



**Preston, South Ribble and Lancashire City Deal Stewardship Board
and Executive - Combined Meeting**

**Wednesday, 22nd June, 2016 in Cabinet Room 'D' - The Henry
Bolingbroke Room, County Hall, Preston, at 3.00 pm**

Agenda

Part I (Items Publicly Available)

- 1. Welcome and Apologies for Absence**
- 2. Presentation - Flood Risk in CD Area - Environment Agency, Dan Bond**
- 3. Minutes of the Special Meetings of the City Deal Executive and
Stewardship Board held on 11th May 2016 (Pages 1 - 8)**
- 4. Matters Arising**
- 5. Declarations of Interest (Pages 9 - 10)**

Stewardship Board Items (Chaired by Deborah McLaughlin)

- 6. HCA Update (Verbal Report)**

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

- 7. City Deal Programme: End of Year Review (Pages 11 - 16)**
- 8. End of Year Finance Report 15/16 (Pages 17 - 28)**
- 9. Business and Delivery Plan 2016 / 19 Including Future Monitoring
Arrangements (Pages 29 - 30)**

10. **Communications Update** (Pages 31 - 34)
11. **Proposed New Scheme Approval Process** (Pages 35 - 42)
12. **Preston Bus Station and Youth Zone** (Pages 43 - 62)
13. **Any Other Business**
14. **Date of Next Meeting**
The next meeting is scheduled to be held on Wednesday 31st August 2016,
3pm, Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston.

Part II (Items that are Private and Confidential)

15. **Implementation Issues** (Pages 63 - 66)
16. **Resources Review Update** (Pages 67 - 106)



CITY DEAL

Preston, South Ribble & Lancashire

Preston, South Ribble and Lancashire City Deal Executive

Minutes of the Special Meeting held on Wednesday, 11th May, 2016 at 1.00 pm at the Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present

Jim Carter (Chair)

County Councillor Jennifer Mein
Councillor Margaret Smith

Councillor Peter Rankin

Observers

Deborah McLaughlin , Executive Director, Homes and Community Agency
Lorraine Norris, Chief Executive, Preston City Council
Mike Nuttall, Chief Executive, South Ribble Borough Council
Eddie Sutton, Director of Development and Corporate Services, Lancashire County Council
Councillor Cliff Hughes, South Ribble Borough Council
Councillor Phil Smith, South Ribble Borough Council

In Attendance

Jo Ainsworth, Specialist Advisor: Finance, Lancashire County Council
Marcus Hudson, Planning Manager, Lancashire County Council
Beckie Joyce, Head of Strategic Development, Lancashire County Council
Andy Milroy, Company Services Officer, Lancashire County Council
Sarah Parry, Programme Manager City Deal, Lancashire County Council
Sue Procter, Director Programmes and Project Management, Lancashire County Council
Stuart Sage, Homes and Community Agency

1. Welcome and Apologies for Absence

The Chair, Mr J Carter, welcomed all to the meeting. It was noted that Councillor's Phil Smith and Cliff Hughes (both South Ribble Borough Council) were in attendance as Observers, it was agreed that both Councillor Hughes and Councillor Smith could be present for the whole meeting.

Apologies for absence were presented from Jo Turton with Eddie Sutton in attendance as her nominee. Apologies were also noted from Malcolm McVicar.

2. Minutes of the City Deal Executive / Stewardship Board meetings held on 21st March 2016

Resolved: That the minutes of the City Deal Executive and Stewardship Board meetings held on 21st March 2016 be approved as an accurate record and signed by the Chairs.

3. Matters Arising

None

4. Declarations of Interest

Mr J Carter, made a declaration in relation to Item 8 – Implementation Update to Government. Whilst there were no decisions to be made on this particular development at this meeting, it was deemed prudent for Mr Carter to declare an interest in the development of land at Cuerden Valley, Preston.

The Eric Wright Group, through the Lancashire Regeneration Property Partnership are in discussions with Lancashire County Council about the possibility of working together on the development of this site. Mr Carter declared that he is a non-executive director of this company and will not therefore participate in any discussion in respect of this at any City Deal Executive Board meetings. Mr Carter will also declare this interest at Eric Wright Group Board meetings.

The City Deal Executive and Stewardship Board noted Mr Carter's declaration and deemed that it was appropriate for him to participate in all items on this agenda.

5. City Deal Implementation Update - Year 2, Quarter 4 Monitoring Report

5A. Project Monitoring Report

Sarah Parry, Programme Manager, City Deal, Lancashire County Council presented a report (circulated) containing the Project Monitoring performance for the Quarter 4 period – 1st January 2016 to 31st March 2016.

The Executive and Stewardship Board noted the current stage of each project as set out and also noted that any issues would be discussed during Item 8 – Implementation Update.

With regard to the references to Preston Bus Station, The Executive and Stewardship Board requested that a further update report be provided at a future City Deal Executive / Stewardship Board meeting.

Resolved: The City Stewardship Board and the Executive noted Project Monitoring Report for the period 1st January 2016 to 31st March 2016 as presented.

5B. Finance Monitoring Report

Jo Ainsworth, Subject Matter Expert / Specialist Advisor Finance, Programme Office, Lancashire County Council presented a Finance Monitoring Report for the period quarter 4 period – 1st January 2016 to 31st March 2016.

It was reported that the financial performance was as anticipated for this stage of the City Deal delivery.

The Executive and Stewardship Board requested that a meeting be arranged with the Chair of the Executive (Jim Carter), the Chair of the Stewardship Board (Deborah McLaughlin), Stuart Sage and Jo Ainsworth to go through the finance monitoring in detail.

Resolved: The City Deal Executive and Stewardship Board noted the Finance Monitoring Report for the quarter 4 – 1st January 2016 to 31st March 2016 period as presented.

6. Any Other Business

None

7. Date of Next Meeting

Resolved: It was noted that that the next scheduled meeting of the Combined City Deal Executive and Stewardship Board was to be held on Wednesday 22nd June 2016, 3pm, County Hall, Preston.

Part II

At this point the City Deal Executive and Stewardship Board approved that the meeting move into Part II, Private and Confidential to consider the remaining items which contained exempt information provided in confidence as defined in the Freedom of Information Act 2000. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

9. Outline Case Making to Government on Potential Impact of HMG Policy Changes on IDF

It was agreed to consider Item 9 before Item 8

Beckie Joyce, Head of Service, Strategic Economic Development, Lancashire County Council presented a report (circulated) that presented a draft document containing the outline case making to Government on the potential impact of policy changes to the Infrastructure Delivery Fund.

In reviewing the document, the Executive and Stewardship Board suggested a number of changes and agreed a strategy for presentation of the document to Government. It was agreed that Officers would make the necessary changes, discuss with all parties, and provide a further update at the next Combined City Deal meeting on progress made.

The Executive and Stewardship Board also re-confirmed its intention to invite the University of Central Lancashire and Chorley Borough Council to be formally invited to join the City Deal Executive and Stewardship Board as Observers.

Resolved: The City Deal Executive and Stewardship Board noted the Outline Case Making document, provided suggested changes to Officers and requested that a further update on progress made be presented to the June 2016 Combined City Deal meetings.

8. Implementation Update - Issues Report

Sarah Parry presented a report (circulated) which contained an update on issues relating to the implementation of various City Deal projects.

Updates were provided on Pickerings Farm Link Road, Croston Road Spine Road and Broughton Bypass with proposals for the next steps to be taken in their delivery.

Resolved: The City Deal Executive and Stewardship Board noted the report and endorsed the next steps as presented with progress updates to be reported to the next Combined City Deal meeting.



CITY DEAL

Preston, South Ribble & Lancashire

Preston, South Ribble and Lancashire City Deal Stewardship Board

Minutes of the Special Meeting held on Wednesday, 11th May, 2016 at 1.00 pm at the Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present

Jim Carter (Chair)

Deborah McLaughlin
Lorraine Norris

Mike Nuttall
Eddie Sutton

Observers

County Councillor Jennifer Mein, Leader, Lancashire County Council
Councillor Margaret Smith, Leader, South Ribble Borough Council
Councillor Peter Rankin, Leader, Preston City Council
Councillor Cliff Hughes, South Ribble Borough Council
Councillor Phil Smith, South Ribble Borough Council

In Attendance

Jo Ainsworth, Specialist Advisor: Finance, Lancashire County Council
Marcus Hudson, Planning Manager, Lancashire County Council
Beckie Joyce, Head of Strategic Development, Lancashire County Council
Andy Milroy, Company Services Officer, Lancashire County Council
Sarah Parry, Programme Manager City Deal, Lancashire County Council
Sue Procter, Director Programmes and Project Management, Lancashire County Council
Stuart Sage, Homes and Community Agency

1. Welcome and Apologies for Absence

The Chair, Mr J Carter, welcomed all to the meeting. It was noted that Councillor's Phil Smith and Cliff Hughes (both South Ribble Borough Council) were in attendance as Observers, it was agreed that both Councillor Hughes and Councillor Smith could be present for the whole meeting.

Apologies for absence were presented from Jo Turton with Eddie Sutton in attendance as her nominee. Apologies were also noted from Malcolm McVicar.

2. Minutes of the City Deal Executive / Stewardship Board meetings held on 21st March 2016

Resolved: That the minutes of the City Deal Executive and Stewardship Board meetings held on 21st March 2016 be approved as an accurate record and signed by the Chairs.

3. Matters Arising

None

4. Declarations of Interest

Mr J Carter, made a declaration in relation to Item 8 – Implementation Update to Government. Whilst there were no decisions to be made on this particular development at this meeting, it was deemed prudent for Mr Carter to declare an interest in the development of land at Cuerden Valley, Preston.

The Eric Wright Group, through the Lancashire Regeneration Property Partnership are in discussions with Lancashire County Council about the possibility of working together on the development of this site. Mr Carter declared that he is a non-executive director of this company and will not therefore participate in any discussion in respect of this at any City Deal Executive Board meetings. Mr Carter will also declare this interest at Eric Wright Group Board meetings.

The City Deal Executive and Stewardship Board noted Mr Carters declaration and deemed that it was appropriate for him to participate in all items on this agenda.

5. City Deal Implementation Update - Year 2, Quarter 4 Monitoring Report

5A. Project Monitoring Report

Sarah Parry, Programme Manager, City Deal, Lancashire County Council presented a report (circulated) containing the Project Monitoring performance for the Quarter 4 period – 1st January 2016 to 31st March 2016.

The Executive and Stewardship Board noted the current stage of each project as set out and also noted that any issues would be discussed during Item 8 – Implementation Update.

With regard to the references to Preston Bus Station, The Executive and Stewardship Board requested that a further update report be provided at a future City Deal Executive / Stewardship Board meeting.

Resolved: The City Stewardship Board and the Executive noted Project Monitoring Report for the period 1st January 2016 to 31st March 2016 as presented.

5B. Finance Monitoring Report

Jo Ainsworth, Subject Matter Expert / Specialist Advisor Finance, Programme Office, Lancashire County Council presented a Finance Monitoring Report for the period quarter 4 period – 1st January 2016 to 31st March 2016.

It was reported that the financial performance was as anticipated for this stage of the City Deal delivery.

The Executive and Stewardship Board requested that a meeting be arranged with the Chair of the Executive (Jim Carter), the Chair of the Stewardship Board (Deborah McLaughlin), Stuart Sage and Jo Ainsworth to go through the finance monitoring in detail.

Resolved: The City Deal Executive and Stewardship Board noted the Finance Monitoring Report for the quarter 4 – 1st January 2016 to 31st March 2016 period as presented.

6. Any Other Business

None

7. Date of Next Meeting

Resolved: It was noted that that the next scheduled meeting of the Combined City Deal Executive and Stewardship Board was to be held on Wednesday 22nd June 2016, 3pm, County Hall, Preston.

Part II

At this point the City Deal Executive and Stewardship Board approved that the meeting move into Part II, Private and Confidential to consider the remaining items which contained exempt information provided in confidence as defined in the Freedom of Information Act 2000. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

9. **Outline Case Making to Government on Potential Impact of HMG Policy Changes on IDF**

It was agreed to consider Item 9 before Item 8

Beckie Joyce, Head of Service, Strategic Economic Development, Lancashire County Council presented a report (circulated) that presented a draft document containing the outline case making to Government on the potential impact of policy changes to the Infrastructure Delivery Fund.

In reviewing the document, the Executive and Stewardship Board suggested a number of changes and agreed a strategy for presentation of the document to Government. It was agreed that Officers would make the necessary changes, discuss with all parties, and provide a further update at the next Combined City Deal meeting on progress made.

The Executive and Stewardship Board also re-confirmed its intention to invite the University of Central Lancashire and Chorley Borough Council to be formally invited to join the City Deal Executive and Stewardship Board as Observers.

Resolved: The City Deal Executive and Stewardship Board noted the Outline Case Making document, provided suggested changes to Officers and requested that a further update on progress made be presented to the June 2016 Combined City Deal meetings.

8. **Implementation Update - Issues Report**

Sarah Parry presented a report (circulated) which contained an update on issues relating to the implementation of various City Deal projects.

Updates were provided on Pickerings Farm Link Road, Croston Road Spine Road and Broughton Bypass with proposals for the next steps to be taken in their delivery.

Resolved: The City Deal Executive and Stewardship Board noted the report and endorsed the next steps as presented with progress updates to be reported to the next Combined City Deal meeting.

