Lancashire County Council  
Martin Hill, Skills & Employment Coordinator, Lancashire Skills Hub  
Nicola Elsworth, Head of Planning and Enabling, Homes England  
Phil Green, Director of Growth, Environment and Planning, Lancashire County Council  
Phil Wilson, Central Lancashire Master Plan Delivery 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  
Steve Burns, Head of Service - Strategic Development, Lancashire County Council  
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council  
Hannah Race, Business Support Officer, Lancashire County Council

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

The Chair welcomed everyone to the meeting.

No apologies of absence were received.

## **2. Minutes of the City Deal Executive meeting held on 6 October 2020**

**Resolved:** That the minutes of the City Deal Executive meeting held on 6 October 2020 were approved as an accurate record and signed by the Chair.

## **3. Minutes of the City Deal Stewardship Board meeting held on 6 October 2020**

**Resolved:** That the minutes of the City Deal Stewardship Board meeting held on 6 October 2020 were approved as an accurate record and signed by the Chair.

## **4. Matters Arising**

There were no matters arising.

## **5. Declarations of Interest**

No declarations of interest were made.

## **Stewardship Board Items**

### **6. Homes England Quarterly Monitoring Progress Update Report – Q3 2020/21**

Nicola Elsworth, Head of Planning and Enabling, Homes England presented a report which updated the City Deal Stewardship Board members about progress with Homes England sites during Quarter 3 of 2020/21.

Updates were provided on the progress made across the Homes England portfolio. It was noted that the Covid-19 pandemic had continued to impact the delivery of development across all Homes England sites. Although, despite a second national 'lockdown' taking effect during Quarter 3, construction at most sites had continued.

A financial update was provided, which highlighted that £1.2m had been paid into the City Deal Infrastructure Delivery Fund in December 2020 and further payments amounting to £2.7m were forecast to be made by the end of the financial year.

**Resolved:** That the City Deal Stewardship Board noted the contents of the report and the progress made by Homes England during Quarter 3 of 2020/21.

## Joint Stewardship Board and Executive Items

### 7. City Deal Employment & Skills Monitoring Report

Martin Hill, City Deal Skills and Employment Coordinator, Lancashire Skills Hub presented a report which provided an update on a range of City Deal employment and skills metrics for the 2019/20 academic year.

The following points were highlighted:

- The number of apprenticeship starts across all subjects had declined compared to those reported in the 2018/19 academic year, with a 21% fall in apprenticeship starts across the whole of Lancashire.
- Redundancy and furlough figures resulting from the Covid-19 pandemic were expected in the following academic year's statistics, so the full effect of the pandemic was not yet apparent.
- To respond to the Covid-19 pandemic the Skills Hub had launched a Skills for Work microsite, a Lancashire Redundancy Task Force had been established in partnership with national organisations, and the Careers Hub was continuing careers engagement with schools virtually with the help of a new platform, Starting Lancashire.
- Work continued with the Construction Skills Fund to provide employment and skills for local people, with the number of starts and engagements in Lancashire exceeding that of other regions in the North West.

**Resolved:** That the City Deal Executive and Stewardship Board noted the report and the Employment and Skills Case study Dashboard, as presented.

### 8. Infrastructure Delivery Quarterly Monitoring Reports – Quarter 3 October-December 2020

Sarah Parry, City Deal Programme Manager, presented a report which provided a progress update on the City Deal infrastructure projects during Quarter 3 of 2020/21.

It was highlighted that only those projects where there was a contractual, planning, or health and safety obligation to meet were being progressed. All other non-committed funding was paused, pending the outcome of the City Deal Review, as agreed by the City Deal Executive in March 2020. As a result, 7 schemes were paused but good progress continued on the other projects, including the Preston Western Distributor Road and the Lancaster Canal Towpath.

**Resolved:** That the City Deal Executive and Stewardship Board noted the report.

## 9. Affordable Housing Provision Update

Chris Hayward, Director of Development and Housing, Preston City Council presented a report which provided City Deal Members with further information on the delivery and role of affordable housing provision within the City Deal area.

The following points were highlighted:

- Of the total number of homes delivered in the City Deal area between 2013 and 2020, 19% were affordable homes. Whilst this appeared low, the detail behind the statistics demonstrated that the City Deal area performed favourably in respect of affordable housing provision when compared with the wider Lancashire picture.
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- Whilst performance on affordable housing delivery is generally good, there are opportunities to improve, especially regarding the delivery of affordable rented housing.

It was noted that given the current government's approach to the local planning process and affordable housing, and the likelihood of a recession that would soon limit the private sector's capacity to deliver affordable housing, it may be necessary to consider innovative ways of funding affordable housing outside of the City Deal framework for the future.

Karl Tupling, Director of Emerging and Developing Markets, Homes England highlighted that £12bn had been confirmed to aid the delivery of affordable housing nationally and that an aim of the planning authority could be to secure Central Lancashire's share of that funding. To do so it may be necessary to attract more investor partners with access to the government's funding into Lancashire, to increase the capacity of existing investor partners, or for the local authorities to become investor partners themselves.

It was noted that Homes England was willing to support local authorities in that endeavour and that a conversation could be initiated with officers.

In addition, it was noted that both Preston City Council and South Ribble Borough Council had been involved in discussions with Homes England about delivering more affordable housing outside of the City Deal framework across Central Lancashire.



**Resolved:**

- i) That the City Deal Executive and Stewardship Board noted the report; and
- ii) That Karl Tupling, Homes England agreed to arrange further discussions with officers at Preston City Council, South Ribble Borough Council and Lancashire County Council regarding Affordable Housing.

**Executive Committee Items**

**10. A582 South Ribble Western Distributor - Update**

Marcus Hudson, Planning Manager, Lancashire County Council, presented a report which provided an update on the Department for Transport advice regarding the programme period for the Major Road Network and Large Local Major schemes.

It was highlighted that since the last meeting of the City Deal Executive Board in October 2020, the Department for Transport had reiterated its commitment to the A582 scheme and clarified its funding timescales. Changes to the Department for Transport's timescales had allowed for a review of the scheme's delivery programme, affecting several of the project's key milestones.

The following points were highlighted:

- The scheme's design and costing exercise would be extended to July 2021.
- Completion of the Outline Business Case would be extended to August 2021, and submission of the Compulsory Purchase Order would follow.
- The City Deal Executive and Stewardship Board would need to be in a position to approve the full cost of funding for the scheme at the point the Outline Business Case is submitted, which provided a timeframe for funding decisions to be made by the Board.

The Chair highlighted the need to ensure costings for the scheme were closely monitored and thereby ensure all proposed specifications comprising the scheme were to an appropriate standard, reflecting function rather than highest specification and cost.

**Resolved:** That the City Deal Executive noted the report.

**11. Any Other Business**

There was no other business to be considered.

## **12. Date of Next Meeting**

It was noted that the next Combined City Deal Executive and Stewardship Board meeting was scheduled for Wednesday 17 March at 2.30pm, via Zoom.

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

**Resolved:** That the press and public be excluded from the during consideration of the following items of business on the groups that there would be a likely disclosure of exempt information as define 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.

## **Executive Committee Items**

### **14. Re-imagining the Harris Project**

Chris Hayward, Director of Development and Housing, Preston City Council presented a private and confidential report which detailed Preston City Council's request for re-confirmation of the £1m City Deal funding, which was committed to the 'Re-imagining of the Harris' project at the City Deal Executive meeting held on 16 August 2018.

There was a period of debate where each Local Authority expressed their position on funding commitments within the City Deal programme.

The Board was unanimous in its view that the Harris Project was a critical scheme in the City Deal programme and one that they continued to support.

**Resolved:** That the City Deal Executive:

- i) Noted the report;
- ii) Reaffirmed its support to the 'Re-imagining the Harris' project and its commitment to the project's development, with the drawdown of funds being prioritised as part of the City Deal Review work.

### **15. Preston Western Distributor – Update**

Phil Wilson, Central Lancashire Master Plan Delivery Manager, Lancashire County Council presented a private and confidential report which provided an update on the programme and financial position of the Preston Western Distributor Scheme.

It was highlighted that overall progress on the project was good, though unseasonal wet weather throughout 2020 had caused challenges to construction. Despite the challenges it was anticipated that the scheme would remain on programme for completion in 2023

**Resolved:** That the City Deal Executive noted the current programme and financial position of the Preston Western Distributor Scheme.