Agenda Item 5

Committee Member's Declaration of Interest in Proposed Transaction or Arrangement

COMBINED CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD

| | |
|--|----------|
| Name | |
| Date of Notification | |
| Date of Consideration of Item (i.e. date of Board meeting) | 22.06.16 |
| Item Number (if relevant) | |
| Description of Transaction | |
| Nature of Interest | |



CITY DEAL

Preston, South Ribble & Lancashire

City Deal Executive and Stewardship Board – 22nd June 2016

2015/16 – Preston, South Ribble and Lancashire City Deal Programme: End of Year Review

Report Author: Report of the City Deal Monitoring Group

Executive Summary

The purpose of this report is to provide a summary of key performance of the Preston, South Ribble and Lancashire City Deal Programme during and up to 2015/16 (Year 2). In headline terms, early progress has been encouraging and by Year 2 a total of 1,599 homes have been delivered against a target of 1,206.

This report provides an overview of how the City Deal Programme has performed during and up to 2015/16 (Year 2), highlighting progress against targets. This information is also used to report to Government progress towards agreed targets and notes progress up to March 2016.

Recommendations

Note the report and progress being made on delivering the City Deal Programme.

Background

The Preston, South Ribble and Lancashire City Deal is a 10 year Programme to provide key infrastructure in support of the delivery of 17,000 houses, over 1m sq m of commercial floorspace and around 20,000 jobs.

Monitoring metrics have been agreed between Government and the City Deal Executive and Stewardship Board (E&SB) in order to monitor progress and manage risk. The primary purpose of this report is to set out progress against the Core and Supporting metrics and these are reported in sections 3-7 of this report.

In addition, in 2015/16 the E&SB established its Skills and Employment Steering Group and endorsed its action plan to support employment growth, provide skills, training and recruitment support (in particular for the construction sector) and increase social value through the procurement process. The E&SB will be asked to approve the monitoring metrics for this work programme in due course.

During the year the City Deal partners, working alongside Marketing Lancashire, have led and contributed to a number of communication and marketing events, in particular with investors, developers and housebuilders, as part of the implementation of a comprehensive action plan.

The E&SB continue to scrutinise progress against all areas of City Deal activity so that it is able to respond to market conditions and new local and national delivery opportunities.

Housing Outputs

Overall, since the start of the Deal period, **housing completions** are ahead of forecast, with 1,599 completions versus a target of 1,206. During 15/16, slightly lower than forecast completions have been achieved (619 completions achieved against a forecast of 868 – 71% of the forecast total). This underperformance of 29% is made up mostly of small sites that have not yet come forward and some sites currently under construction that are taking longer to complete. On other sites there are, however, signs of over performance and/or increased acceleration on housing completions.

From the **planning perspective**, and inclusive of Year 0 (2013/14), Year 1 (2014/15) and Year 2 (2015/16), a total of 7,845 **housing units** have been submitted for planning. This is below the anticipated target of 9,774 which correlates with emerging delays on two strategic housing sites. Resources are focussed upon these two priority sites in order to mobilise development activity.

Focussing upon key **HCA sites**, acting as a barometer for the market for large development sites, progress is being well maintained. To date the HCA has secured planning permission on 6 sites with consent for 2,671 homes; 5 of the 11 sites have developer partners with capacity to deliver 1,159 new homes and; completed delivery on the first 80 new homes.

Table 1

| Core outputs | 14/15 Target | 14/15 Actual | 15/16 Target | 15/16 Trajectory | 15/16 Actual | All Years Cumulative Variance |
|--|---------------------|---------------------|---------------------|-------------------------|---------------------|--------------------------------------|
| Total number of Housing units consented for planning * | 6,590 | 6,501 | 3,027 | 3,027 | 2,174 | -942 |
| Total number of Housing units completed | 338 | 980 | 868 | 956 | 619 | +393 |
| Total number of Housing units submitted for planning | 6,844* | 6,844* | 2,930 | 2,930 | 1001 | -1929 |

*Includes consents from previous years from City Deal sites that form the baseline position

Commercial Floorspace Outputs

Year 2 targets have been exceeded with 6,327 sq m of **commercial floorspace completions** against a target of 4,745 sq m, and although the cumulative target has not been achieved, it should be noted that these early targets were relatively modest and not on strategic sites where the bulk of future outputs will be generated.

The commercial market is occupier led, and there are mixed signs of local market recovery with;

- some (limited) signs of **retail** recovery (both in and out of town);
- examples of smaller scale speculative **industrial** development at well located business parks (plus large lettings at existing business parks), and encouraging market responses to prime sites being brought forward;
- limited **office** activity, but continuing interest by the Business Processing Operations sector.

Nonetheless, original Year 2 projections anticipated commercial development activity associated with mixed-use housing sites and whilst these have been re-profiled along with the connected housing completions, speculative industrial development activity, and some retail development, has been brought forward, all of which provides a stronger sign of local market recovery and commercial demand.

Commercial floorspace consented targets have not been achieved. However, the profile of commercial floorspace completions is within the 10 Year Deal period. The 2015/16 target of 79,446 sq m relates to a range of mainly large employment and city centre sites. In some cases the large scale developments have been shifted back a year within the programme as more up to date market intelligence has been provided, however these planning consents have been re-aligned with the updated completion trajectories.

Table 2

| Core outputs | 14/15 Target | 14/15 Actual | 15/16 Target | 15/16 Trajectory | 15/16 Actual | All Years Cumulative Variance |
|--|---------------------|---------------------|---------------------|-------------------------|---------------------|--------------------------------------|
| Commercial floorspace consented (sq m) | 44,000 | 19,442 | 76,446 | 79,446 | 0 | -101,004 |
| Commercial floorspace completed (sq m) | 21,928 | 3,338 | 4,745 | 4,745 | 6,327 | -17,008 |
| Quantity of Commercial floorspace submitted for planning | 44,000 | 78,483 | 67,252 | 67,252 | 14,012 | -18,757 |

Jobs

Related to commercial floorspace outputs, jobs outputs are above the forecast cumulative target up to 2015/16 and have performed well since the start of the Deal with 224 being achieved against a forecast 196. Similarly, jobs connected to construction activity (transport investment) have contributed a further 529 jobs.

Table 3

| Core outputs | 14/15 Target | 14/15 Actual | 15/16 Target | 15/16 Trajectory | 15/16 Actual | All Years Cumulative Variance |
|---|---------------------|---------------------|---------------------|-------------------------|---------------------|--------------------------------------|
| Jobs accommodated via commercial floorspace completions** | 86 | 77 | 110 | 110 | 147 | +28 |
| Construction jobs connected to Capital Investment*** | n/a | 226 | 245 | 245 | 303 | +58 |

** Gross jobs based on an average of 43 sq m per job, as per CLG guidance.

*** Based on one job per £86,945 of capital investment

Private Sector Investment

In 2015/16 a combined total £26.36m of public and private sector investment has been invested in transport infrastructure, which has resulted in the achievement of the infrastructure milestones in Section 6 below and the construction jobs referred to in Table 3 above.

Table 4

| Core outputs | 14/15 Target | 14/15 Actual | 15/16 Target | 15/16 Trajectory | 15/16 Actual | All Years Cumulative Variance |
|--|---------------------|---------------------|---------------------|-------------------------|---------------------|--------------------------------------|
| Public Sector Investment (for Infrastructure programme) | £18.59m | £18.067m | £15.850m | £13.983m | £22.84m | +£6.467m |
| Private Sector Investment (for Infrastructure programme) | £6.18m | £5.543m | £5.522m | £6.076m | £3.518m | -£2.641m |

Infrastructure

Progress is being maintained on delivering the Highways Infrastructure with; Broughton Bypass on-site; Penwortham Bypass underway with land and property negotiations; Preston Western Distributor outline design complete and; A582 South Ribble Western Distributor Dualling underway with land and property negotiations.

Sustainable Transport Infrastructure Projects are also progressing well with; Broughton- Fulwood- (Preston) (North) outline design approved; Bamber Bridge - City Centre concept Design approved; Fishergate Central Gateway Phase 2 Construction underway and ; PWD to Samlesbury contract awarded.

Risk Management

The key City Deal Programme risks are being managed primarily through a rolling 3 year Infrastructure Delivery Plan and through rigorous project management methods.

The E&SB is aware that national policy changes and challenges have the potential to impact upon the commercial and housing market, and ultimately the delivery and sale of housing in the City Deal area. Expert advisors are retained by the City Deal partnership to ensure that local mitigation measures against potential adverse effects are fully explored. Part of this mitigation is working with HMG and HCA in helping to deliver their planning-led housing market policies, in particular accessing Starter Homes finance and funding opportunities and the potential for Direct Delivery.



CITY DEAL EXECUTIVE & STEWARDSHIP BOARD– 22nd June 2016

| |
|---|
| END OF YEAR FINANCE REPORT – 2015-16 (Appendix 'A' Refers) |
|---|

Report Author: Jo Ainsworth, Specialist Advisor – Finance, Lancashire County Council

Executive Summary

To present the Year End Finance Report for 2015-16.

Recommendation

The City Deal Executive and Stewardship Board are requested to note the Year End Finance Report for 2015 -2016.

Introduction

The City Deal infrastructure delivery model ("the model") is a finance model showing the finance activity to date and expected within the City Deal. The model is split into two sections - resources being income to be received into the model from the various income streams and delivery programmes being expenditure paid or forecast to be paid on the infrastructure schemes.

The City Deal is an accelerated delivery model based on the understanding that while the timing of resources coming into the model will be behind expenditure on schemes, requiring cash flow support from the County Council, there is a commitment of the partners to keep the model balanced.

It is recognised that the model is dynamic and that changes to the inputs and outputs of the model will occur over time. This is sustainable subject to maximum cash flow approvals being in place and not breached.

Position of the model as at 31st March 2016

The monitoring report for quarter 4 & 2015-16 to date is appended to this.

The model is currently showing a projected surplus over the city deal period of £1.408m compared to a position as reported in the 2015-18 IDP of a deficit of £6.357m.

The key changes are detailed below

| Additional Resources | £ | £ |
|--|------------------------|-------------------|
| <ul style="list-style-type: none"> • Addition to the model of the LCC reserves committed to meet Preston bus station funding gap (July 15 cabinet report) | £ 7.00m | |
| <ul style="list-style-type: none"> • Increase in CIL contributions being forecasted from the additional 2000 houses (previous models assumed no cil contributions as could be on small sites) | £ 8.039m | |
| <ul style="list-style-type: none"> • Other miscellaneous changes in funding - (changes over year in cil and s106 agreed, changes in HCA interest due to timing of grants expected) | £ 0.088m | |
| | | |
| Reduction in resources | | |
| <ul style="list-style-type: none"> • Change in commitment from Highways England towards M55 Junction 2 | -£ 2.500m | |
| Net changes to resources (net additional) | | £ 12.627 |
| | | |
| Additional Expenditure | | |
| <ul style="list-style-type: none"> • Revenue costs built into the delivery model (demographic modelling & master planning) | £ 0.264m | |
| <ul style="list-style-type: none"> • Updated estimates of A582 works | £ 0.128m | |
| <ul style="list-style-type: none"> • Addition to the model of future years anticipated HCA loan payments | £ 0.354m | |
| <ul style="list-style-type: none"> • Miscellaneous changes to expenditure – including updates on the admin and parish deductions from cil contributions. | £ 0.307m | |
| | | |
| Net additional expenditure | | - £ 1.053m |
| | | |
| Changes to the model with no net effect or to reflect additional funded schemes | | |
| <ul style="list-style-type: none"> • Increased CIL charges to reflect the inflation added to the charge per year – this is anticipated to cover additional inflationary pressures on scheme costs at 2012 prices within the model (£16.188) | £ 16.188m -£16.188m | |
| <ul style="list-style-type: none"> • Communications budget of £0.065m set up to promote schemes and city deal, funded by contributions from partners (£0.065m) | -£ 0.065m £ 0.065m | |
| <ul style="list-style-type: none"> • Effect of reprofiling income and expenditure leads to increased charges for financing – this is met by additional resource to the deal by LCC (£2.583m) | -£ 2.583m £2.583m | |
| Overall changes to the model | | 0 |
| | | |
| Corrections to the model | | |
| <ul style="list-style-type: none"> • Model had HCA grant receipts of £39.181m where cap is at the agreed amount of 37.50 to include the interest to be paid. This has been corrected in the model through this year leading to a net reduction in the resources | | -1.681 |

| | | |
|---|--|---------------|
| <ul style="list-style-type: none"> Original model had Fishergate phase 1 budget in, later models had phase 2 and 3. Actuals were recorded for all phases against these incorrect budgets and all income was recorded. Over the year the model has been corrected to reflect the correct budgets due for the full scheme which has increased expenditure budgets in the model. The project is funded through Growth Deal, ERDF and LCC capital programme. | | -2.128 |
| Overall changes to the model in the year 2015-16 | | 7.765m |

2015-16 review of annual performance

The annual position for 2015-16 as shown in the appended monitoring report shows actual net resources in the year of £4.825 compared to forecast net resources in the year of £4.290, a positive change of £ 0.535m for the year. This is a net position and reflects changes in profiling of items such as income from growth deal and LCC capital programme monies, resources due in from developer contributions on housing sites, advancement of expenditure on schemes such as the A582 roundabouts/ dualling works and other minor schemes profile changes as is to be expected in a programme of this magnitude. Whilst these changes show as variances in year, none of these affect the overall forecast over the city deal period as they represent profiling changes only.

Key risks to the model

Resources

Whilst most of the income to the model is fixed in commitment or capped amounts (with the exclusion of changes to Government policy and how those might affect the model which are being considered by the City Deal Executive and Stewardship Board) the main risk to the model in terms of income is certainty of securing developer contributions in line with the expectations at the outset of the City Deal. The total of these in the current model is £102.965m after building in increased rates and the modelling of those sites / units which will attract CIL and other contributions. £24.862m of this is expected to come into the model in the “run-on” period of years 11-15 due to reported slippage in sites being brought forward for development. This also has an impact over the time that LCC will have to cash flow the City Deal over and the resulting finance charges incurred.

While there is more certainty with regard to the CIL element of developer contributions, within this total figure of £102.965m there is also £49.408 which relates to “other developer contributions”, sometimes referred to as CIL Plus, and which includes monies payable through, for example, section 106/ 278 agreements. While there is a commitment in the Heads of Terms for these amounts to be secured from developers there are a number of technical issues in relation to ensuring these amounts can be collected and transferred to the model.

It should be noted that to date £32.746m of these have already been secured leaving an amount of £16.662m still to be sought. This represents a risk to the model remaining in balance as should these not be secured, expenditure and resource forecasts will not remain aligned. As part of the ongoing Resources Review Keppie Massie are testing all the assumptions relating to all developer contributions within the model.

Expenditure

To date, no final scheme funding gaps have been confirmed. The scheme estimates set out in the model will continue to be refined and tested as schemes are subject to detailed design, preparation of cost estimates and tendering prior to implementation. The Infrastructure Delivery Steering Group has approved a process to ensure that final costs are approved and schemes are fully funded prior to implementation.

Finance Monitoring Report

Quarter 4 2015-16

Section A : 10 year Infrastructure Delivery fund (IDF) -
current forecasts as at 30th September 2015

NB - expanded to show the 5 year extension period

1. Surplus / (Deficit)

| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | |
|-------------------------------|-------------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|--------|---------|------------|----------|---------|---------|-------|
| Total | Pre-2014/15 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | |
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | | £m | £m | £m | £m | £m | |
| Surplus/ (Deficit) | 1.408 | 0.292 | 4.165 | 4.825 - | 28.265 - | 12.845 - | 27.204 - | 18.735 | 19.485 | 2.243 | 8.639 | 16.903 | | 13.835 | 5.064 | 4.577 | 3.935 | 4.494 |
| Cumulative Surplus/ (Deficit) | | 0.292 | 4.457 | 9.282 - | 18.983 - | 31.828 - | 59.032 - | 77.767 - | 58.282 - | 56.039 - | 47.400 - | 30.497 | | - 16.662 - | 11.598 - | 7.021 - | 3.086 | 1.408 |

Deficit at last quarter

Key changes in surpluses and deficits since last
Quarter

0.634

0.774

The surplus of 0.774m as at 31 dec 15 has moved by the following key items

| | |
|---|--------|
| 1 Inclusion of HCA grant cap as per MOU | -1.235 |
| 2 changes in financing due to South Ribble housing numbers | 2.808 |
| 3 changes in financing due to Preston housing numbers | 1.273 |
| 4 update of forecast costs of Preston Bus Station | 0.298 |
| 5 update of costs for fishergate project | -2.042 |
| 6 additional S106 monies received from Preston and HCA | 0.382 |
| 7 changes in cil monies receivable - Preston | -0.829 |
| 8 changes in cil monies receivable - south ribble | -0.038 |
| 9 misc Revenue changes | -0.018 |
| 10 misc changes in cost of financing due to timing of payments / receipts | 0.035 |

Total changes in monitoring period

0.634

Current Surplus / Deficit

1.408

The current surplus as at 31st March 2016 is £ 1.408m against a target of £ nil

NB : The current maximum cash flow position (£77.767m in year 6) is within the agreed maximum cash flow liability under the terms of the deal , and the current surplus position with the £7m reserves added to the model is within LCC cabinet approvals.

2. Expenditure Breakdown

| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|--|----------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Total | Pre-2014/15 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | | £m | £m | £m | £m | £m |
| Delivery Programmes | | | | | | | | | | | | | | | | | |
| North West Preston | | | | | | | | | | | | | | | | | |
| NW Preston Green Infrastructure | 5.221 | - | | 0.853 | 0.683 | 0.693 | 0.598 | 0.598 | 0.598 | 0.598 | 0.598 | | | | | | |
| Further Community Infrastructure | 4.544 | - | - | 0.659 | 0.686 | 0.641 | 0.591 | 0.591 | 0.591 | 0.591 | 0.191 | | | | | | |
| Market Quarter | 0.400 | | 0.035 | 0.365 | | | | | | | | | | | | | |
| East-West Spine Road | 9.800 | | 0.141 | 0.693 | 2.216 | 6.750 | | | | | | | | | | | |
| Preston Western Distributor M55 to A583, M55 Junction 2 & Cottam Parkway | 104.500 | 0.197 | 0.994 | 1.749 | 1.500 | 5.860 | 47.100 | 44.100 | 3.000 | | | | | | | | |
| | 15.000 | | 0.004 | 0.001 | 0.300 | 0.300 | 0.300 | 1.500 | 2.000 | 10.595 | | | | | | | |
| Whittingham / Broughton / Preston East | | | | | | | | | | | | | | | | | |
| A6 Broughton Congestion Reduction | 24.283 | 3.189 | 0.892 | 4.008 | 15.994 | 0.200 | | | | | | | | | | | |
| M55 Junction 1 Roundabout | 1.716 | 1.602 | 0.114 | | | | | | | | | | | | | | |
| M6 Junction 32 | 8.000 | | 8.000 | | | | | | | | | | | | | | |
| Preston City Centre | | | | | | | | | | | | | | | | | |
| Preston Bus Station | 23.342 | 0.003 | 0.211 | 0.409 | 10.608 | 12.111 | | | | | | | | | | | |
| Fishergate Central Gateway | 9.042 | 1.746 | 1.744 | 4.158 | 1.360 | 0.034 | | | | | | | | | | | |
| South Ribble | | | | | | | | | | | | | | | | | |
| Pickerings Farm Link Road | 4.500 | | - | 0.050 | 1.250 | 3.200 | | | | | | | | | | | |
| Moss Side Test Track Road Infrastructure | 2.050 | | | | 0.025 | 2.025 | | | | | | | | | | | |
| Land Between Heatherleigh and Moss Lane Spine Road | 1.000 | | - | 1.000 | | | | | | | | | | | | | |
| Cuerden Strategic Site Road Infrastructure | 6.002 | | | 0.050 | 5.952 | | | | | | | | | | | | |
| Community/ Green Infrastructure | 7.400 | | 0.995 | 0.643 | 0.823 | 0.823 | 0.823 | 0.823 | 0.823 | 0.823 | 0.823 | | | | | | |
| A582 South Ribble Western Distributor/ B2523 Flensburg Way | 44.543 | 0.152 | 5.841 | 7.328 | 1.295 | 1.125 | 15.390 | 13.412 | | | | | | | | | |
| Completion Penwortham Bypass | 17.500 | 0.019 | 0.227 | 0.829 | 0.750 | 7.346 | 7.500 | 0.829 | | | | | | | | | |
| New Ribble Bridge - Preliminary Works & Route Protection | 2.000 | | 0.005 | 0.027 | 0.750 | 1.218 | - | | | | | | | | | | |
| South Ribble Other | 5.000 | | | | | | | | | | | | | | | | 5.000 |
| Education Infrastructure - Preston | | | | | | | | | | | | | | | | | |
| Education Infrastructure - Preston | 28.495 | | | 6.739 | 0.018 | 0.018 | 0.018 | 5.426 | 5.426 | 5.426 | 5.426 | | | | | | |
| Education Infrastructure - South Ribble | | | | | | | | | | | | | | | | | |
| Education Infrastructure - South Ribble | 11.203 | | | 3.629 | 0.386 | 0.386 | 0.386 | 1.604 | 1.604 | 1.604 | 1.604 | | | | | | |
| Community Provision - Preston CC | | | | | | | | | | | | | | | | | |
| Community Provision - Preston CC | 8.031 | | 0.803 | 0.803 | 0.403 | 0.803 | 0.803 | 0.803 | 0.803 | 0.803 | 0.803 | | | | | | 1.203 |
| Community Provision - South Ribble BC | | | | | | | | | | | | | | | | | |
| Community Provision - South Ribble BC | 4.922 | | 0.492 | 0.492 | 0.492 | 0.492 | 0.492 | 0.492 | 0.492 | 0.492 | 0.492 | | | | | | 0.492 |
| Public Transport Corridors & Local Centres- Preston | | | | | | | | | | | | | | | | | |
| Public Transport Corridors & Local Centres- Preston | 12.125 | 0.250 | 0.028 | 0.084 | 3.231 | 6.450 | 0.082 | 0.250 | 1.750 | | | | | | | | |
| Public Transport Corridors & Local Centres- South Ribble | | | | | | | | | | | | | | | | | |
| Public Transport Corridors & Local Centres- South Ribble | 12.125 | 0.250 | 0.068 | 0.035 | 3.319 | 0.503 | 5.350 | 2.600 | - | | | | | | | | |
| CL Transport Modelling costs | 0.178 | - | - | 0.098 | 0.030 | 0.030 | 0.020 | | | | | | | | | | |
| Revenue costs to be included in City Deal | 0.086 | - | - | 0.006 | 0.010 | 0.010 | 0.010 | 0.010 | 0.010 | 0.010 | 0.010 | | | | | | 0.010 |
| Communications and Marketing | 0.065 | | - | 0.003 | 0.062 | - | - | - | - | - | - | | | | | | |
| Construction inflation provision | 16.188 | | | 2.584 | 2.920 | 5.095 | 4.062 | 0.461 | 0.828 | 0.132 | 0.106 | | | | | | |
| Cost of capital | 8.639 | | - | 0.089 | 0.236 | 0.670 | 0.990 | 1.358 | 1.268 | 1.052 | 1.037 | | 0.516 | 0.329 | 0.235 | 0.150 | 0.065 |
| Total Delivery Programmes | 397.900 | 7.408 | 19.564 | 21.664 | 59.130 | 56.645 | 90.920 | 71.834 | 18.826 | 22.823 | 11.516 | 16.276 | 0.516 | 0.329 | 0.235 | 0.150 | 0.065 |