## **16. Preston Western Distributor – Social Value Update**

Martin Hill, City Deal Skills and Employment Coordinator, Lancashire Skills Hub presented a private and confidential report which provided an update on the social value delivery of the Preston Western Distributor scheme.

It was requested that future reports were entitled 'Preston Western Distributor – Social and Economic Value Update'.

It was highlighted that, despite the challenging conditions presented by the Covid-19 pandemic, the project had generated very positive results during Year 1 and examples of the project's positive social engagements were given.

Councillor Matthew Brown, Leader of Preston City Council expressed a willingness to assess what more could be done to advance the project's social and economic value, and to engage local and cooperative businesses in the project's supply chain to ensure the project was supporting the local economy.

**Resolved:** That the City Deal Executive noted the report and the full Preston Western Distributor Road, Social Value Report Year 1, as presented.

## **17. North West Preston East West Link Road – Bulwark Development Access Inclusion**

Phil Wilson, Central Lancashire Master Plan Delivery Manager at Lancashire County Council, presented a private and confidential report which detailed a proposal to include access to the housing development of Bulwark Ltd in the Preston Western Distributor Road contract works, at no cost to the City Deal, with the developer bearing all costs via a s.278/38 agreement

**Resolved:** That the City Deal Executive approved the inclusion of the access to the Bulwark developments in the Preston Western Distributor Road contract works, with costs recovered in full under the "Section 278 Agreement" referred to in the report, on the condition that there was no financial risk to the City Deal.

## 18. South Ribble Current Position on City Deal

Councillor Paul Foster, Leader of South Ribble Borough Council presented a private and confidential report which summarised the outcome of a meeting of the Members of South Ribble Borough Council, held on 25 November 2020, regarding its engagement in the City Deal.

A discussion took place regarding decisions taken previously by the Executive in relation to the original Heads of Terms for the City Deal.

It was proposed by the Section 151 Officer for City Deal that independent advice could be obtained on the interpretation of the City Deal Heads of Terms if required.

In addition, it was noted by all members that clarification of the process to achieve a full partnership agreement should be sought as soon as possible.

**Resolved:** That the City Deal Executive:

- i) Noted the position taken by South Ribble Borough Council as set out following its Council meeting in November 2020;
- ii) Requested that by the end of February 2021 Sarah Parry, City Deal Programme Manager work with officers at South Ribble Borough Council to 1) establish South Ribble Borough Council's interpretation of the existing Heads of Terms and 2) compile a list of previous decisions taken by the Executive that could have implications for the content of a full partnership agreement when compared to the original Heads of Terms; and
- iii) Agreed to meet informally following completion of ii) above, to discuss the outstanding issues and determine next steps.

## 19. City Deal Review Update

Sarah Parry, City Deal Programme Manager, presented a private and confidential report which provided an update following the last meeting, on progress with the City Deal Review.

**Resolved:** That the City Deal Executive noted the report and that as per the previous item, work regarding clarification of the City Deal Heads of Terms and decisions taken by the Executive will be undertaken in order to allow officers to prepare legal and financial advice.

## **Joint Stewardship Board and Executive Items**

### **20. City Deal Finance Monitoring Report – Quarter 3 2020/21 (Oct-Dec 2020)**

Joanne Ainsworth, Principal Accountant, Lancashire County Council presented a private and confidential report which provided a regular update on the City Deal Infrastructure Delivery Fund as at 30 December 2020.

It was highlighted that a range of forecasts and scenarios were being considered, which produced a range of financial implications for the City Deal.

It was noted that once clarity was provided regarding the City Deal Heads of Terms, further financial modelling would be undertaken and shared with the Board.

**Resolved:** That the City Deal Executive and Stewardship Board:

- i) Noted the December 2020 Finance Update; and
- ii) Noted the work ongoing and required in order to accurately forecast the infrastructure delivery funding model.





Homes  
England



CITY DEAL  
Preston, South Ribble & Lancashire

Making homes happen

## CITY DEAL EXECUTIVE & STEWARDSHIP BOARD 13<sup>th</sup> July 2021

Homes England Quarterly Monitoring Progress Update Report

Quarter 4 2020 / 21

OFFICIAL

Agenda Item 6

## 1. Report Overview

- 1.1. This report provides an update on the progress that has been made in relation to Homes England sites that form part of the Preston, South Ribble and Lancashire City Deal. The update relates to activity that has taken place during the fourth quarter of the 2020 / 21 financial year, between 1<sup>st</sup> January and 31<sup>st</sup> March 2021.
- 1.2. The report focuses on key delivery milestones, finances invested, and outputs generated, and provides a breakdown of the key risks and any emerging issues relevant across the portfolio of sites.

## 2. Recommendation

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

*Note the content of this report and the progress made by Homes England during the fourth quarter of 2020 / 21.*

## 3. Homes England Site Highlights

- 3.1. As reported in previous quarterly updates; the global pandemic 'Covid-19' has impacted the delivery of development across all of Homes England's City Deal sites, with all developers ceasing operations for a period of time during the first national lockdown in the first quarter of the 2020 / 21 financial year.
- 3.2. Whilst the effects of Covid-19 continue to be realised, the delivery of development across Homes England's City Deal sites continues. A second national lockdown was in effect from 31<sup>st</sup> October – 2<sup>nd</sup> December, and a third lockdown from 6<sup>th</sup> January to 12<sup>th</sup> April 2021 but construction throughout this period and into the fourth quarter of 2020 / 21 has continued.
- 3.3. Key highlights from the fourth quarter of 2020 / 21 are set out in the table below:

Phase / Plot	Status	Completions/ Total Units	Completions (Jan – Mar)	Finance (Jan – Mar)	Summary
<b>1. Cottam Hall</b>					
Phase 1	Phase 1 completed by Barratt Homes	104 / 104 (100%)	n/a	n/a	Build-out of site complete
Phase 2	Story Homes on-site	134 / 283 (47%)	11	n/a	A further 11 completions have been achieved in Q4 2020 / 21. Site build-out continues.



Phase 3	Morris Homes on-site	25 / 119 (21%)	7	n/a	A further 7 completions have been achieved in Q4 2020 / 21. Site build-out continues.
Phase 4	Unconditional deal agreed with Rowland Homes March 2021	0 / 141 (0%)	n/a	n/a	In March 2021 the sale agreement became unconditional. Housebuilding is expected to commence on site in the 2021 / 22 financial year.
Phase 5	Barratt Homes selected as preferred developer partner.	0 / 215 (0%)	n/a	n/a	Barratt Homes selected as preferred developer partner in March 2021 under conditional contract. Reserved matters to be submitted during 2021 / 22 financial year, with estimated unconditional date of Q4 21 /22, subject to planning.
Phase 6 (Plot 14)	Site disposed of on an unconditional basis to Countryside	0 / 68	n/a	n/a	Site build-out has commenced. Development was initially affected by lockdown, however first completions now expected Q1 2021 / 22.
Phase 6 (Plot 15)	Site disposed of on a conditional basis to Barratt Homes	0 / 114	n/a	n/a	Site disposed of on a conditional basis to Barratt Homes in March Q4 2019 / 20. Reserved matters consent achieved February 2021. Site anticipated to go unconditional at the end of Q1 2021 / 22 with subsequent start on site made Q2 / 3 of 21 / 22.
Local Centre	Site successfully disposed of to Thistlewood Properties in Q3 2020 / 21	n/a	n/a	n/a	Unconditional deal agreed with Thistlewood Properties in October 2020. Thistlewood anticipated to start on site Q1 2021 / 22, with handover to preferred retailer (Coop) and opening in Q3 and Q4 of 2021 / 22.
<b>2. Cottam Brickworks</b>					
Access agreement	Ongoing discussion regarding access into adjacent land via Homes England site	0 / 260 (0%)	n/a	n/a	Commercial discussions ongoing
<b>3. Land at Eastway</b>					
Residential Plot	Story Homes on-site completing build out	134 / 329 (41%)	24	n/a	Built out of site on-going. 24 completions achieved in Q4 2021 / 22.