3. Revenue Breakdown

| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|--|----------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|
| Total | Pre-2014/15 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | | £m | £m | £m | £m | £m |
| Resources | | | | | | | | | | | | | | | | | |
| Upper Tier Councils - Lancashire County Council | | | | | | | | | | | | | | | | | |
| LCC Capital Investment Programme | 21.352 | 4.400 | 1.500 | 0.952 | 9.500 | 5.000 | | | | | | | | | | | |
| Integrated Transport Block | 24.250 | 0.500 | 1.250 | 2.500 | 2.500 | 2.500 | 2.500 | 2.500 | 2.500 | 2.500 | 2.500 | 2.500 | | | | | |
| Lostock Hall Land Receipt | 0.228 | | | | | 0.057 | 0.057 | 0.057 | 0.057 | | | | | | | | |
| New Homes Bonus | 12.953 | | | | 0.159 | 0.417 | 0.673 | 1.044 | 1.572 | 2.062 | 2.415 | 2.721 | 1.890 | - | - | - | - |
| LCC Revenue Contribution - Capital Financing Cost | 8.639 | - | - | 0.089 | 0.236 | 0.670 | 0.990 | 1.358 | 1.268 | 1.052 | 1.037 | 0.823 | 0.516 | 0.329 | 0.235 | 0.150 | 0.065 |
| European Regional Development Funding for Fishergate | 1.601 | 1.000 | 0.380 | 0.221 | | | | | | | | | | | | | |
| Central Gateway Delivery Programme | | | | | | | | | | | | | | | | | |
| LCC reserves | 7.000 | | | | 7.000 | | | | | | | | | | | | |
| Central Government | | | | | | | | | | | | | | | | | |
| Single Local Growth Fund | 79.500 | | | 16.020 | 10.780 | - | 25.090 | 23.890 | 3.720 | | | | | | | | |
| HCA - Locally Retained Landhold Receipts (1 year loan) | 39.894 | - | 4.759 | 7.648 | 4.942 | 3.522 | 3.703 | 3.974 | 6.941 | 4.177 | - | - | 0.227 | - | - | - | - |
| HCA - Expected Land Value Realisation on HCA Sites | 37.500 | - | - | - | 3.359 | 6.978 | 9.437 | 6.977 | 8.995 | 1.753 | - | - | - | - | - | - | - |
| HCA - Loan repayments | - 39.935 | - | - | 4.800 | 7.648 | 4.942 | 3.522 | 3.703 | 3.974 | 6.941 | 4.177 | - | - | 0.227 | - | - | - |
| HCA - Interest on Loans | - 0.358 | - | 0.004 | 0.013 | 0.073 | 0.047 | 0.035 | 0.037 | 0.044 | 0.066 | 0.036 | - | - | 0.000 | 0.002 | - | - |
| Highways Agency - Pinchpoint Funding for Broughton/ M55/ M6 Delivery Programme | 8.600 | 0.600 | 8.000 | | | | | | | | | | | | | | |
| Highways Agency - Pinchpoint Funding for A582 Golden Way | 2.109 | | 2.109 | | | | | | | | | | | | | | |
| Highways Agency - Pinchpoint Funding for M55 Junction 2 | 25.000 | | | | 12.500 | 12.500 | | | | | | | | | | | |
| Developers Contribution | | | | | | | | | | | | | | | | | |
| Community Infrastructure Levy - employment sites in Preston City Council area | 0.323 | | 0.048 | - | 0.022 | 0.028 | 0.033 | 0.045 | 0.041 | 0.037 | 0.036 | 0.033 | | | | | |
| Community Infrastructure Levy - employment sites in South Ribble Borough Council area | 2.617 | | 0.011 | 0.011 | 0.014 | 2.338 | 0.037 | 0.053 | 0.054 | 0.047 | 0.040 | 0.034 | | | | | |
| Community Infrastructure Levy - housing sites in Preston City Council area | 30.940 | | 0.510 | 0.651 | 0.390 | 1.179 | 1.270 | 2.933 | 3.022 | 2.847 | 2.813 | 2.660 | 2.637 | 2.583 | 2.527 | 2.530 | 2.388 |
| Community Infrastructure Levy - housing sites in South Ribble Borough Council area | 28.056 | | 0.174 | 0.013 | 0.381 | 0.794 | 2.526 | 3.564 | 3.495 | 3.226 | 2.355 | 2.789 | 2.732 | 1.987 | 1.437 | 0.929 | 1.680 |
| Community Infrastructure Levy Plus - housing sites in Presto | 7.861 | | - | - | 0.076 | 0.179 | 0.221 | 0.863 | 0.846 | 0.855 | 0.851 | 0.750 | 0.699 | 0.645 | 0.626 | 0.624 | 0.626 |
| Community Infrastructure Levy Plus - housing sites in South S106 / S278 Agreements - non housing related | 8.801 | | - | - | 0.034 | 0.237 | 0.876 | 1.243 | 1.132 | 0.961 | 0.817 | 0.950 | 0.939 | 0.593 | 0.410 | 0.252 | 0.357 |
| S106 / S278 Agreements - sites in Preston City Council area | 1.000 | | - | - | 1.000 | - | - | - | - | - | - | - | - | - | - | - | - |
| S106 / S278 Agreements - sites in South Ribble Borough Co | 31.706 | 1.200 | 4.985 | 3.222 | 2.702 | 2.300 | 3.347 | 2.975 | 2.417 | 3.849 | 1.054 | 3.035 | 0.300 | 0.082 | 0.082 | 0.082 | 0.074 |
| | 0.040 | | - | 0.040 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Lower Tier Councils - Preston City Council | | | | | | | | | | | | | | | | | |
| Business Rate Retention at Strategic City Deal Locations | 5.135 | | 0.031 | 0.042 | 0.307 | 0.670 | 0.692 | 0.714 | 0.345 | 0.629 | 0.746 | 0.961 | | | | | |
| PCC Grants - lottery funding | - | | | | | | | | | | | | | | | | |
| New Homes Bonus | 28.051 | | - | 0.077 | 0.419 | 0.911 | 1.615 | 2.464 | 3.551 | 4.649 | 5.436 | 5.945 | 2.983 | - | - | - | - |
| Lower Tier Councils - South Ribble Borough Council | | | | | | | | | | | | | | | | | |
| Business Rate Retention at Strategic City Deal Locations | 4.350 | | 0.042 | 0.085 | 0.671 | 0.774 | 0.877 | 0.980 | 0.103 | 0.188 | 0.273 | 0.357 | | | | | |
| New Homes Bonus | 25.409 | | - | 0.198 | 1.055 | 1.177 | 1.497 | 2.130 | 3.156 | 4.019 | 4.646 | 5.359 | 2.172 | - | - | - | - |
| Moss Side Test Track Land Receipt | 5.000 | | | | | | | | | | | 5.000 | | | | | |
| Preston 5% CIL admin charge | - 1.956 | | - | 0.060 | 0.024 | 0.069 | 0.076 | 0.192 | 0.195 | 0.187 | 0.185 | 0.172 | - | 0.167 | 0.161 | 0.158 | 0.158 |
| South Ribble 5% CIL admin charge | - 1.971 | | - | 0.005 | 0.021 | 0.168 | 0.172 | 0.243 | 0.234 | 0.212 | 0.161 | 0.189 | - | 0.184 | 0.129 | 0.092 | 0.059 |
| Contribution for Communications & Marketing | 0.065 | | - | 0.009 | 0.056 | - | - | - | - | - | - | - | | | | | |
| Community Infrastructure Levy due to Parish Councils in Pre- | 0.645 | | 0.005 | 0.170 | 0.013 | 0.022 | 0.023 | 0.054 | 0.053 | 0.047 | 0.044 | 0.040 | - | 0.038 | 0.036 | 0.034 | 0.033 |
| Community Infrastructure Levy due to Parish Councils in So- | 3.807 | | 0.061 | 0.015 | 0.011 | 0.118 | 0.371 | 0.421 | 0.403 | 0.386 | 0.259 | 0.338 | - | 0.356 | 0.269 | 0.221 | 0.232 |
| Total Resources | 399.308 | 7.700 | 23.729 | 26.489 | 30.813 | 43.806 | 63.742 | 53.114 | 38.312 | 25.068 | 20.156 | 33.179 | 14.350 | 5.394 | 4.812 | 4.085 | 4.559 |

3.1 Key changes in resources .

1 During January & February work has been ongoing with district planners to review housing numbers, this has meant changes on, at times, daily basis to the numbers of houses, the income they will generate and the build out rates. As numbers are reported to us this changes the model.

Section B : in year monitoring
Year 2 Quarter 4

| | Total | | | Quarter 1 | | | Quarter 2 | | | Quarter 3 | | | Quarter 4 | | | Q1 Reported | Q2 Reported | Q3 Reported |
|--|----------|---------|----------|-----------|---------|----------|-----------|---------|----------|-----------|---------|----------|-----------|----------|----------|----------------|----------------|-------------------------|
| | Original | Revised | Variance | Original | Revised | Variance | Original | Revised | Variance | Original | Revised | Variance | Original | forecast | Variance | | | |
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | | | |
| Central Government | | | | | | | | | | | | | | | | | | |
| Transport Funding | 3.000 | 16.020 | - 13.020 | 3.000 | 3.000 | - | - | - | - | - | - | - | - | 13.020 | 13.020 | | note 9 | note 18 & 20 note 16 |
| HCA - Locally Retained Landhold Receipts | 2.018 | 2.835 | - 4.854 | 2.018 | - | 2.018 | - | - | - | - | - | - | - | 2.835 | 2.835 | | | |
| | | | - | | | - | | | - | | | - | | | - | | | |
| Developer Contributions (less Parish Council share) | 6.076 | 3.639 | 2.437 | 1.519 | - | 1.519 | 1.519 | - | 1.519 | 1.519 | 3.118 | 1.599 | 1.519 | 0.521 | 0.998 | note 5 | note 10 | note 15 |
| | | | - | | | - | | | - | | | - | | | - | | | |
| Lancashire County Council | | | | | | | | | | | | | | | | | | |
| Capital Programme & Grants | 12.000 | 3.682 | 8.318 | 12.000 | 12.000 | - | - | - | - | - | 0.221 | 0.221 | - | 8.539 | 8.539 | | | note 20 |
| Capital Receipts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| Revenue Contribution - Capital Financing Cost | 0.067 | 0.089 | 0.022 | - | - | - | - | - | - | - | - | - | 0.067 | 0.089 | 0.022 | | | |
| | | | - | | | - | | | - | | | - | | | - | | | |
| Preston City Council | | | | | | | | | | | | | | | | | | |
| Business Rates Retention | 0.263 | 0.042 | 0.221 | - | - | - | - | - | - | - | 0.042 | 0.042 | 0.263 | 0.000 | 0.263 | | | note 11 |
| Heritage Lottery funding | 0.456 | - | 0.456 | - | - | - | - | - | - | - | - | - | 0.456 | - | 0.456 | | | |
| New Homes Bonus | 0.066 | 0.077 | 0.011 | - | - | - | - | 0.066 | 0.066 | - | 0.028 | 0.028 | 0.066 | 0.039 | 0.027 | | | |
| | | | - | | | - | | | - | | | - | | | - | | | |
| South Ribble Borough Council | | | | | | | | | | | | | | | | | | |
| Business Rates Retention | 0.085 | 0.085 | - | - | - | - | - | 0.085 | 0.085 | - | - | - | 0.085 | 0.000 | 0.085 | | | |
| New Homes Bonus | 0.198 | 0.198 | - | - | - | - | - | 0.198 | 0.198 | - | 0.099 | 0.099 | 0.198 | 0.099 | 0.099 | | | |
| | | | - | | | - | | | - | | | - | | | - | | | |
| Resources Total | 20.059 | 26.489 | 6.430 | 14.501 | 15.000 | 0.499 | 1.519 | 0.349 | 1.170 | 1.519 | 3.254 | 1.735 | 2.520 | 7.886 | 5.365 | | | |

| Total | | | Quarter 1 | | | Quarter 2 | | | Quarter 3 | | | Quarter 4 | | | | | | | |
|--|---------------|---------------|-----------|--------------|--------------|--------------|--------------|--------------|--------------|---------|--------------|--------------|--------------|----------|--------------|--------------|--------------|---|--------------|
| Original | Revised | Variance | Original | Revised | Variance | Original | Revised | Variance | Original | Revised | Variance | Original | Forecast | Variance | | | | | |
| £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | | | | | |
| Preston Transport Programmes | | | | | | | | | | | | | | | | | | | |
| East-West Link Road | 0.659 | 0.693 | - | 0.034 | 0.165 | 0.012 | 0.152 | 0.165 | 0.234 | - | 0.070 | 0.165 | 0.184 | - | 0.020 | 0.165 | 0.262 | - | 0.097 |
| Preston Western Distributor | 1.009 | 1.749 | - | 0.740 | 0.252 | 0.016 | 0.236 | 0.252 | 0.481 | - | 0.229 | 0.252 | 0.525 | - | 0.273 | 0.252 | 0.727 | - | 0.475 |
| Broughton* | 2.238 | 4.008 | - | 1.770 | 0.560 | 0.014 | 0.545 | 0.560 | 0.337 | - | 0.223 | 0.560 | 0.118 | - | 0.442 | 0.560 | 3.539 | - | 2.980 |
| Cottam Parkway | - | 0.001 | - | 0.001 | - | - | - | - | - | - | - | - | - | - | - | - | 0.001 | - | 0.001 |
| Preston Bus Station | 0.812 | 0.409 | - | 0.403 | 0.203 | - | 0.203 | 0.203 | 0.056 | - | 0.147 | 0.203 | 3.137 | - | 2.934 | 0.203 | 2.784 | - | 2.987 |
| Fishergate Central Gateway | 2.064 | 4.158 | - | 2.094 | 0.516 | 0.117 | 0.399 | 0.516 | 1.596 | - | 1.080 | 0.516 | 1.332 | - | 1.848 | 0.516 | 3.778 | - | 3.262 |
| Public Transport & Public Realm Corridors | 0.140 | 0.084 | - | 0.056 | 0.035 | 0.006 | 0.029 | 0.035 | 0.045 | - | 0.010 | 0.035 | - | - | 0.035 | 0.035 | 0.033 | - | 0.002 |
| community infrastructure | - | 0.035 | - | 0.035 | - | - | - | - | - | - | - | - | - | - | - | - | 0.035 | - | 0.035 |
| Community Provision - Preston City Council | 0.803 | 0.803 | - | 0.000 | 0.201 | - | 0.201 | 0.201 | - | - | 0.201 | 0.201 | 0.803 | - | 0.602 | 0.201 | - | - | 0.201 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| South Ribble Transport Programmes | | | | | | | | | | | | | | | | | | | |
| Pickerings Farm Link Road | 0.050 | - | - | 0.050 | 0.013 | - | 0.013 | 0.013 | - | - | 0.013 | 0.013 | - | - | 0.013 | 0.013 | - | - | 0.013 |
| Moss Side Test Track Road Infrastructure | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Land Between Heatherleigh & Moss Lane Spine Road | 0.500 | - | - | 0.500 | 0.125 | - | 0.125 | 0.125 | - | - | 0.125 | 0.125 | - | - | 0.125 | 0.125 | - | - | 0.125 |
| Cuerden Strategic Site Road Infrastructure | 0.050 | - | - | 0.050 | 0.013 | - | 0.013 | 0.013 | - | - | 0.013 | 0.013 | - | - | 0.013 | 0.013 | - | - | 0.013 |
| Green Infrastructure | 0.640 | 0.995 | - | 0.355 | 0.160 | - | 0.160 | 0.160 | - | - | 0.160 | 0.160 | - | - | 0.160 | 0.160 | 0.995 | - | 0.835 |
| A582 South Ribble Western Distributor/ B2523 Flensburg Way | 4.499 | 7.328 | - | 2.829 | 1.125 | 0.385 | 0.739 | 1.125 | 1.829 | - | 0.704 | 1.125 | 0.123 | - | 1.002 | 1.125 | 4.991 | - | 3.866 |
| Penwortham Bypass | 0.750 | 0.829 | - | 0.079 | 0.188 | 0.012 | 0.175 | 0.188 | 0.465 | - | 0.278 | 0.188 | 2.599 | - | 2.411 | 0.188 | 2.247 | - | 2.434 |
| New Ribble Bridge - Preliminary Works & Route Protection | 0.750 | 0.027 | - | 0.723 | 0.188 | - | 0.188 | 0.188 | 0.006 | - | 0.182 | 0.188 | 0.058 | - | 0.130 | 0.188 | 0.037 | - | 0.224 |
| Public Transport & Public Realm Corridors | 0.380 | 0.035 | - | 0.345 | 0.095 | 0.001 | 0.094 | 0.095 | 0.022 | - | 0.073 | 0.095 | 0.006 | - | 0.089 | 0.095 | 0.005 | - | 0.090 |
| Community Provision - South Ribble Borough Council | 0.492 | 0.492 | - | 0.000 | 0.123 | - | 0.123 | 0.123 | - | - | 0.123 | 0.123 | 0.001 | - | 0.122 | 0.123 | 0.491 | - | 0.367 |
| | - | - | - | - | - | - | - | - | 0.030 | - | 0.030 | - | 0.492 | - | 0.492 | - | 0.522 | - | 0.522 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| CLTM transport Modelling | - | 0.098 | - | 0.098 | - | - | - | - | - | - | - | - | 0.033 | - | 0.033 | - | 0.065 | - | 0.065 |
| Revenue costs | - | 0.009 | - | 0.009 | - | - | - | - | - | - | - | - | 0.014 | - | 0.014 | - | 0.067 | - | 0.062 |
| Capital Financing Cost | 0.067 | 0.089 | - | 0.022 | - | - | - | - | - | - | - | - | - | - | - | - | 0.089 | - | 0.089 |
| Expenditure Total | 15.769 | 21.664 | - | 5.895 | 3.959 | 0.564 | 3.395 | 3.959 | 5.101 | - | 1.141 | 3.959 | 6.761 | - | 2.802 | 3.892 | 9.238 | - | 5.346 |

notes 3 & 4 notes 3 & 4 note 17
notes 3 & 4 notes 3 & 4 note 17
notes 3 & 4 notes 3 & 4
notes 3 & 4 notes 3 & 4
notes 3 & 4 notes 3 & 4
notes 3 & 4 notes 3 & 4
notes 3 & 4 notes 3 & 4
note 12

Net position for the year

4.290 4.825

*Includes congestion relief, and M55 and M6 junction improvements

General update on Q1 Year 2

1
2
3
4
5
6
7
8

There has been no changes in Qtr1 to the overall deficit position for the full term of the City Deal to 2023/24. This remains as per the IDP at £6.357m deficit with a maximum cash flow funding of £61.224m in Year 6.

There are no specific issues that have arisen in Qtr. 1 to affect the forecast in the IDP for year 2 - this remains at £20.059m income and £15.769m expenditure after capital financing showing a net position for the year of £4.29m.

Whilst the monitoring report above suggests there are variances to the Qtr. 1 modelled position, this is due to the idp model being in years, and quarterly reports being based on equal division of this amount to report against. Work in ongoing to refine the budget figure for the current year and for future quarterly positions to be more reflective of the anticipated spend / income . There remains no variation to the total year forecast.

In relation to expenditure, whilst there is no specific changes to the timings and works to deliver infrastructure in year 2 as above, there remains the risk that future predicted house building rates may affect the timing of spending profiles for related infrastructure particularly for those delivered under S106/ s278 agreements.

In relation to income there is a full scale review underway with all partners to update the predicted changes to house building profiles etc. which have a direct impact on the timing of the CIL payments, s106, s278 agreements. It should be noted that there is no risk to the level of income from these sources as there is the extension period to recover all the income due, it is merely a timing issue.

The newly appointed CIL negotiator (Keppie Massie) has been commissioned to assess commercial viability in NW Preston along with methods of equalising financial costs of supporting infrastructure.

The current provision in the IDP for education infrastructure £28.495 in Preston and £11.203 in South Ribble may not be sufficient for the requirements - we are currently awaiting a needs analysis but the possibility of securing developer contribution to education infrastructure should be considered

Community Infrastructure and Green Infrastructure is the subject of a separate report and will be subject to project management and reimbursements on certified expenditure.

General update on Q2 Year 2 (3-8 above also apply)

9
10
11
12
13
14

retiming of Growth Deal funding requests to city deal schemes with brought on by pass start in 16-17

working with planners in each district and on a site by site basis the level of CIL contributions per site have been reviewed . This doesn't affect the model overall as it's a timing issue predominantly but it does mean income is now forecast not to appear until year 3 of the extension period.

Level of business rates retention in Preston paid over is less than anticipated due to slower build of commercial space. Work is ongoing on the process of paying over BRR but this is a timing issue predominantly

Transport modelling is included here as a separate line as although hit supports all capital road infrastructure it is not scheme specific.

There are no specific issues that have arisen in Qtr. 2 to significantly affect the forecast in the IDP for year 2 - this is now £21.372m income and £16.162m expenditure after capital financing showing a net position for the year of £5.210m. This is an increase of 0.92m for the year , predominantly due to the increased contribution from Growth Deal in the quarter which is a re profiling of monies originally due in later years not an increase overall .

There has been no significant changes in Qtr. 2 to the overall deficit position for the full term of the City Deal. This is now showing the overall deficit to be £6.757m with a maximum cash flow funding requirement of £68.850m in Year 6. The working model now includes years 11-15(the extension period) as £7.828m of CIL income is now due up to year 13.

General update on Q3 Year 2 (3-14 above also apply)

15
16
17
18
19

Further slippage reported in housing site delivery and overall numbers, delivery affects the income profiling whilst numbers affect the overall position.

Reprofiling of HCA land receipts, both loan and grants - effect on timing only.

advancement of expenditure on Broughton By pass and PWD ; reprofiling only.

advancement of growth deal monies in 15-16. reprofiling only & partly due to spend on related projects.

addition to the model of the £7m LCC reserve commitment relating to Preston Bus Station.

General update on Q4 Year 2 (3-19 above also apply)

20

Local Growth Contributions replaced by LCC capital programme payments. This is as agreed to help with Growth Deal slippage and will be reverted in future years . No impact on the amounts from each source over the life of city deal.



CITY DEAL EXECUTIVE & STEWARDSHIP BOARD– 22nd June 2016

| |
|---|
| City Deal Business and Delivery Plan 2016-19, Including Future Monitoring Arrangements |
|---|

Report Author: Eddie Sutton, City Deal Programme Director

Executive Summary

To seek approval from the City Deal Executive and Stewardship Board (CD E&SB) to retain the draft Business and Delivery Plan (as presented at the March meeting and attached) as an interim Plan, pending the outcome of discussions with HMG on the impact of national policy changes and the delivery of the City Deal going forward. A report later on this agenda entitled 'Resources Review Update', sets out the initial findings of the Review which will inform the basis of discussions with HMG.

The CD E&SB is also requested to consider and approve the proposed future monitoring arrangements as outlined in the report.

Recommendation

1. That until such time as the outcomes of the discussions with HMG are known, the Draft Business and Delivery Plan 2016-19, as presented at the last meeting, be approved for use on an interim and internal only basis.
2. That the CD E&SB be requested to approve the proposed future monitoring arrangements/frequency as set out in the report.

Business and Delivery Plan

At the CD E&SB meeting in March, a draft Business and Delivery Plan was presented, pending the outcome of a two part Resources Review, which is analysing the impact of proposed Government policy changes on the Deal (Part 1), and stress testing the delivery assumptions made during the negotiation of the Deal (Part 2). The findings of the Resources Review will form the basis of the discussions with HMG and once they have concluded, an updated version of the Business and Delivery Plan be prepared for consideration by the CD E&SB.

It was previously reported that a revised business and delivery plan would be presented to this meeting. However, the work involved in undertaking the Review has required a longer timescale and discussions with HMG are now expected to take place over the Summer/Autumn period.



Future Monitoring Activity

During the past year, a lot of work has been undertaken to review the arrangements for collation and presentation of monitoring information, in order to streamline processes, reduce the burden and provide user friendly information. In addition, clarity has been sought from Government as to its own monitoring requirements, and it has been confirmed that quarterly reporting to Government is no longer required.

As well as reporting against the core and supporting outputs, discussions have also been held to agree the most appropriate arrangements for monitoring and reporting progress against the City Deal Business and Delivery Plan, particularly now that it includes delivery milestones for over 100 development sites, as well as infrastructure schemes, and in order to meet the request of the CD E&SB to report performance closer to quarter end. Following those discussions, the CD E&SB is asked to consider the proposed reporting arrangements/frequency, outlined below:-

1. Performance against the **core outputs*** to be reported to Cabinet Office on a **6 monthly** basis via the **BIS Relationship Manager** for the City Deal
2. Performance against the **core and supporting outputs*** to be reported to the CD **E&SB** on a **6 monthly** basis.
3. Performance against the **City Deal Business and Delivery Plan* (Housing and Commercial Development Sites)** to be reported to the **E&SB** on a **6 monthly** basis (enabling the quantitative information on the metrics to be set within the context of the qualitative information on the delivery milestones for each site)
4. Performance against the **City Deal Business and Delivery Plan (Infrastructure Schemes and Finance)** to be reported to the CD **E&SB** on a **quarterly** basis.

**NB for housing completions the 6 monthly actual figure will be based on 5 months actual and 1 month projected, in order to enable the planning authorities to collect the information and present it to E&SB/Government during the Autumn term.*



City Deal Executive and Stewardship Board – 22nd June 2016

Communications Update

Report Author: Ginette Unsworth, Communications Programme Director, Lancashire County Council

Executive Summary

This report provides an update on communication activities since the last regular Combined City Deal Executive and Stewardship Board meeting held on 21st March 2016.

Recommendation

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

1. Introduction

1.1 This update highlights the local activity that has taken place as well as delivery against the plan to date.

2 Media

2.1 The last quarter has seen a number of milestones for public information, communication and consultation. Activities have included media releases on the following:

- Masterplan approved for Altcar Lane and park improvements
- Improvements on Flensburg Way
- Changes made to Penwortham Bypass plans
- Preston Markets Quarter proposals announced
- Work starts on New Hall Lane
- Revised design announced for Preston Youth zone and bus station improvements
- Planning application goes in for Preston Western Distributor
- Tank moves to make way for expanded roundabout on A582
- Bamber Bridge improvements given the go ahead
- Engineering students visit the Broughton Bypass construction site

In addition The Insider magazine Lancashire (May issue) featured information about the City Deal, including comments made by Jim Carter at the LEP sponsored Business of Lancashire event.



3 Communications and marketing delivery plan

3.1 Business events

Following on from the successful event held in conjunction with Lancashire Business View, the LEP event in late March in conjunction with Insider magazine was a great success and City Deal figured high on the agenda.

Events planned for later in the year include MIPIM UK in October in which City Deal will be incorporated into a wider Lancashire proposition, and Marketing Lancashire is currently in discussions with property and investment publisher Place North West about a potential City Deal focused event.

3.2 Employment and Skills

As part of City Deal's ambition to ensure the employment and skills are in place for future requirements, City Deal is sponsoring a stand at the UCLAN Science Fair in July organised by the Skills Hub. The exhibition will help encourage children to consider a future career in construction as a viable option and there will be interactive games for the young people and their families to participate in, including building a new bridge over the Ribble.

3.3 Online content

The invest section of the City Deal area of the LEP website has been updated providing more information for those considering investing in the area. Two short videos have also been produced with Edwin Booth on behalf of Booths and David Holmes from BAE Systems to showcase the benefits of doing business in the Preston and South Ribble area. A further video is planned with a housebuilder for later in the year.

Digital advertising ran across Twitter and Facebook throughout March to promote the animated film about City Deal, which is intended to increase awareness and boost confidence in the growth of the area. The advertising helped increase views to the animation by 17% and increased Twitter followers by 29%. Due to this positive impact, a further similar promotion is planned later in the year.

3.4 E-bulletin

The City Deal e-bulletin is a cost effective way of keeping residents and business aware of progress. To date 10 bulletins have been issued, with the latest sent out in March to 877 subscribers. The LEP e-bulletin also continues to feature City Deal business in every issue and the LEP Business Brief pushes City Deal content on a regular basis.



4 **Coming up**

Key forthcoming milestones to be supported by communications activity include:

- 4.1 Launch of the Penwortham Bypass and town improvements consultation.
- 4.2 Update on Cuerden development site.
- 4.3 Official opening of St Catherine's Park in June.



CITY DEAL

Preston, South Ribble & Lancashire

City Deal Executive and Stewardship Board – 22nd June 2016

**New Scheme approval and sign off process
(Appendix 'A' refers)**

Report Author: Joanne Hudson – City Deal, Lancashire County Council, 01772 534179, email joanne.hudson@lancashire.gov.uk

Purpose of the Report

To set out proposed improved arrangements to enable the Executive and Stewardship Board (CDE&SB) to consider and approve any new/additional schemes prior to inclusion in the Business and Delivery Plan.

Recommendation

That the proposed new scheme approval process and template be approved and used for all new City Deal Schemes and the process be reviewed in 12 months time.

Background

The CDE&SB approved a number of revenue schemes, to be funded from the IDF in 2015. The IDF is, in overall terms, a balanced fund with anticipated income already allocated for spend on approved schemes, it is nonetheless important that the CDE&SB remain open to the inclusion of new schemes, subject to the availability of funding. It is therefore proposed that the process for including any new potential schemes be managed through an agreed approach that enables the CDE&SB to make investment decisions, based on a set of criteria such as; contribution to the City Deal objectives and core outputs; availability of funding and the relationship to existing projects in the programme.

Current Position

The City Deal Business and Delivery Plan is approved annually by the E&SB and sets out the full range of City Deal schemes and activities to be delivered. The schemes described in the plan are approved 'in principle' within a funding envelope, subject to final design and budget approval from the City Deal Infrastructure Delivery Steering Group (IDSG).

It is possible for new schemes to emerge mid-year and in order to avoid a situation where schemes are delayed until the next business planning stage, the need for a new process of approval has been identified. This will allow the E&SB to consider and approve new schemes as they emerge. The process designed to facilitate this is described below and a template (attached) has been produced to capture all the scheme information necessary.

The proposed new scheme approval process is as follows:

1. The 'new scheme' template should be completed by project manager/scheme lead in order to capture all relevant scheme information including an estimate of cost and timescales.
2. The completed forms should be submitted to the City Deal Programme Management Team with any supporting information.
3. The City Deal Programme Management Team will circulate the templates and supporting information to a nominated lead from each City Deal partner who will coordinate responses from their organisation and make recommendations on the scheme.
4. The Programme Management Team will compile responses and recommendations into a summary document for consideration by the City Deal Project Team and then Programme Board, who will similarly make recommendations prior to final approval/otherwise by the E&SB. (Depending upon the scheme type, views will be sought from IDSG members, e.g. where technical views are required in relation to deliverability).
5. Project leads will be informed of the final decision.
6. Where a scheme has been rejected then reasons will be provided, where schemes are approved this would be in principle and prior to any work commencing on site, final design and cost approval would need to be secured from IDSG.
7. Once a scheme has been approved, a scheme profile/template will be created for the City Deal Business and Delivery Plan and milestones will be agreed.