Commercial Plot	Site under conditional contract with HSB Healthcare	n/a	n/a	n/a	Site under conditional contract with HSB Healthcare
<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.
Phase 2	Preferred bidder Barratt David Wilson selected Q4 2019/20.	0 / 248 (0%)	n/a	n/a	Reserved matters consent granted Q4 2020 / 21. Start on site anticipated Q1 2021 / 22.
Phase 3 (A,B and C)	De-risking of asset ongoing prior to disposal (forecast in 3 phases)	0 / 229 (0%)	n/a	n/a	De-risking of asset ongoing prior to disposal (forecast as 3 phases)
Phase 4	De-risking of asset ongoing prior to disposal	0 / 273 (0%)	n/a	n/a	De-risking of asset ongoing prior to disposal
<b>5. Preston East</b>					
Expansion Area	Marketing of site concluded Q2 2020/21.	c.62,500 sq m employment floorspace	n/a	n/a	Homes England finalising assessment of bids received. Exchange of conditional contract (subject to planning) anticipated Q1 2021 / 22
Sector D	Build-out of site complete.	n/a	n/a	n/a	Build-out of site complete.
<b>6. Pickerings Farm</b>					
n/a	Outline planning application withdrawn	0 / 275 (0%) no. of Homes relate to Homes England land only	n/a	n/a	Outline planning application withdrawn. Homes England and Taylor Wimpey working towards submission of a new planning application.
<b>7. Altcar Lane</b>					
n/a	Continued build-out of site by Lovell	71 / 200 (35%)	12	n/a	12 completions have been recorded during Q4 2020/21 as Lovell has resumed build out of the site after lockdown

8. Croston Road North						
n/a	Keepmoat selected as preferred developer in October 2019	0 / 400 (0%)	n/a	n/a		Hybrid application including reserved matters for the 400 units on Homes England land was approved Q3 2020/21. Homes England entered into an unconditional agreement with Keepmoat in Q4 2020 / 21. Start on site anticipated during 2021 / 22 financial year.
9. Croston Road South						
Phase 1	Miller Homes has completed Phase 1	96 / 96 (100%)	n/a	n/a		Miller Homes has completed build out of Phase 1
Phase 2	Miller Homes on-site	79 / 79 (100%)	1	n/a		Build out of site completed Q4 2020 / 21
10. Brindle Road						
n/a	Complete	46 / 46 (100%)	n/a	n/a		All units completed and all finances paid.
11. Walton Park Link						
n/a	Morris Homes on site	60 / 293 (21%)	15	n/a		15 completions have been recorded on this site in Q4 2020 / 21

#### 4. Finance

- 4.1. Homes England is currently still on track to pay the majority of the £37.5 million grant by 2023 / 24, however this position has been reviewed as part of the Homes England Business Disposal Plans (BDP) Refresh (2020 / 21 – 2023 / 24) and some grant is now envisaged to be paid up to 2030 in relation to Croston Road North unless the grant cap is reached sooner in line with the Financial Agreement.
- 4.2. In summary, during Q4 of 2020 / 21, the following grant and loan payments were made:
  - 4.2.1. A loan payment of £1,217,707 was made to LCC in March 2021 in relation to the unconditional sale agreement being made with Keepmoat Homes at Croston Road North;
  - 4.2.2. A loan payment of £1,561,010 was made to LCC in March 2021 in relation to an unconditional sale agreement being made on Phase 4 (Plots 1-3) at Cottam Hall; and
  - 4.2.3. A grant payment of £290,957 was made to LCC in March 2021 in relation to overage receipts secured at Eastway residential site.

## 5. Affordable Housing Provision

- 5.1. The table below provides a break-down of the on-site affordable homes provision achieved across Homes England’s City Deal sites.
- 5.2. All sites are delivering policy compliant levels of affordable housing either through on-site provision or off-site contributions (with the exception of Whittingham where viability issues have led to a lower level of affordable being provided).

City Deal Site	Total Units Across Site with Planning Consent		Total Units anticipated to be delivered across Homes England Land Only	Of which: Open Market Sales	Of which: Affordable / Social Rent / Shared Ownership	Of which: Percentage Affordable (on-site)	Off-site contribution made for affordable housing? (Y/N)	Completions to date across Homes England Land Only	Of which: Affordable / Social Rent / Shared Ownership	
	Granted	Awaited								
1	Cottam Hall	Up to 1,100	-	1,044	695	349	30%	N	284	107
2	Cottam Brickworks*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3	Land at Eastway	329	-	329	280	49	15%	Y	134	15
4	Whittingham Hospital****	900	-	900	743	157	15%	Y	150	17
5	Preston East EA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6	Pickering’s Farm **	-	275	275	TBC			0	0	
7	Altcar Lane	200	-	200	140	60	30%	N	71	36
8	Croston Road North	400	-	399	340	59	15%	Y	0	0
9	Croston Road South***	254	-	175	149	26	15%	Y	175	26
10	Brindle Road	46	-	46	46	n/a	n/a	Y	46	0
11	Walton Park Link*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>		<b>3,229</b>	<b>275</b>	<b>3,369</b>	<b>2,393</b>	<b>701</b>	<b>n/a</b>	<b>n/a</b>	<b>860</b>	<b>201</b>

\* The landowner / developers at Cottam Brickworks and Walton Park Link are responsible for obtaining planning consent for the development proposed, not Homes England.

\*\* The 275 units at Pickering’s Farm relate to the original Homes England land forming part of the original City Deal agreement.

\*\*\* The 254 units shown as granted comprise: Phase 1 (175 units) completed by Miller Homes, and Phase 2 (79 units) currently under construction.

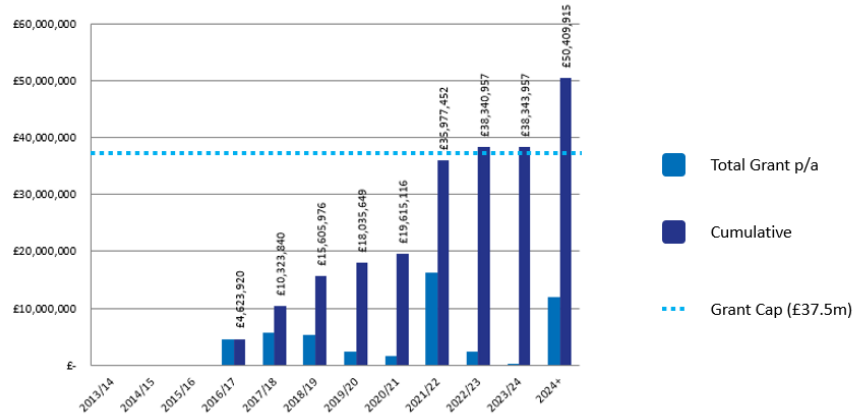
\*\*\*\* Due to viability a lower affordable housing percentage was agreed at the Whittingham site. The 15% on-site provision of affordable housing shown at Whittingham is an average taken across the site’s four development phases. Subject to local requirements, there is potential for an additional off-site contribution to be made towards affordable housing through the re-provision of an education contribution agreed for Phase 4.

## 6. Summary of Delivery

- 6.1. With housebuilders and developers having now returned to sites, delivery has progressed well across all Homes England sites in the final quarter of 2020 / 21, especially considering the downturn during periods of lockdown earlier in the year.
- 6.2. Several milestones and completions have been achieved including:
  - 6.2.1. Housing completions by Morris Homes totalling 28 new homes across both Phases 2 and 3 at Cottam Hall;
  - 6.2.2. Unconditional sales agreements and associated loan payments made at Phase 4 Cottam Hall and Croston Road North;
  - 6.2.3. Completion of site build out by Miller Homes at Croston Road South; and
  - 6.2.4. A grant payment was also made in relation to overage receipts secured at the Eastway residential site.

# APPENDIX I - DASHBOARD

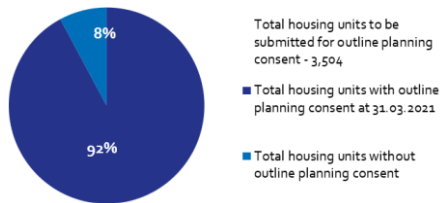
## Summary of BDP Payments



## BDP Forecast 2020 / 21

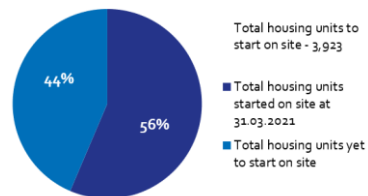
	Q1	Q2	Q3	Q4	In Year Actual
Grant	£0	£0	£1,288,509	£290,957	£1,579,466
Loan	£0	£0	£123,497	£2,778,717	£2,902,214
Housing Completions	3	24	35	91	153

## Planning Consents



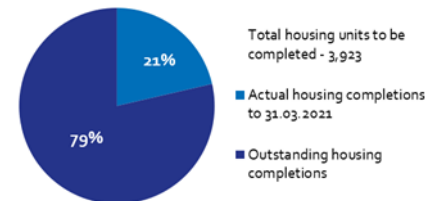
Of the Homes England residential City Deal sites, only Pickering's Farm is yet to achieve planning consent.