To be completed for all new City Deal schemes *(not currently in the Annual Business and Delivery Plan)***Purpose of this form:**

To provide sufficient information to enable the Programme Board and City Deal Executive to make a decision as to whether to approve the scheme in principle and authorise progression to the next stage that will include full scheme design and costing approval.

The process is as follows:

1. The 'new scheme' template should be completed by project manager/scheme lead in order to capture all relevant scheme information including an estimate of cost and timescales.
2. The completed forms should be submitted to the City Deal Programme support Team with any supporting information.
3. The City Deal Programme team will circulate the templates and supporting information to a nominated lead from each City Deal partner who will coordinate responses from their organisation and make recommendations on the scheme.
4. The programme management team will compile responses and recommendations into a summary document for consideration by the City Deal Programme Board prior who will similarly make recommendations prior to final approval/otherwise by the City Deal Executive. (Depending upon the scheme type views will be sought from IDSG members, e.g. where technical views are required in relation to deliverability)
5. Project leads will be informed of the final decision.
6. Where a scheme has been rejected then reasons will be provided, where schemes are approved this would be in principle and prior to any work commencing on site would be subject to final design and cost approval from IDSG.
7. Once a scheme has been approved in a scheme profile/template will be created for the City Deal Business and delivery Plan and milestones will be agreed.

Request for new scheme approval - City Deal business and delivery plan

1. Scheme Overview

| | | <i>To be completed by the applicant</i> | <i>Reviewer comments</i> |
|------|--|--|--------------------------|
| 1.1 | Name of scheme: | <i>Enter name of scheme</i> | |
| 1.2 | City Deal Zone | <i>Choose an item.</i> | |
| 1.3 | Scheme type: | <i>Choose an item.</i> | |
| 1.4 | Contact for more information: | <i>Name of applicant and email/telephone number</i> | |
| 1.5 | Grid reference: | <i>Please provide a six digit grid reference</i> | |
| 1.6 | Is a site map available | <i>Yes/no</i> | |
| 1.7 | Funding type – is the scheme: | Revenue (tick box) Capital (tick box) | |
| 1.8 | Scheme description: | <p><i>What will the scheme deliver?—provide full details/description.</i></p> <p><i>E.g. carriageway/footway improvements, green space provision.</i></p> <p><i>If revenue please explain how the scheme supports existing or potential city deal schemes (which schemes?)</i></p> | |
| 1.9 | Why is the scheme needed and what benefits will it bring? | <p><i>E.g. meets the objectives of or identified in local plan, masterplan etc.</i></p> <p><i>Will improve connectivity, accessibility to services, place making, supports alternatives to the car.</i></p> | |
| 1.11 | How was the need for the scheme identified? | <p><i>E.g. Community /officer/CI plan/ a local or master planning exercise</i></p> <p><i>Please provide details:</i></p> | |

Request for new scheme approval - City Deal business and delivery plan

2. Scheme benefits – strategic and local fit

| | | | | |
|-----|--|------------------------------|--|-------------------|
| 2.1 | Outcome/benefits anticipated | Please delete as appropriate | If yes, please provide further information (numbers of jobs/homes or reason/justification) | Reviewer comments |
| 2.2 | Job creation/employment opportunities | Yes/no | | |
| 2.3 | New homes | Yes/no | | |
| 2.4 | Improved community infrastructure to support sustainable communities | Yes/no | <i>Explain how, what local support is there for this scheme?</i> | |

3. Funding Requirements

| | |
|---|--------|
| Please provide an estimate of costs: | £ |
| If a revenue scheme, could the scheme be capitalised? | Yes/No |

Will this scheme attract developer or other contributions, if yes please provide details.

| Funding source (e.g. CIL, s106, other) | Date obtained | Date to be obtained | Other relevant information |
|--|---------------|---------------------|----------------------------|
| | | | |
| | | | |

| | | |
|--|--|---|
| Is any funding required from the City Deal Fund? | Yes/ No (if yes, please provide an amount) | £ |
|--|--|---|

Comments from finance:

Request for new scheme approval - City Deal business and delivery plan

4. Deliverability of the scheme

| 4.1 | How long is the scheme expected take to complete? | | Reviewer comments |
|-----|--|---|-------------------|
| 4.2 | Who will deliver the scheme? | | |
| 4.3 | Anticipated start date if approved | | |
| 4.4 | Are there any other issues or risks associated with this scheme that you are aware of, | | |
| 4.5 | Are planning or other consents anticipated for this scheme? | Please provide details | |
| 4.6 | Are there any communications considerations associated with this scheme? | <i>E.g. Particular councillor or community interest</i> | |

Request for new scheme approval - City Deal business and delivery plan

Please provide an indication of delivery milestones (refer to milestones in Annual Business and Delivery plan) and target delivery dates for this scheme

| Year 3 16/17 | Year 4 17/18 | Year 5 18/19 | Year 6 19/20 | Year 7 20/21 | Year 8 21/22 | Year 9 22/23 | Year 10 23/24 |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | | | | | | | |

Please return this completed form to the City Deal Programme support team.

Appraiser comments and recommendations:

To be completed by appraiser (lead officer)

City Deal Programme Board/Executive – Decision and comments/date of approval

Record of decision



CITY DEAL EXECUTIVE & STEWARDSHIP BOARD– 22nd June 2016

| |
|---|
| Preston Bus Station and Youth Zone (Appendix 'A' refers) |
|---|

Report Author: Eddie Sutton, City Deal Programme Director

Executive Summary

To provide the City Deal Executive and Stewardship Board (CD E&SB) with the current position with regard to the funding and delivery programme for the Preston Bus Station and Youth Zone.

Recommendation

The City Deal Executive & Stewardship Board is requested to note the report.

Background

The CD E&SB will recall that the Preston Bus Station project is set out in the City Deal Infrastructure Delivery Fund and project milestones are set out in the draft Business Plan and in previous years Infrastructure Delivery Plans. The CD E&SB requested a position update report on the bus station be presented at this meeting.

The opening City Deal model (2013) set out circa £8M from the County Council's Capital Programme was allocated for the Bus Station project. In July 2015 the County Council agreed to allocate a further £7M from its reserves for the Bus Station project. The County Council has since approved a further £8M towards a combined Bus Station, Youth Zone, Public Realm and Highway improvements project. The total project cost is now therefore £23M funded entirely from the County Council alongside a small Growth Deal contribution towards the public realm adjacent to the bus station.

Given the opening City Deal Model included the £8M County Council contribution the entire bus station project will remain in the City Deal Model. This will enable the local City Deal partners to demonstrate that they are continuing to invest significant additional resources to significant projects in the City Deal area.

The County Council's Cabinet considered and approved a report on the project earlier this month and the report is attached at Appendix 'A' for information.

Report of the Director of Development and Corporate Services

| |
|--------------------------------------|
| Electoral Divisions affected: All |
|--------------------------------------|

Preston Bus Station – project update

Contact for further information:

Eddie Sutton, (01772) 535171, Director Development and Corporate Services

eddie.sutton@lancashire.gov.uk

Executive Summary

This report describes detailed proposals, the combined outcomes of which will result in the regeneration of Preston Bus Station and Multi Storey Car Park as a public services hub focussing on transformed bus and coach facilities, a new build Youth Zone for the young people of Preston and South Ribble, improved pedestrian safety, highway improvements and car parking along with the creation of accessible open space in the heart of Preston city centre.

The objective is to deliver a modern and vibrant public service hub which compliments the Grade Two listed property and promotes the regeneration and development of Preston city centre.

This is deemed to be a Key Decision and the provisions of Standing Order No 25 have been complied with.

Recommendation

Cabinet is recommended:

- (i) To approve the proposals set out in this report which will repair and refurbish Preston Bus Station and Multi Storey Car Park, primarily as a public service facility focusing on, bus and coach transportation, a Youth Zone for the young people of Preston and South Ribble, pedestrian safety, highway improvements, car parking and the creation of accessible and useable public open space within the heart of Preston City Centre;
- (ii) To fund the additional contribution of £925,000 for the Preston Youth Zone from the existing allocation for the delivery of Youth Zones across the county;
- (iii) To authorise the County Council to enter into a Lease Agreement with its delivery partner in respect the occupation and operation of the Youth Zone on terms to be agreed by the Head of Service for Estates and the Director of Legal, Democratic and Governance.

(iv) To authorise officers to submit Planning Applications and listed Building Consents in respect of the concrete repairs and car park refurbishment, Bus Station façade replacement, Bus Station internal refurbishment and Youth Zone and public realm.

Background and Advice

1. Introduction

At the Executive Scrutiny Committee on 7th June 2016 John Puttick will make a presentation on the revised design for the Bus Station, Concourse and Youth Zone. As part of the presentation there will be a number of visual images.

On the 5th December 2013, Cabinet agreed that the County Council should take ownership of Preston Bus Station and Multi Storey Car Park (" Bus Station and MSCP") from Preston City Council on the principal terms set out in the report considered by Cabinet on that date. Cabinet authorised the Leader, in consultation with the then Interim Chief Executive, the County Secretary and Solicitor, and County Treasurer, to agree and conclude the final terms of the transfer, which was completed on the 31st March, 2014.

The report considered by Cabinet on 5th December 2013, explained the significant impact that the Grade II listing (designation in September 2013), had on the future direction of the Bus Station and MSCP, in particular the major obstacles this presented in the context of seeking approval to demolish the existing facilities, which was a pre-requisite to the building of a new bus station and car park.

The report concluded that the designation of the Bus Station and MSCP as a Grade II Listed Building made the potential option of demolishing the Bus Station and MSCP and building a new bus station and car park extremely challenging. Alternative proposals have therefore been developed to refurbish and enhance this facility.

The Bus Station and MSCP is one of the key gateways to Preston city centre. A modern refurbished and well maintained facility is an essential component in enabling the wider regeneration and development of Preston city centre and will have a pivotal role in supporting the Preston, South Ribble and Lancashire City Deal. The development of the Bus Station and MSCP has been included within the City Deal Infrastructure Delivery Plan and the full value of the programme of works has been recognised.

The Preston, South Ribble and Lancashire City Deal agreed with government, builds on the strong economic performance of the area over the last ten years and will help to ensure that the City Deal area continues to grow by addressing strategic transport infrastructure and development challenges to deliver new jobs and housing across the City Deal area.

On 6th November 2014, Cabinet considered a report which outlined proposals for the regeneration of the Bus Station and MSCP focussing on the bus station concourse, the MSCP and public realm, together with the relocation of the proposed Youth Zone

from the Nutter Road/Ringway site to the Western Apron. These elements form the consolidated development proposal and are individually addressed in the body of this report.

On 5th March 2015, Cabinet received an update report on the undertaking of an international design competition for:

- the ground floor of the existing Bus Station, but excluding the central spine of accommodation within the property; and
- all of the western apron along with that part of Tithebarn Street between Old Vicarage and Lord Street, extending to Lord Street itself.

The winning design practice, John Puttick Associates, of New York, were appointed in October 2015.

2. Construction Programme Development

The complex nature of this scheme with its confined city centre site, its interfaces with other highway works and the sensitivities in dealing with a high number of adjacent businesses whose operations would all be affected by the construction of the youth zone and refurbishment of the bus station requires contractors who are sympathetic to the project requirements and with a track record of excellent customer and public relations.

It was also essential that the contractors were also able to provide the earliest possible engagement with the design team and client prior to starting on site to gain a full understanding of the complexities involved, to bring their construction expertise to assist in the resolution of these complexities and to build these issues into the programme and working methods.

It was evident, therefore, that selection of framework partner`s would be the best solution to ensure satisfactory delivery of the project.

Within this framework category the County Council has engaged the following partners:

- Conlon Construction Ltd of Bamber Bridge
(concrete repairs/car park refurbishment, internal elements of the concourse refurbishment, including the glazing and coach station)
- Keepmoat Construction of Salford.
(Youth Zone and public realm, external elements of the coach station, on and off site highway works)

The nature of the scheme was such that both framework partners are capable of delivering the scheme successfully with neither of them giving any cause for concern regarding performance or their ability to deliver excellent public relations.

Conlon and Keepmoat have a good track record of public realm work and have carried out similar town centre schemes. On that basis, the decision was taken to partner with them for this project.

3. Youth Zone

The current Bus Station operates out of 80 bus bays running along the whole of the east and west side of the building. The proposal outlined at Section Five of this report is to deliver a 36 bay bus station utilising the whole of the east side of the current facility with a four bay coach park being located on the existing taxi rank. This configuration will completely remove buses and coaches from the west side of the current facilities, creating the opportunity to develop this area.

The 6th November 2014 report to Cabinet explained the background to the location of the Youth Zone on the former nursery site at Nutter Road/Ringway and in doing so recognised that taking ownership of the Bus Station and MSCP provided the opportunity to consider this as an alternative location for the Preston Youth Zone.

Since the conclusion of the international design competition extensive work has been undertaken by John Puttick Associates, the technical design team, the construction partners and On-side to develop a fully deliverable programme of works. This has included the revision of the original Youth Zone design.

The revised Youth Zone design is significantly different from the proposed design which emerged from the design competition. The changes have arisen as a consequence of significant feedback received from Historic England and the Twentieth Century Society and their concerns regarding the design and specifically the proximity of the Youth Zone to the bus station building itself.

Design modifications were considered to alleviate these concerns and lessen the planning risk associated with them. However, these modifications resulted in a significant increase in the construction costs of the original design, giving estimates above the capital budget outlined in the November 2014 report.

Historic England and the Twentieth Century Society have consistently raised concerns regarding the close proximity of the proposed development to the listed building, especially as the original proposal was to physically connect the two structures.

The revised design overcomes these issues and by moving the Youth Zone away from the Bus Station to sit at the furthest point available within the boundary of the western apron means that a listed building consent is no longer a requirement. This will mitigate planning risk and is expected to reduce the time needed to gain planning permission.

Externally the Youth Zone is designed as a freestanding building that complements the Bus Station, while being contemporary in design. Its steel structure and metallic facade create a pavilion-like appearance that contrasts with the heavy concrete of the Bus Station. The horizontal lines and stepping of the new building respond to the horizontal emphasis of the original structure. Along the east side of the Youth Zone, a new parade of steel columns relates to the large concrete columns of the Bus Station.

The Design Team has worked closely with On-Side and have made detailed changes that will improve the operational efficiency of the building, making it crucially more efficient and cost-effective to run. The expertise and experience of On-Side in

the running similar youth zones elsewhere in the country has been invaluable to the development of this building.

Having established a design and configuration for the freestanding building, several key considerations have had to be taken into account:

- The building should be sufficiently distant from the Bus Station to allow a pleasant and active public space between the two.
- The new building should be a confident design but should not attempt to compete with the Bus Station.
- The new building should be a have a simple form.
- The new building should be visually lighter in than the Bus Station in material to complement the existing building.
- The freestanding building should not seek to replicate the Bus Station design.

The Youth Zone will now be positioned as far to the north-west of the site as possible to maximise both the new public realm and the separation from the Bus Station.

The new structure is envisaged as a visually light pavilion, complementing the strength and weight of the existing concrete Bus Station. The building is split into three levels echoing the horizontal emphasis of the listed structure.

The building steps down towards both the new public space and the Bus Station, to respond to the shape of the listed building and preserve views. At ground level, the south and east sides of the building have large areas of glazing that highlight the entrance and give glimpses of the many activities taking place inside.

The Youth Zone will be an exciting new venue for the young people of Preston and South Ribble and is arranged around a central activity space which connects all the facilities on offer. Enlivened by games and recreational areas, from here users of the building can see the sports, arts and crafts and enterprise activities taking place and be encouraged to get involved. The large Sports Hall has been placed upstairs, to reduce the size of the building facing the public space and the Bus Station.

The double-height main entrance of the Youth Zone will offer views of the climbing wall and up to the Sports Hall. The majority of facilities have been located at ground level, including a fitness suite, a performing arts and dance studio, a music room, a boxing and martial arts gym and a variety of arts and workshop rooms.

An external kick-pitch and viewing areas will be provided at roof level. Placing the kick-pitch on top of the building maximises the available public space at ground level and creates an exciting venue, with impressive views across the Bus Station, the new public space and beyond.

The terms of the lease arrangement and the governance of the Preston Youth Zone will be finalised by the Head of Service for Estates and the Director Legal, Democratic and Governance. The lease will contain a restrictive covenant restricting the use of the facility to a Youth Zone and provisions enabling the lease to be terminated for breach of covenant and insolvency. The final terms will be reported to the Leader and Deputy Leader of the Council.

The November 2014 report also established a revised reduced County Council revenue contribution of £150k pa, this had been agreed previously at £400k pa. It was also clarified that the County Council would no longer be required to underwrite the remaining public sector contribution, or any shortfall in the private sector contribution.

Pre-planning Public Consultation

A pre-planning consultation took place between 17th and 25th May 2016.

As part of this consultation there was an on-site exhibition located at Stand 3 on the Bus Station Concourse, running from Thursday 19th May through to Saturday 21st May.

This exhibition showed the latest designs for the Bus Station and the Youth Zone, and how these had been developed by the design competition winner, architect John Puttick Associates, over the last few months. The exhibition was open to the public from 8.30am to 5.30pm Thursday and Friday, and from 8.30am to 12.30pm on Saturday.

All of the information was available via the county council website for the entire duration of the consultation for anyone who was not able to attend the event in person. See attached link: lancashire.gov.uk/preston-bus-station.

Staff were on hand from Lancashire County Council, John Puttick Associates (the architect), Cassidy & Ashton (the planning consultants), and On-side (who will support the Preston Youth Zone in the running of the Youth Zone) throughout the event to answer questions from members of the public. Attendees were encouraged to share their thoughts about the new designs via postcards provided at the event along with a post box to collect them in, or via the 'Have your Say' facility on our web-site.

63 hard copy responses were returned at the event, of which 27 (43%) were positive, and 13 (21%) were negative. The remaining 23 responses (37%) were categorised as mixed or neutral in that while they liked some aspects of the scheme they had concerns about others. This probably reflects the multi-dimensional aspect of the plans.

Positive responses mainly focused on the improved physical appearance of the area and the visual impact of the design proposals.

Negative responses also featured design in some cases, but also tended to mention issues around whether the scheme was the most appropriate use of public funds in the context of cuts elsewhere.

Mixed or neutral responses included people who approved of the Bus Station improvements but were against the concept of the youth zone and vice versa, comments around highways, some suggestions around specific design details, and scepticism around the plans being made reality.

4. Multi Storey Car Park

Studies were undertaken in 2014 led by Jacobs to assess the condition of the structure at the Bus Station and Multi Storey Car Park. These included a concrete

condition survey by a specialist survey company Ian Farmer Associates. This was limited to localised test areas within the structure. The results of the investigations indicated that embedded chlorides were present throughout the structure and that different elements of the structure were at differing risk of ongoing corrosion. Areas of high risk included the vehicular circulation routes and some of the parapets exposed to wetting.

It was also noted within the report that a further survey of the car park to properly identify which areas were at differing corrosion risks should be undertaken, to enable more detailed quantification of the required remedial solutions. Conlon's have been working with the County Council to advance the concrete repairs and car park refurbishment. Following a competitive tender exercise undertaken by Conlons, Makers Construction Limited, a specialist contractor, has been appointed to undertake the concrete repair and corrosion protection works.

The County Council's requirements, includes, all the necessary repairs and installation of corrosion protection measures to the structure to ensure an additional 25-years of life with minimal maintenance. Additionally, improvements are required to the decoration and to provide deck coatings throughout to improve the user experience.

In comparison with the Jacobs cost study the following efficiencies have been identified through the process:-

- Additional surveys have identified the specific areas where impressed current cathodic protection is needed; this has ensured that this relatively expensive technique is only used where it is required.
- The market assessment of concrete repair costs is less than that previously assumed.
- High quality deck coatings can be applied throughout, and the specialist contractors concluded that the existing asphaltic material on decks 1, 2, 8 and 9 would not require removal prior to deck coating which offers a saving. The application of these deck coating systems will improve future durability thus reducing the requirement for other protection measures in some locations; and
- Suitable coating products are available that can be installed over the existing coatings on the soffits. Removal of the existing coatings is not required, this provides a significant cost saving.

The improvements to the Multi Storey Car Park will improve all aspects of the facility, particularly for car park customers and the county council as the owner/operator of the property.

In broad terms, the Brief for the works will deliver a refurbished car park which will become the facility of choice for motorist's visiting Preston.

The Brief has been prepared to deliver the type and quality of facility which may be found in major cities throughout Europe.

The improvements can be broadly grouped under two headings.

1. Works to the concrete surfaces

As part of the concrete repairs, all the access/egress ramps will have new barrier restraints installed which will increase the width for cars entering and leaving the car park.

All deck floors will be treated with coloured waterproof coatings. All parking bay markings will be formed in the topcoat in a contrasting colour. On completion of the deck coatings all directional markings will be applied.

All ceiling surfaces will be treated with a light coloured coating to give a superior surface that will reflect the internal lighting.

2. Mechanical and electrical

The mechanical and electrical package has been designed to work in conjunction with the coatings referred to above. The objective being to deliver a facility which is welcoming, light and secure.

The lighting will be controlled by adjustable passive infra-red sensors with 256 closed circuit television cameras located throughout the property.

Additional security will be installed in the form of face recognition cameras to all stairwells and ANPR equipment on all ramps.

New ticket machines will also be installed along with new lifts as part of the stairwell refurbishment works.

The work will also see the installation of electric charging points for battery powered/hybrid vehicles.

During the operation of the Bus Station it has become increasingly apparent that action is required to provide suicide prevention measures within the refurbishment of the MSCP. This was not included within the initial programme of works proposed within the November 2014 Cabinet Report, and no funding was allocated. Through efficiencies in the overall design solution for the Bus Station savings of £900,000 have been identified. A design solution is currently being developed and this currently unallocated sum of £900,000 will be set aside as a provisional sum for suicide prevention measures to be installed on all 9 floors. Any underspend of this amount will be added to the overall project contingencies.

5. Concourse (Bus Station external glazing and Internal refurbishment)

The county council's overall proposals will include the delivery of a refurbished and reconfigured Bus Station and Coach Park utilising the full length of the east side of the building. This approach will completely remove bus traffic from the west apron. The remainder of west apron will be integrated into an area of high quality public realm space providing better pedestrian connectivity into the city centre and towards the Railway Station.

The existing configuration of the Bus Station involves bus movements along both the east and west aprons. One of the implications of this is that passengers accessing

the Bus Station from the city centre, across Tithebarn Street are currently choosing to negotiate manoeuvring buses on the west apron.

In the interests of public safety and passenger convenience, the design of a redeveloped Bus Station enables the separation of the bus movements from those of pedestrians in the most efficient manner.

The East side of the building will be refurbished to provide a new 36 bay bus station along with a four bay coach park to be located on the site of the former taxi rank and include new glazing with new automatic doors out on to a new fully DDA compliant bus concourse.

The ground floor and mezzanine within the building will be refurbished to enhance the lighting, surface finishes and other existing features. This will provide an internal public space which can support the main uses together with initiatives from the private, public and voluntary sector.

Pedestrian access to the Bus Station and MSCP is currently via a high level footbridge link from the MSCP to first floor of the Guild Hall Arcade, and at ground level across the west apron or via three subways:

- One at the north east corner from the Ringway side of Carlisle Street;
- One from Tithebarn Street, adjacent to St. Johns Centre; and
- One from the ground floor of the Guild Hall Arcade.

It is proposed that the subway from Tithebarn Street, adjacent to St. Johns Centre; and the subway from the ground floor of the Guild Hall Arcade be permanently closed with the subway to the north east corner being retained in the interests of pedestrian safety.

The proposals set out above deliver the objective to make it easier and safer for people to access the Bus Station at ground floor level across the west apron. This would not only consolidate pedestrian access points but also mitigate those elements of anti-social behaviour that the existing subways encourage. These principles have been discussed with the owners of St. Johns Centre and the Guild Hall. With regard to the high level footbridge to the Guild Hall Arcade, the owners of the Guild Hall have indicated a desire to retain and improve this facility, at their cost. This will be further explored with them in due course.

The original design of the Bus Station interiors were clean and simple. The scale of the space being emphasised by a simple horizontal theme with white tiles at the lower levels of the central spine with dark-grey timber and glass above, the external glazing with central horizontal band, the clean concrete soffit above and black rubber-tiled floor below. The original design also benefitted from an absence of clutter on the interior surfaces.

Since its opening in 1969, the major elements of the Bus Station have remained largely intact. The scale of the space remains evident, and many of the original materials have suffered from only surface damage. However, the Bus Station does not have the appearance that meets the original intentions. A significant number of minor additions clutter the space, and lighting, signage and advertising have been added in a piecemeal fashion detracting from the concept of 'integrated design'. The

colour of the upper part of the central spine has been changed, and the current artificial lighting scheme creates both unwanted surface fixtures and a dreary atmosphere.

The strategy to refurbish the Concourse has involved identifying the most significant elements and seeking to retain and enhance them, while sensitively introducing specific new interventions that will improve functionality. The original design featured fully integrated lighting and signage and the strategy reinstates this concept.

The entrances on the west side will be consolidated – three for the Bus Station and one for the new Coach Station facility. Towards the south end of the building a new 'entrance hall' is created in the part of the Bus Station with the greatest lateral space and views - this will become the main entrance, information point and ticketing area. The central route through the middle of the station will be widened. Concrete pavers will extend into the interior from the external landscape to form nonslip mats at the entrances and provide a durable, hard-wearing surface. Elsewhere the existing black rubber floor will be retained and refurbished.

Along the central spine, the original white tiling will be maintained at the lower levels and repaired and replaced where needed. The upper surfaces will be restored, returning the colour of the frames and panels to the original dark grey. Shopfronts will be restored where possible and replaced where necessary with a design similar to the original.

The clutter of existing signage will be removed and a new strategy implemented that allows integration into the surfaces as far as possible. Signage will primarily take the form of large wall-based graphics, using the Helvetica typeface in keeping with the style of the 1960s building. In order to avoid the current clutter of advertising, zones have been identified for grouped signage and advertising.

The existing ribbed concrete soffit will be cleaned. Linear lighting along the upper section of the horizontal facade 'band' will be reinstated and supplemented with lighting along the top of the spine. The intention is for all lighting to be achieved indirectly towards the concrete soffit, with the current ceiling lights removed.

The existing WCs are to be refurbished and reconfigured to make them more welcoming and to improve the space at the central point connecting the east and west sides of the station.

At the south end, a new dedicated Coach Station is created that is also separated by a screen of glazing. This is a stand-alone facility with new WCs that is able to operate independently from the main station.

The glazing is to be replaced with a system that replicates the existing as far as possible while achieving contemporary requirements in terms of wind loading and safety glass. Glazing at ground level follows the modules of the heritage building but is modified along the west side to consolidate the door positions. At high level the existing glazing will be replaced with safety glass using aluminium mullions as close as possible to the originals. The mid-height 'band' incorporating signage and lighting will be rebuilt to restore the intentions of the original.

6. Public realm

The proposal is to provide a significant landscaped area in the heart of Preston City Centre with landscaping designed to clarify the key routes across the western area and provide zones with varying character supported by seating and planting. Whilst it is intended that this will be an attractive area to dwell, it will also clearly establish routes through from the Bus Station and Youth Zone in to the wider city centre and vice versa.