## Starts on Site



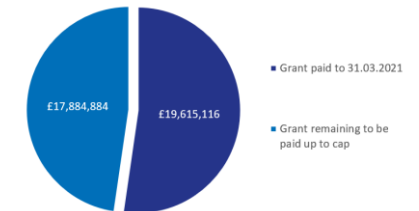
Housing starts have been claimed for 2,213 units on Homes England City Deal sites to date, out of a total 3,923 units (including Walton Park Link and Cottam Brickworks).

## Housing Completions



There have been 860 housing completions to date across Homes England's 11 City Deal sites. There were 91 housing completions during this reporting period on Homes England sites.

## Grant Payments



To date, £19,615,116 has been paid to LCC as grant, with around £18million remaining to be paid before the grant cap of £37.5million is reached



Homes  
England

#MakingHomesHappen

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## CITY DEAL

Preston, South Ribble & Lancashire

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

**Private and Confidential: NO**

**Date:** Tuesday, 13 July 2021

**City Deal Employment and Skills, Social and Economic Impact Update**  
(Appendix 'A' refers)

**Report Author:** Martin Hill,  
martin.hill@lancashirelep.co.uk

#### **Executive Summary**

The purpose of this paper is to provide an update on the delivery of Employment and Skills and Social Value across the City Deal project portfolio.

The outputs in relation to skills and employment covering performance for the 2019/2020 academic year, were reported to this Board on 3rd February 2021. The City Deal outputs for skills and employment will be updated in November 2021 following the end of the academic year and reported to the Board in line with the time frame for reporting on these metrics.

#### **Recommendation**

The City Deal Executive and Stewardship Board is asked to note the report and the attached Case Study (at Appendix A).

### **1. Skills and Employment**

- 1.1. The outputs in relation to skills and employment covering the 2019/2020 academic year were reported to this Board on 3<sup>rd</sup> February 2021. The City Deal outputs for skills and employment will be updated in November 2021 following the end of the academic year and reported to the Board in line with the time frame for reporting on these metrics.
- 1.2. The impact of the Covid 19 pandemic and consequent restrictions put in place to limit the spread of the disease has had profound consequences on the activity of partners and the delivery of employment and skills initiatives.
- 1.3. The longer term impact is at present difficult to gauge but from a construction standpoint the sector is experiencing a strong rebound. According to data



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Preston, South Ribble & Lancashire

compiled by CITB from their Customer Voice survey, in the last couple of months there has been an increase in employers expecting a rise in recruitment and workforce numbers due to increased order books and/or business expansion.

## 2. Social & Economic Impact

2.1. As reported in the City Deal Executive and Stewardship Report of the 3rd February 2021, the Preston Western Distributor project has generated some very positive results in generating social value during the first year of the construction phase of the project despite the very challenging conditions of operating a large scale site amidst the Covid-19 Pandemic.

2.2. In brief at the end of year 1 the project had generated the following outputs:

- 40.6% of spend this year is being made with local companies within 25 miles of the project
- Costain, the main contractor, has 30% local staff on the project, with 83 staff on site of which 25 live in the locality
- A total of eight apprentices are currently working on the project
- The project has provided opportunities for a total 14 ex-military members of the team, from main contractor and many supply chain partners
- Barratt Group – the formwork contractors have 21% BAME staff on their team, and 47% of their team are local to the project
- 53% of PSI labour agency staff are local to the project
- 66.6% of Frameworks labour agency staff are local to the project

## 3. Construction Skills Fund

3.1. In the construction sector, the Skills Hub continues to work closely with partners and developers across the county to provide employment and skills opportunities for local people. The Skills Hub are working with the Construction Industry Training Broad and Procure Plus on the roll out of the Construction Skills Fund across Lancashire.

3.2. The programme is geared toward providing training and placements for new entrants/returners to the sector with a focus on priority and under-represented groups secure employment in the sector.

3.3. Despite the restrictions caused by the Covid-19 pandemic the programme continues to deliver some very positive results (see below). The Skills Hub will continue to be an active member of the Construction Skills Fund Board and scope opportunities across LEP programmes and projects.



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<b>Construction Skills Fund: 1<sup>st</sup> April 2020 – 6<sup>th</sup> April 2021</b>	<b>Lancashire</b>
Training Completions	132
Employed to date	55
<b>Diversity – All Trained</b>	
BAME Trained	9
Female Trained	7
Learning difficulty and/or disability and/or health problem.	17
NEET Trained	51
Ex-Offender Trained	11
Care Leaver Trained	7
Unemployed >6months Trained	60
Unemployed <6months Trained	75

3.4 The Construction Skills Fund came to a close for new starts at the end of March 2021 and will be superseded by the Onsite Experience programme which will continue to provide employment and skills opportunities for Lancashire residents.

3.5 One of the many projects participating in this programme is the Preston Western Distributor scheme which has provided a total of four opportunities to date including Steven, whose transformative story is told in the attached case study.

## **4 D'Urton Lane Development Social Value Programme**

4.1 The Skills Hub are currently working with Wilmott Dixon and L&Q/Trafford Housing Trust, to develop an ambitious social value programme for the D'Urton Lane development.

4.3 The project team are working with an extensive range of local partners to realise their social value offering and have set up two action groups focusing on Education and Skills & Employment opportunities for local people including work placements, apprenticeships and Kickstart placements.

4.4 Despite being at a very early stage in the programme with enabling works and site preparation the project has already generated 4 employment opportunities, 3 apprenticeships and engaged with a total of 117 students. The project team are currently working with Preston's College to develop a series of Masterclasses for students.

## **5 Wider Impact**

5.1 The economic impact of the pandemic will be reflected across the City Deal Employment and Skills metrics which will be reported in autumn of this year with a likely downturn in apprenticeship starts, graduate destinations, unemployment data and schools engagement reflected in the data.



# CITY DEAL

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## List of Background Papers

Paper	Date	Contact/Tel
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NA

Reason for inclusion in Part II, if appropriate

NA



Activity/Event	<b>Tackling Construction Skills Shortage: Stevens Story</b>
Date	<b>May 2021</b>
Beneficiaries	<b>Local Unemployed Residents</b>
Delivery Partner	<b>Costain, Procure Plus and CITB</b>
Framework Theme	<b>Inclusive Workforce</b>

### Meet Steven

Steven is currently working on the Preston Western Distributor and East-West Link Road with Costain as a Vehicle Banksman.

Prior to this opportunity, Steven hadn't worked for coming up to 12 years having had to leave work to become a full time Dad, following his partner suddenly and unexpectedly becoming very poorly following the birth of their son.



### About the On-Site Experience Commission

Fully funded by CITB, the On-Site Experience Commission aims to increase the number of people trained in construction supported by the opportunity to gain actual experience (and subsequently – employment) as a way of continuing to tackle the skill shortage across the UK spanning the next 3 years. Procure Plus has been awarded the commission in Lancashire,

### Steven's Story

Following a marital breakdown, Steven's circumstance deteriorated during which he found himself living in a homeless shelter for 2 months prior to securing himself a flat in late 2020 – which was a key turning point in Steven getting his life back on track.

In January, Steven visited his local community support for a food parcel and it was during this meet that Progress Futures asked Steven what other support they could provide for him. It was that conversation that sign posted Steven to Procure Plus and we immediately signed him up to do his Health & Safety L1 and CSCS touchscreen test.

Meanwhile, Procure Plus were fully engaged with Costain who were keen to recruit from the local communities as part of their social value commitment. Steven was identified as an ideal candidate for one of their Vehicle Banksman and received additional training to secure his NPORS certificate. Following 2 weeks of paid on site experience, Steven was offered a full-time role on the Preston Western Distributor project.

### What difference has this opportunity made to you?

"It's made a massive difference and has opened a whole new door of opportunities for me. Me and my son are already able to do more things as a family together. I have the means to take us places, to do things and to enjoy life a bit more. It means I can now plan for the future more than I ever

could. One of the things I'll be doing for sure is finally learning how to drive with the hope of hopefully owning my own car – which will open up more opportunities again. It's given me much needed financial security, a sense of purpose which has been a huge boost for my overall wellbeing."

**Feedback from Steven's Foreman**

*"Steven genuinely works hard, is always on time, is enthusiastic and forward thinking - which is perfect for me. His level of effort is 100%. He sets a great example to people around him - and he's got a cracking good sense of humour which is an added bonus!"*

Dan Grant Foreman, PSI Global



## CITY DEAL

Preston, South Ribble & Lancashire

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

**Private and Confidential: NO**

**Date:** Tuesday, 13 July 2021

#### **City Deal Q4 Infrastructure Report**

(Appendices 'A' and 'B' refer)

**Report Author: Homairah Sheth, Tel: 01772 536556,  
homairah.sheth@lancashire.gov.uk**

#### **Executive Summary**

This report provides a progress update on the City Deal infrastructure projects during Quarter 4 (January – March 2021) and sets out an updated Infrastructure Delivery Programme (IDP) for those projects that are currently underway.

The monitoring report shows that only those projects where there is a contractual, planning or health and safety obligation to meet, are currently being progressed, with all other non-committed funding being paused, pending the outcome of the City Deal Review, as agreed by the Executive in March 2020.

The Fishergate Phase 3 scheme and the essential corridor works as part of the Penwortham Bypass have now been completed with no additional funding pressures being reported for the City Deal.

The report confirms that overall, good progress continues to be made on the Preston Western Distributor. The challenging tasks on the Savick Brook viaduct have been successfully completed and the 2021 earthworks season has commenced. Some elements of the programme are reporting slightly behind schedule for this monitoring period, hence the amber rating, but overall, the project remains on programme to complete in 2023.

Work is progressing on the Cottam Parkway station and car park design and the planning application and business case preparations are underway.

The northern bus stop design for the Bamber Bridge corridor has been completed and the Traffic Regulation Orders (TRO's) have been advertised.

In summary, there are currently 13 projects in the programme. The Fishergate Phase 3 project and the Hutton/Higher Penwortham conditional corridor improvements are complete, two projects are reporting 'amber' due to programme slippage/risk. Seven schemes are reporting as 'red' which reflects the current pause on funding.



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Milestones have now been introduced for the Cottam Parkway and Bamber Bridge (Health and Safety works) projects which they will be monitored against during 2021/22.

The delivery programme for the current schemes has been reviewed and updated, and the milestones will be used to monitor progress against in 2021/22.

## **Recommendation**

The City Deal Executive and Stewardship Board is asked to note the report and appendices.

## **Background and Advice**

### **1. Quarter 4 – Project Performance (January – March 2021)**

1.1 A quarter 4 detailed scheme performance schedule is attached as Appendix A. This provides comprehensive information on all of the schemes in the programme and details their performance. A RAG (Red, Amber, Green) rating is applied to all projects in order to demonstrate the current status of the scheme, i.e. whether it is progressing as planned or otherwise. Table 1 provides a summary snapshot of the current status of schemes in the programme based on RAG status.

2.1 The ongoing discussions and negotiations regarding the future funding of the City Deal resulted in the Executive and Stewardship Board implementing a pause on all 'uncommitted' project spend at the meeting on 3 March 2020. This situation is ongoing with some exceptions agreed which are:

- Schemes where works are already contractually committed
- Schemes that are bound by planning permission requirements
- Works to schemes that are required in order to ensure safe and effective operation of the highway
- A small number of funding approvals given by the Executive in July 2020 for Preparation of the A582 Outline Business Case and contribution towards the Cottam Parkway Project.

3.1 An updated delivery programme outlining the project milestones is attached as Appendix B. The delivery programme will be used to monitor progress against in 2021/22 and will be refreshed annually.





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**Table 1: City Deal Project Performance Summary table – Q4 January - March 2021**

Scheme name	Stage	Status
<b>Current City Deal Projects</b>		
Preston Western Distributor (PWD)/East West Link Road	On site	
Fishergate Central Gateway P3 (including apron)	Complete	
Cottam Parkway	Design	N/A
Lancaster Canal Towpath	Finalisation of contractual documents	
Hutton/Higher Penwortham/City Centre conditional corridor improvements	Complete	
Bamber Bridge – Urgent Health & Safety Works	Design	N/A
<b>Projects awaiting approval to proceed to next stage, pending City Deal mid-term review</b>		
PWD to Samlesbury - New Hall Lane Local Centre	Awaiting final resurfacing	
Guild Wheel Upgrade Link - P1 Bluebell Way	Planning	
Harris Museum/Library	Planning	
Animate	Pre-planning	
A582 Dualling	Design	
Cuerden Strategic Site Road Infrastructure	Design	
Bamber Bridge Local Centre	Awaiting final Resurfacing works	
<b>Future Pipeline Projects</b>		
Moss Side Test Track road infrastructure	Planning	N/A
The Lanes Link Road	Pre-planning	N/A
North West Preston Linear Park	Pre-planning	N/A
Preston Education: 1 primary school NWP (2 form entry) 1 primary school (1.5 form entry) 1 secondary school – NWP 1 primary school Cottam Hall 1 primary school (Whittingham Hospital)	Pre-planning	N/A
South Ribble Education: 1 new primary school at Moss Side Test Track 1 new primary school at Pickering's Farm	Pre-planning	N/A
South Ribble priority corridors and local centres: <ul style="list-style-type: none"> <li>Hutton to Higher Penwortham Public Realm Improvements</li> </ul>	Pre-planning	N/A



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<ul style="list-style-type: none"> <li>• North of Lostock Lane</li> <li>• South of Lostock Lane</li> </ul>		
<p>Preston priority corridors and local centres:</p> <ul style="list-style-type: none"> <li>• Broughton/Fulwood (South of M55)</li> <li>• NW Preston/Cottam/Ingol/City Centre</li> <li>• Warton to PWD – Corridor</li> <li>• Longridge/Grimsargh/Ribbleton/City Centre</li> <li>• PWD to Samlesbury - Corridor</li> </ul>	Pre-planning	N/A

## List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A



Scheme & Project Manager	Project ID	Project summary	Stage	Total Project Value	Spend to date (*)	Quarter 4 update (refer to project plan milestones)	Project Status (RAG)
<b>Current City Deal Projects</b>							
<b>Preston Western Distributor &amp; East West Link Road</b>  Lancashire county Council Phil Wilson <a href="mailto:Phil.Wilson@lancashire.gov.uk">Phil.Wilson@lancashire.gov.uk</a>	7869	Major new road linking Preston and southern Fylde to the M55 to support new housing development and improve links between the LEP's Enterprise Zones.	On-site	£207.470m	£88.241m	The scheme progressed satisfactorily over the winter period which concentrated on construction of the viaducts, bridges and underpass with all achieving the programmed dates. The challenging installation of the piles at the Savick Brook Viaduct has been successfully completed.  The 2021 earthworks season has commenced, and all efforts will be made to complete as much of the remaining earthworks as possible during the season. The major junction in the centre of the scheme (Saddle Roundabout) is progressing and traffic will be diverted to the western half to allow the eastern half to be constructed.  For this monitoring period, some elements of the project are behind the original programme, however overall, the project is still on track to complete in 2023.	
<b>Fishergate Central Gateway P3 (including apron)</b>  Lancashire County Council Sharon McGuinness <a href="mailto:Sharon.McGuinness@lancashire.gov.uk">Sharon.McGuinness@lancashire.gov.uk</a>	1958 & 1956 (apron)	Extension of the Fishergate Central Gateway public realm to the Bus Station/Guildhall Theatre.	Complete	£3.986m	£4.025m	Wayfinding signage installed, project complete and financially closed. Project overspent by £39k due to additional works required outside of the original scope. The £39k has been funded by LCC's Capital Programme therefore not impacting on the City Deal financial model. Tithebarn Street required a full carriageway reconstruction due to the foundations not being to the correct standard and installation of bus gate cameras.	
<b>Cottam Parkway</b>  Lancashire County Council Joanne Hudson <a href="mailto:Joanne.Hudson@lancashire.gov.uk">Joanne.Hudson@lancashire.gov.uk</a>	597	New railway station at Cottam	Design	£25m  (CD commitment £1.6m)	£0  (spend relates to CD commitment)	<b>This period:</b> <ul style="list-style-type: none"> <li>- Jacobs are preparing a design for station building and car park</li> <li>- Preferred procurement route under review following advice from legal</li> <li>- Ecological surveys mostly complete</li> <li>- Geotechnical investigation underway</li> <li>- Further discussions with landowner/developer regarding land requirements</li> <li>- Draft transport assessment received</li> <li>- Business case work underway – work has identified a requirement for increased car parking requirements – likely to have impact on design and cost</li> </ul> <b>Looking forward:</b> <ul style="list-style-type: none"> <li>- Anticipate planning consultation will be pushed back in the programme due to delays with station design and procurement – programme will need to be revised.</li> <li>- Jacobs to submit detailed station and car park design based on original scope for car park capacity of 250 spaces. A further design is anticipated and cost estimate for a larger car park offering &gt;500 spaces as requirement identified in business case.</li> <li>- Costs for link road, bridge and land acquisition to be updated.</li> <li>- Procurement strategy agreed.</li> <li>- Ongoing liaison with landowners</li> </ul>	N/A
<b>Lancaster Canal Towpath</b>  Preston City Council Drew Gough <a href="mailto:Dr.gough@preston.gov.uk">Dr.gough@preston.gov.uk</a>	4317 & 5374	Improvements between bridge 16 to bridge 19	Finalisation of Contractual Documents	£333k	£0.025k	<b>This period:</b> <ul style="list-style-type: none"> <li>- The funding contribution is being drafted as per s106 between PCC &amp; CRT legal teams</li> </ul> <b>Looking forward:</b> <ul style="list-style-type: none"> <li>- Funding agreement to be signed by PCC and CRT</li> <li>- Start on site</li> </ul> Project is amber due to it being behind the original programme.	
<b>Hutton to Higher Penwortham Corridor Improvements</b>  <i>(essential works as part of bypass planning condition in two works phases)</i>  Lancashire County Council Ricard Askew <a href="mailto:Richard.Askew@Lancashire.gov.uk">Richard.Askew@Lancashire.gov.uk</a>	2015	The delivery of a series of measures to discourage through traffic from Penwortham and promote use of Penwortham bypass.	Complete	£1.5m	£0.873m	Construction works completed under budget. Project financially closed.	