It is proposed that the final design be a simple, clean pattern that relates the space and reflects the structural design of the Bus Station, which complements the continuation of the county councils shared space agenda. Leaving an uncluttered space also retains uninterrupted views of the listed building. The landscaping will be designed to clarify the key routes across the site and provide zones with varying character.

The detailed design for the public realm is to be undertaken during June/July and will be included within the planning application for the Youth Zone and Public Realm.

7. Highway works

Tithebarn Street currently has a high traffic flow with many drivers using this route to avoid the Ringway junction. It is proposed to divert this through traffic along Carlisle Street, which will continue to provide service access to the area, but due to the longer route may also encourage drivers to stay on Ringway as the principal route.

The proposed new bus routing is for all buses to enter the Bus Station at two entrance points at the eastern apron. Bus exit routes will use Tithebarn Street then either Old Vicarage Road or Lords Street. On Tithebarn Street just south of Old Vicarage Road there will be the need to restrict this movement to buses, taxis, cyclists and authorised service vehicles only.

This will minimise the traffic flow on the southern end of Tithebarn Street and improve pedestrian connectivity to the Bus Station across the new public realm space on the western apron.

Associated with these changes is the proposed left turn only from Earl Street to Lancaster Road. This effectively provides a traffic free area between the market canopy redevelopment and the St John's centre, furthermore it removes rat running traffic originating from Cheapside in Preston's civic core, whilst still catering for service vehicles.

8. Planning Strategy

The planning strategy for the overall repair and refurbishment programme is the product of reconciling the requirements of the listed status of the property with the optimum development programme.

In this respect, Planning Applications will be submitted as follows:

- i. Concrete Repairs and Car Park Refurbishment

The survey and scope of works for the concrete repairs and car park refurbishment has been undertaken by Makers and was issued during late May. These proposals

will be drawn up architecturally in order to support a planning and listed building consent application which will be prepared by Cassidy and Ashton (planning advisors). The application will be accompanied by a Planning Statement, Design and Access Statement and Heritage Statement.

Prior to submission, further discussions will take place with Historic England and the Twentieth Century Society in order to agree the techniques for the concrete repairs, the method of ensuring that a twenty five year guarantee can be applied to the concrete works, and the scope of the car park refurbishment.

The target date for submission is 27th June 2016. If there are no objections the application could be determined under delegated powers. If there are objections the target Planning Committee is the 7th September 2016. If successful it is anticipated that works would start on site in September/October subject to there being no pre-commencement conditions needing to be discharged.

ii. External Concourse Glazing, Doors and Bus Gates

A detailed scheme for the replacement of the existing wooden doors with automatic anodised aluminium doors has been discussed in detail with Historic England and the Twentieth Century Society. The works to the glazing and general proposals have already been agreed in principle. Further heritage and technical justification is currently being evaluated by both organisations.

The application including the Planning Statement, Design and Access Statement and Heritage Statement are being prepared by Cassidy and Ashton whilst the architectural drawings have been prepared by John Puttick Associates.

The design of the new bus gates are being finalised taking into account lessons learnt from Accrington Bus Station and will also require discussions with the heritage groups.

The target date for submission is 27th June 2016. If there are no objections the applications could be determined under delegated powers. If there are objections the target Planning Committee on 7th September 2016, approval through this committee will facilitate a start on site later in the year subject to there being no pre-commencement conditions needing to be discharged.

iii. Internal Concourse Refurbishment and Alterations

A general scheme for the internal concourse refurbishment and alterations has been designed by John Puttick Associates. Final discussions are taking place with the tenants and further design work is required in respect to the mezzanine office concourse and the fine detail of the alterations. There is general support from the heritage groups for the proposals but final discussions are likely to be required in respect to any changes to the retail units.

The target date for submission is 25th July 2016. As set out previously, were there to be no objections the application could be determined under delegated powers. If there are objections the target Planning Committee is on the 19th October 2016 which, if successful would facilitate a start on site later in the year/early 2017 subject to there being no pre-commencement conditions needing to be discharged.

iv. Preston Youth Zone and public real/public space

The architectural design work for the Youth Zone is very advanced and is almost complete. The detailed design for the public realm is to be undertaken during June/July. The application will be prepared by Cassidy and Ashton and John Puttick Associates who will collate the relevant documentation with support from the technical design team.

The target date for submission is 22nd August 2016 with a target Planning Committee of 7th December 2016. If planning permission is granted this would facilitate a start on site in February/March 2017 as there will be pre-commencement conditions to be discharged.

9. Development programme

| ACTIVITY | DATES |
|---|----------------------|
| Report to Cabinet | June, 2016 |
| Ongoing consultation with Statutory Consultees | June – October, 2016 |
| Submit planning application for concrete repairs | June, 2016 |
| Submit planning application for concourse externals | June, 2016 |
| Submit planning application for concourse internals | July, 2016 |
| Submit planning application for Youth Zone and public realm | August, 2016 |
| Application for concrete repairs determined | September, 2016 |
| Application for concourse externals determined | September, 2106 |
| Application for concourse internals determined | September, 2016 |
| Start on Site (concrete repairs) | October, 2016 |
| Application for Youth Zone/public realm determined | December, 2016 |
| On-site – Youth Zone construction | February/March 2017 |
| Practical completion of Youth Zone | April/May 2018 |

10. Capital costs and funding proposals

The original cost estimates for the proposed development set out in the November 2014 Cabinet report established an overall estimate for the delivery of all works, other than Youth Zone and Public Realm as £15.34m. The information presented below demonstrates that the sum of the Bus Station, MSCP, Suicide Prevention Measures, and Highway works can be managed within this same cost envelope of £15.31m. This achieves a marginal reduction in cost whilst accounting for a provisional sum for the additional works required for suicide prevention.

Revised Capital Cost Estimates

| Description | Estimated Capital Cost – final £m |
|--|--------------------------------------|
| Bus Station and Multi Story Car Park | 11.783 |
| Suicide Prevention measures (provisional sum) | 0.900 |
| Youth Zone | 6.925 |
| Public Realm | 2.000 |
| Highway Works (on and off site) | 2.659 |
| Total | 24.267 |

Capital Contributions

| Funding Source | Amount £m |
|--|---------------|
| Contribution from Children and Young people Capital programme | 5.000 |
| Contribution from Countywide Capital allocation for Youth Zones | 0.925 |
| Contribution from On-side | 1.000 |
| Original contribution to the construction of a new bus station | 8.300 |
| Contribution from £6m of Government funding in LEPs Growth Deal, announced in 2014 for the extension and completion of the Fishergate Central Gateway Scheme | 2.000 |
| Contribution from city deal IDF – funded by an LCC reserves commitment. | 7.042 |
| Total | 24.267 |

As can be seen from the above tables the increase in capital costs of £925k is attributable to the Youth Zone. The baseline capital cost of the Youth Zone was set at £6 Million in July 2011 (Report to the cabinet member for Young People 26th July 2011), at which point in time the Youth Zone location was to be on an area of land on the County Hall complex. Whilst over the intervening years changes to the County Council and On-side contributions to this amount (and revenue commitments for the Youth Zone) have changed, the £6M was not revised.

The design process to date has been rigorous and the advice from KeepMoat and the Design Team is that the Youth Zone cannot be delivered for less than £6.925m without the need for substantial changes to the footprint size, configuration and layout leading to a compromised design that would not deliver the outcomes envisaged.

Furthermore over the five year period from July 2011 to date, if we were to apply construction cost inflation, the baseline estimated cost of £6m would have increased by c. £1.5m to £7.5M.

11. Revenue – financial performance

When the ownership of the Bus Station and MSCP was transferred to the county council in 2014 the facility was incurring a deficit on direct costs (i.e. before corporate overheads etc) of £0.187m per year. Examination of the budget identified a number of potential areas of cost where the different approaches to service would allow costs to be reduced by the County Council. However it was appreciated that this deficit was also sensitive to a range of external factors, including the general economic climate which would have an impact on the core income streams.

Since that time a considerable amount of work has been undertaken to ensure that measures have been put in place for both the car parking and bus station elements to ensure as far as possible that the facilities will not operate at a deficit.

The on-going revenue implications related to the delivery of parking and bus services out of Preston Bus Station have been modelled to take account of these efficiency savings and increased revenue income.

In summary for financial years 2016/17 and 2017/18, during which the programme of works will be delivered, the revenue modelling has anticipated that the combined facilities of the bus station and car park will break even. In 2018/19, the first full year of new operations the model anticipates a surplus, principally generated through car park income. Further detail is provided below.

Bus Operations

Bus Station operating costs are incurred predominantly through staffing costs, security costs, electricity and water charges, business rates, building cleaning and general expenditure. Preston Bus Station is managed in-house within the Public & Integrated Transport Service and the estimated running cost for 2016/17 is £669,000. Rising to £709,000 following the completion of the refurbishment and concrete works. There is an estimated £40,000 pa maintenance cost associated with the new concrete protection works required to maintain the 25 year warranty.

The current charging arrangement for bus operators is through rents, each operator pays a rent of £5,194 pa for each bay they use. In 2015/16 this generated an income of £250,554. The Budget Option agreed for the management of bus stations across Lancashire is developing the introduction of departure charges rather than rents. Indicative modelling, based on a 20% reduction in departure levels has established a departure charge of £1.32 would provide sufficient income to cover the operating costs of Preston Bus Station. It should be noted that this level of departure charge can be challenged by bus operators through the Traffic Commissioner and that there is no obligation on bus operators to use the bus station facility. However the bus operators will be actively encouraged to continue to provide services from the bus station. The level of departure charge will remain under review.

It is appreciated that Preston Bus Station will face significant disruption over the coming months as redevelopment takes shape. It may be therefore be considered inappropriate to introduce substantial additional charges at Preston until improvements are completed. A charging model has been developed which shows an annual increase in departure charges through to 2018/19 at which point the full recovery charge of £1.32 would be achieved.

In addition to the income generated through departure charges the lease of facilities within the concourse and mezzanine floors currently secures an income of £102,000. There are some opportunities to increase this following the development of the facilities on site as the lease space available will be increased and it is anticipated that income will increase to £157,000 when all works are complete from 2018/19. As has been discussed elsewhere in this report discussions are on-going with current lease holders and there are strong indications that they will continue to trade from this site.

Car Park Operations

Operating costs for the car park facilities are estimated at £261,500 for 2016/17, 17/18 and 18/19. This includes all operating costs such as staffing, rates, electricity, security and maintenance of parking meters.

Income is generated through daily pay and display parking fees, Penalty Charge Notices and company parking arrangements through licence and leases. Modelling work has been done to take account of the new parking arrangements on the 9 floors of the car park. This will see the number of parking bays reduced from 1,183 to 983 to take account of manoeuvrability around the facility and improving Health and safety arrangements.

Although the revised site plan will mean 200 less spaces, the current value of £267,000 for Pay and Display parking (included within the modelling) is based on current income generated from only 6 of the floors being utilised, therefore the two factors are likely to counter act each other.

| | 2018/19 |
|-------------------------|----------------|
| Bus Station expenditure | 709,000 |
| Bus Station income | 709,000 |
| Balance | Nil |

| | |
|----------------------|-------------------|
| Car Park expenditure | 261,500 |
| Car park income | 454,000 |
| Balance | 192,500 (surplus) |

Implications:

This item has the following implications, as indicated:

Risk management

The risk management implications of not following the proposals approved on 06th November 2014 and set out in this report remain consistent and are summarised below:

1. The overall regeneration of Preston City Centre and the surrounding area will be adversely affected by the provision of substandard public transport facilities;
2. Pedestrian safety will continue be at risk until vehicular movements across the current bus station site and pedestrian movements are separated;
3. The external consultants strongly recommend that doing nothing to address the issues surrounding the structure of the bus station and MSCP is not an option. Due to the listed status of the building, delaying the repairs and refurbishment could increase the inevitable costs of repair in the future. The rate of corrosion and spalling of reinforced concrete often follows an exponential curve where delaying repair over the medium term can significantly increase the costs of remediating.

A more important risk of ‘doing nothing’ is the health and safety of users. In the short to medium term there would be minor risks associated with falling concrete onto pedestrians, albeit with a low probability of this actually happening. A more serious, long-term impact of taking no action would be the steady decline of the structural integrity of the building due to corrosion and loss of section of reinforcement bars.

Consultations

Pre-planning application consultation has taken place and is reported within the body of the report. Further consultation will take place as part of the formal planning process.

Financial

These are discussed within the body of the report

Legal and Property

Terms of the lease agreement will be determined by the Head of Service for Estates and the Director Legal, Democratic and Governance. This report concentrates on the delivery of the construction elements of the bus station and MSCP and Youth Zone. In terms of the operation of the Youth Zone it is proposed that the County Council appoint a delivery partner to be the tenant under the proposed lease. As part of these arrangements work will be undertaken by the Director of Legal, Democratic

and Governance together with the Head of Procurement Services to ensure that the proposals are consistent with the procurement and State Aid requirements.

List of Background Papers

| Paper | Date | Contact/Tel |
|--|-------------------------------|------------------------------|
| Preston Youth Zone | 26 th July 2011 | Rob Norton (CYP) |
| Preston City Centre | 5 th December 2013 | Eddie Sutton/01772 535171 |
| Preston Bus Station and Multi Storey Car Park | 6 th November 2014 | Eddie Sutton |
| Preston Bus Station and Multi Storey Car Park | 5 th March 2015 | Eddie Sutton |
| Preston Bus Station and Multi Storey Car Park | 11 th June 2015 | Sue Procter/01772 538848 |

Agenda Item 15

Document is Restricted

Agenda Item 16

Document is Restricted

Document is Restricted

Document is Restricted