Scheme & Project Manager	Project ID	Project summary	Stage	Total Project Value	Spend to date (*)	Quarter 4 update (refer to project plan milestones)	Project Status (RAG)
<b>Bamber Bridge – Urgent Health &amp; Safety Works</b>  Lancashire county Council Sarah Delaney <a href="mailto:Sarah.Delaney@lancashire.gov.uk">Sarah.Delaney@lancashire.gov.uk</a>	11308	Bus stop improvements at Station Road and near the railway station.	Design	£47.5k	£0.003k	<b>This period:</b> Design complete for the northern stops at Station Road TRO advertisements undertaken  <b>Looking forward:</b> Progress with design for the southern stops near the railway station Programming and installation of the northern stops (subject to consultation/cabinet approval) Design, consult, programme and install southern bus stops and safety bollards	N/A
<b>Projects awaiting approval to proceed to next stage, pending City Deal mid-term review</b>							
<b>PWD to Samlesbury - New Hall Lane Local Centre</b>  Lancashire county Council Marcus Hudson <a href="mailto:Marcus.hudson@lancashire.gov.uk">Marcus.hudson@lancashire.gov.uk</a>	1979	Improvements to the road space and redesigned junctions to benefit buses, cyclists and pedestrians, and public realm improvements to streets, pedestrian areas and green spaces.	Awaiting final resurfacing	£2.85m	£2.847m	Major works complete, awaiting final resurfacing.  Scheme is red due to the pause on spend.	
<b>Guild Wheel Upgrade Link - P1 Bluebell Way</b>  Preston City Council Russell Rees <a href="mailto:r.rees@preston.gov.uk">r.rees@preston.gov.uk</a>	3005	Additional/alternative off highway link to the Guild Wheel.	Planning	£120k  (£60k contribution from City Deal)	£0	Initial design complete.  Scheme is red due to the pause on spend.	
<b>Harris Museum/Library</b>  Preston City Council Tim Joel <a href="mailto:T.Joel@Preston.gov.uk">T.Joel@Preston.gov.uk</a>		Enhanced cultural offer for city and Central Lancashire as part of Harris Museum/Library improvements (HLF Bid)	Planning	£10m  £1m (from City Deal)	£0	<b>This period:</b> <ul style="list-style-type: none"> <li>Listed Building Consents and Planning Permission approved by Council and the Secretary of State in January 2021</li> <li>£4.5m from the National Lottery Heritage Fund received in March 2021</li> <li>Preston Towns Fund award confirmed in March 2021</li> </ul> <b>Looking forward:</b> <ul style="list-style-type: none"> <li>Receive National Lottery Heritage Fund offer letter setting out conditions</li> <li>Confirmation of Towns Fund contribution towards the project</li> <li>Preparation of key procurement tasks</li> <li>Project delivery commences</li> </ul> Scheme is red due to the pause on spend.	
<b>Animate</b>  Preston City Council John Crellin <a href="mailto:j.crellin@preston.gov.uk">j.crellin@preston.gov.uk</a>		Multi-screen cinema, bowling alley, 6 restaurant units and 163 car parking spaces/public space.	Pre-planning	£40m £3.250m from City Deal	£0	<b>This period:</b> <ul style="list-style-type: none"> <li>Ongoing discussions with commercial advisors regarding the impact of Covid-19 on the business plan</li> <li>Ongoing liaison with the cinema operator and food and beverage market in light of Covid-19 impact</li> <li>Agreement with MGD Developments to exchange Development and Funding Agreement in Summer 2021</li> <li>Preston Towns Fund award confirmed in March 2021</li> </ul> <b>Looking forward:</b> <ul style="list-style-type: none"> <li>Finalise and exchange DFA</li> <li>Completion of Business Plan</li> <li>Commence work on business case to drawdown Towns Fund</li> <li>Enter first occupational leases</li> </ul> Scheme is red due to pause on spend.	
<b>A582 Dualling</b>  Lancashire County Council Jonathan Thomas <a href="mailto:Jonathan.Thomas@lancashire.gov.uk">Jonathan.Thomas@lancashire.gov.uk</a>	4586	Highways improvement scheme involving the dualling of the A582 South Ribble Western Distributor.	Design	£68.28m - £117.06m (range)	£24.121m  (including completed junctions)	The consultants are continuing with the modelling work to meet Highway England's request for further information in respect of the planning application.  <b>Looking Forward:</b> <ul style="list-style-type: none"> <li>Activity to ramp up on road and rail structures design</li> <li>Work to resume on the OBC once design and cost preparation is complete</li> </ul>	



Scheme & Project Manager	Project ID	Project summary	Stage	Total Project Value	Spend to date (*)	Quarter 4 update (refer to project plan milestones)	Project Status (RAG)
						<ul style="list-style-type: none"> <li>- Jacobs to issue revised programme for the OBC</li> <li>- Updated cost estimate and independent verification now anticipated in Q3 2021/22</li> </ul> <p><b>Emerging Issues:</b></p> <ul style="list-style-type: none"> <li>- Delay to the road design exercise due to resources being deployed to other projects</li> <li>- Protracted timescale to determining procurement route for design and build of the rail structures</li> </ul> <p>Scheme is red awaiting resolution of the City Deal review and confirmation of full funding with the requisite local funding contribution.</p>	
<b>Cuerden Strategic Site Road Infrastructure</b>  Lancashire County Council Chris Dyson <a href="mailto:Chris.dyson@lancashire.gov.uk">Chris.dyson@lancashire.gov.uk</a>	7588	Delivery of the off-site strategic highway infrastructure comprising a range of interventions on the network to facilitate the development of the employment site.	Design	TBD	£0	<p><b>This period:</b> Progressing the detailed design for the off-site highway infrastructure Completion of intrusive investigations</p> <p><b>Future periods:</b> Continue progressing detailed design Update topographical survey Consider drainage and traffic signal strategies</p> <p>Scheme is red due to the pause on spend.</p>	
<b>Bamber Bridge - Local Centre</b>  Lancashire county Council Marcus Hudson <a href="mailto:Marcus.Hudson@lancashire.gov.uk">Marcus.Hudson@lancashire.gov.uk</a>	2016 & 4587	Highways and public realm improvements on the A6/B258	Awaiting final resurfacing	£3.303m	£2.749	<p>Major works complete, awaiting final resurfacing.</p> <p>Scheme is red due to the pause on spend.</p>	
<b>Future Pipeline Projects/Funding currently being held in abeyance</b>							
<b>Moss Side Test Track Link Road</b>  South Ribble Borough Council Catherine Lewis <a href="mailto:clewis@southribble.gov.uk">clewis@southribble.gov.uk</a>	N/A	On site infrastructure connecting the Moss Side Test Track development	Planning	N/A	N/A	<p><b>This period:</b></p> <ul style="list-style-type: none"> <li>- Continuation of site clearance</li> <li>- Outstanding discharge of drainage and highway conditions</li> <li>- Submission of planning application for the employment phase</li> <li>- Initial discussions with the developer regarding submission of a reserved matters application for phase 3</li> </ul> <p><b>Future Periods:</b></p> <ul style="list-style-type: none"> <li>- Continue to work with statutory consultees to discharge outstanding conditions</li> <li>- Progress employment phase planning application</li> <li>- Continue to work with the developer on the reserved matters application for phase 3</li> </ul>	N/A
<b>The Lanes Link Road</b>  South Ribble Borough Council Janice Crook <a href="mailto:JCrook@southribble.gov.uk">JCrook@southribble.gov.uk</a>	N/A	On site infrastructure connecting The Lanes development	Pre-Planning	N/A	N/A	The planning application for the Link Road has been withdrawn, developers are reviewing the masterplan proposals with a view to re-submit to the planning committee.	N/A
<b>North West Preston Linear Park</b>  Preston City Council Chris Hayward <a href="mailto:C.Hayward@preston.gov.uk">C.Hayward@preston.gov.uk</a>	655	Delivery of green space at the North West Preston Strategic Area	Pre-planning	£5.2m	£0	Preston City Council and the City Deal Programme Team are working together to draft the scope, outline delivery programme, objectives and outcomes.	N/A
<b>Education - Preston</b>  Lancashire County Council Lynn MacDonald <a href="mailto:Lynn.MacDonald@lancashire.gov.uk">Lynn.MacDonald@lancashire.gov.uk</a>	633	Additional school places provision to accommodate growth in Preston	Pre-Planning	£25.970m (City Deal allocation only)	£0	<p><b>This period:</b> The School Planning and Pupil Access teams have engaged with Preston and Longridge secondary schools via the D6 Head Teachers Meeting (Preston head teachers had previously indicated that there is a preference to provide additional places through expansion of existing schools rather than by establishing a new school). The School Planning Team provided a presentation detailing projected school place demand in the</p>	N/A



Scheme & Project Manager	Project ID	Project summary	Stage	Total Project Value	Spend to date (*)	Quarter 4 update (refer to project plan milestones)	Project Status (RAG)
						<p>area. Discussions included unlocking existing capacity, identifying potential expansion opportunities and addressing low parental preference. The School Planning Team had discussed providing additional places in September 2022, however, based on the discussions of the D6 meeting this expansion project has been delayed, with further need to understand parental preference information and details of low update of school place offers made.</p> <p><b>Future periods:</b> Review of latest pupil census data to understand where Preston pupils are accessing secondary school places. Ongoing dialogue with Preston secondary schools regarding the potential to unlock existing accommodation capacity and expansion opportunities to address both short term and long-term demand. Ongoing engagement with Preston secondary schools regarding addressing future demand. Engagement with City Deal regarding funding arrangements. Meeting to be arranged with Preston City Council regarding the location of the new school sites at Northwest Preston.</p>	
<b>Education - South Ribble</b>  Lancashire County Council Lynn MacDonald <a href="mailto:Lynn.MacDonald@lancashire.gov.uk">Lynn.MacDonald@lancashire.gov.uk</a>	682	Additional school places provision to accommodate growth in South Ribble.	Pre-Planning	£13.720m  (City Deal allocation only)	£0	<p><b>This period:</b> Basic Need scoping commenced in January 2021 to consider the updated pupil projections and identify potential shortfalls of places. The pupil projections have not yet identified any specific 'hotspot' areas in South Ribble for primary or secondary places which require action in this quarter. Please note that The Lanes will not be incorporated into the pupil projections until the planning application secures planning approval.</p> <p><b>Future periods:</b> Ongoing annual review of the pupil demand in South Ribble. Engagement with South Ribble regarding the Masterplan and planning application for The Lanes, including establishing details of how the new school would be funded.</p>	
<b>South Ribble priority corridors and local centres:</b>	n/a	Transport corridor and local centre improvements <ul style="list-style-type: none"> <li>Hutton to Higher Penwortham Public Realm Improvements</li> <li>North of Lostock Lane</li> <li>South of Lostock Lane</li> <li>Bamber Bridge</li> </ul>	Pre-planning	£12.113m (city deal allocation only)	£3.149m		
<b>Preston priority corridors and local centres:</b>	n/a	Transport corridor and local centre improvements <ul style="list-style-type: none"> <li>Broughton/Fulwood (South of M55)</li> <li>Broughton/fuelwood (North of M55)</li> <li>NW Preston/Cottam/Ingol/City Centre</li> <li>Warton to PWD – Corridor</li> <li>Longridge/Grimsargh/Ribbleton/City Centre</li> <li>PWD to Samlesbury - Corridor</li> </ul>	Pre-planning	£12.113(City Deal allocation only)	£3.272		

Update on completed project – post construction phase						
Scheme & Project Manager	Project ID	Project summary	Stage	Total Project Value	Spend to date (*)	Comments
<b>Broughton Bypass</b>  Lancashire County Council David Leung	1923	Completion of the Broughton bypass	Construction complete (project remains financially open)	£31.723m	£26.899	Ongoing spend relates to part 1 claims.



## Update on completed project – post construction phase

Scheme & Project Manager	Project ID	Project summary	Stage	Total Project Value	Spend to date (*)	Comments
<a href="mailto:David.leung@lancashire.gov.uk">David.leung@lancashire.gov.uk</a>						
<b>Broughton Fulwood – North of M55</b>  Lancashire County Council David Davies <a href="mailto:David.davies@lancashire.gov.uk">David.davies@lancashire.gov.uk</a>	6413	Public realm and highway improvements at Broughton/A6 as part of the Broughton bypass planning condition.	Construction complete (project remains financially open)	£1.940	£1.670m	Undertaking pre-closure tasks for the project.
<b>Penwortham Bypass</b>  Lancashire county Council Alan Eastham <a href="mailto:Alan.Eastham@Lancashire.gov.uk">Alan.Eastham@Lancashire.gov.uk</a>	590	Highways infrastructure improvements to complete the Penwortham bypass.	Construction complete (project remains financially open)	£19.450m	£15.943m	Ongoing spend relates to part 1 claims, monitoring & evaluation and ongoing landscape management. Predicted outturn cost for the scheme is £18.801m.

### RAG Categories

**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.

*Spend to date: (\*) taken from LCC Programme & Project Management System may include committed and forecasted spend which can fluctuate throughout the life of a project.*





## Appendix B - Revised Delivery Programme - June 2021

Project Name	Year 8 2021/22				Year 9 2022/23				Year 10 2023/24			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Current City Deal Projects</b>												
Preston Western Distributor & East West Link Road										17		
A582 Outline Business Case			4									
Cottam Parkway				2	6		7		16			
Lancaster Canal Towpath		13	16		17							
Bamber Bridge Health & Safety Works - North Bus Stops			2	3 16	17							
Bamber Bridge Health & Safety Works - South Bus Stops				1	2	3 16	17					

### Milestones

1. Concept design complete
2. Consultation
3. Concept design approved
4. Outline business case submitted
5. Outline business case approved
6. Planning application submitted
7. Planning application determined
8. Funding/match funding approved
9. Member decision
10. Commencement of land & property negotiation
11. CPO made
12. CPO confirmed
13. Detailed design and contract documents complete
14. Full business case approved
15. Construction contract awarded
16. Start on site
17. Site complete





## CITY DEAL

Preston, South Ribble & Lancashire

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

**Private and Confidential: NO**

**Date:** Tuesday, 13 July 2021

**A582 South Ribble Western Distributor - Update**

**Report Author: Marcus Hudson, Tel: 01772 530696,  
marcus.hudson@lancashire.gov.uk**

#### **Executive Summary**

This report provides a progress update and spending position for this scheme, confirming that the submission of the Outline Business Case is now programmed for the end of the year and the cost of completing the necessary elements is expected to be within the budget agreed in July 2020.

#### **Recommendation**

The City Deal Executive is asked to note the report.

#### **Background and Advice**

In July 2020, the City Deal Executive & Stewardship Board agreed to a budget allocation and activities to be completed in the period to the preparation of the Outline Business Case and its submission to the Department for Transport.

This provided a budget allocation for necessary work of £1.509m, to cover environmental and planning, design and costing, transport modelling and business case-making and land assembly activity. In the period July 2020-June 2021, actual and committed spending on these activities stands at £792k. Taking account of the full range of activity to be completed, including several significant tasks for the design of the rail bridge structures, ecological survey, independent cost verification and gateway review, the project team is confident that costs will be contained in the budget allocation.

More recently in February of this year, a report updated the Executive and Stewardship Board on changes to the spending period for the Department's Major Road Network/Large Local Majors funding programme. In short, the Department announced that the original spending period to March 2025 should no longer be used as an end point for schemes under this programme.



# CITY DEAL

Preston, South Ribble & Lancashire

As explained in this earlier report, this change to the Department's funding timescales has allowed for a review of the scheme's delivery programme, and a refocus of efforts and resources to other projects, affecting the programme and a number of key milestones due to be met during 2021 for this scheme.

Activity since the Board last met in February has focussed on several aspects of work:

- Design activity for the road and associated landscaping and ecological measures has continued;
- Handling requests to provide further information in support of the planning application, including updates to respond to matters raised by Highways England and the Environment Agency;
- Archaeological and Geotechnical survey and assessment;
- Work to reach a sensible pause in the production of the Outline Business Case.

The programme had anticipated work to proceed and to be advanced by this stage on two key aspects of the design programme, however, it has not been possible to progress these as anticipated: firstly on concluding the road design due to resources being concentrated on other activities; and secondly, on progressing the rail structures design which has awaited protracted legal and procurement deliberations.

Because these activities are key to providing an updated cost position, this will put the submission of the outline business case to no sooner than the end of this year. In the context of the continuing City Deal Review and announcements anticipated in the Comprehensive Spending Review due in autumn, this timeframe would allow for a resolution of the funding position and the means to confirm to the Department for Transport full funding with the requisite local contribution, as part of the business case submission.

## List of Background Papers

Paper	Date	Contact/Tel
None		
Reason for inclusion in Part II, if appropriate		
N/A		



## CITY DEAL

Preston, South Ribble & Lancashire

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

**Private and Confidential: No**

**Date:** Tuesday, 13 July 2021

#### **City Deal Review Update**

**Report Author: Sarah Parry, Tel: 01772 530615,  
sarah.parry@lancashire.gov.uk**

#### **Executive Summary**

This report provides an update following the last meeting of the Board in February 2021, on progress with the City Deal Review. In summary:-

- a) Meetings have been held with Government Officials and Members of Parliament (MPs) to progress and escalate the New Homes Bonus (NHB) risk for the City Deal. An announcement on a replacement for NHB is expected over the Summer and Officials are briefing Ministers on implications if the replacement income falls short of the original NHB amount.
- b) Interpretation of the original Heads of Terms (HoT) by each of the Partner Councils has been established, and the intent behind the original HoTs has been clarified. Programme Board has shortlisted a number of key provisions that will need to be agreed by each of the three Council's, to enable a 'Clarified HOTS' document to be drafted followed by a full partnership agreement.
- c) Revised financial modelling is underway, taking into consideration updated housing/commercial site completions and future forecasts and will present a range of options reflecting the Terms negotiated in b) above and setting out expenditure options based on a prioritised delivery programme.
- d) The schemes to be prioritised in a future delivery programme have yet to be discussed in full, with the Programme Board about to embark on this piece of work.
- e) It is the intention that the 'Clarified HoTs' document will be developed and used by the Programme Board to hold discussions within each of their Councils over the summer.

#### **Recommendation**

The City Deal Executive and Stewardship Board is asked to note the report.



# CITY DEAL

Preston, South Ribble & Lancashire

## 1. Background

- 1.1 At the last meeting in February, it was reported that Government had announced a short term interim arrangement for New Homes Bonus (NHB) which, whilst reducing the NHB deficit by £1.5m, did not address the full NHB income risk. In addition, following a period of discussion and negotiation, South Ribble Borough Council had made decisions at its Council meeting in November 2020 which required an analysis of the original Heads of Terms (HoTs) that were signed in 2014. As the original Terms were subject to interpretation, all partners were keen to understand more fully, what the implications were for the City Deal.

### Current Position

## 2. Heads of Terms

- 2.1 In quick succession following that meeting, a series of discussions were held to unpick the original HoTs, clarifying each Council's interpretation and understanding of historical decisions taken by the City Deal Executive, that would need to be considered in any future partnership agreement.
- 2.2 In order to provide greater clarity going forwards on the meaning and intent of the original HoTs, the key provisions are being expanded and clarified. These clarified terms are likely to require further discussion within each partner council and to assist in this process, officers are drawing them together into a 'Clarified HoTs' document, for discussion within each Council, which will then be turned into a full partnership agreement for adoption.

## 3. New Homes Bonus

- 3.1 Alongside this, discussions with Government on the significant risks relating to NHB income have been escalated, with Leaders/CEOs/MPs meetings taking place and ministerial briefings being held by MHCLG.
- 3.2 The latest indication from Officials is that an announcement on a replacement for NHB is likely to be made over the Summer. The likelihood of a replacement (as opposed to abolition) for NHB is promising, although it is expected to result in a lower level of income being available than committed at the start of the Deal. Discussions are therefore ongoing between the Programme Board and Government officials on the need for further financial support to bridge any gap between original NHB forecasts and the revised ones. It is too early to comment on whether this further financial support will be forthcoming.



## 4. Financial Forecasting

4.1 In recent weeks, the Programme Board has also reviewed the income assumptions that underpin the financial forecasting. The end of year housing and commercial site completions have been compiled which has enabled an actual position on the fund to be reported (see financial monitoring report elsewhere on this agenda). Also, future housing and commercial site delivery forecasts are in the process of being finalised which will enable a revised financial forecast to be produced, based on a number of income and expenditure assumptions. These assumptions are also informed by the Clarified HoTs referred to earlier.

## 5. Delivery Programme

5.1 At this stage, only high level discussions have taken place at Programme Board regarding which projects should be prioritised in the event that the financial forecasting requires a reduction in the expenditure programme. The Scheme Prioritisation Report prepared by independent consultants Steer in 2019, will be used as the starting point for discussions, as will the updated financial forecasting, once completed.

5.2 In the meantime, the pause on non-committed spend remains in place with the affected schemes being held in abeyance.

## 6. Next Steps

6.1 It is intended to prepare Clarified HoTs, which will be complemented by an updated financial model and prioritised delivery programme over the coming weeks, in order to enable each of the partners to discuss the details within their authorities over the summer months, ultimately culminating in a final partnership agreement being brought to a future meeting of the Board.

### Implications

Ordinarily, the Board would be asked to consider a range of funding commitments, in order to progress a number of schemes that are currently being held in abeyance. For some of those schemes, the timescales for delivery/funding commitments are dictated by external factors outside of the control of the City Deal. At the time of writing it is expected that funding commitments for some of those schemes will need to be considered over the Autumn. In order to do this, the full partnership agreement, revised funding model and prioritised delivery programme need to be signed off by the City Deal Executive, otherwise further delays will occur, placing external funding opportunities and key priority schemes at risk.



# CITY DEAL

Preston, South Ribble & Lancashire

## Financial Implications

As detailed in the report, work is ongoing to deliver a new balanced City Deal model which will deliver the key priorities within the funding envelope available following recent data receipts and forecasting. As with any forward funding model, risks will need to be managed closely through continual updating of income forecasts and close monitoring of expenditure throughout the life of the Deal.

## **Legal Implications**

The Clarified HoTs is currently being prepared and will be considered by the Legal Officers Working Group. Legal officers will advise their respective councils accordingly and seek further instructions.

## **List of Background Papers**

Paper	Date	Contact/Tel
NA		
Reason for inclusion in Part II, if appropriate		
N/A		



# Agenda Item 14

(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)

Document is Restricted



# Appendix A

(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)

Document is Restricted



# Appendix B

(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)

Document is Restricted

