



Company Number: 07388600

Lancashire Enterprise Partnership Limited Board

Special Meeting to be held Tuesday, 5th July, 2016 in Cabinet Room 'C' - The Duke of Lancaster Room, County Hall, Preston, at 4.30 pm

Agenda

Part I (Items Publicly Available)

- 1. Welcome and Apologies for Absence**
- 2. Declarations of Interest**
- 3. Growth Deal 3 Update** (Pages 1 - 18)
- 4. Combined Authority Developments Update** (Pages 19 - 26)
Briefing Note attached
- 5. Lancaster Health Innovation Campus Update**
Oral report
- 6. Any Other Business**
- 7. Date of Next Meeting**
The next meeting of the LEP Board is scheduled to be held on 13th September 2016, 4.30pm, Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston.



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: 5th July 2016

Growth Deal 3 Update

(Appendices 'A' and 'B' refer)

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Executive Summary

The purpose of this report is to update the Board on the development of Lancashire's Growth Deal 3 (GD3) submission for Government by the deadline of 28 July 2016.

Recommendations

The LEP Board is asked to:

- (i) Note the contents of this report and consider and agree the proposed GD3 scheme priorities, as set out at Appendix 'A'.
- (ii) Note and comment on the GD3 scheme proposal submitted by UCLAN, as set out at Appendix 'B'.
- (iii) Authorise the LEP Chair to continue working with Lancashire Leaders and the shadow Lancashire Combined Authority to agree GD3 scheme priorities.
- (iv) Note the proposed arrangements for Lancashire's Ministerial Challenge Session on 6 July 2016.
- (v) Note the use of the LEP's independent economic appraisers to assist in the GD3 prioritisation process.
- (vi) Following the inaugural shadow Lancashire Combined Authority on 11 July, endorse the need to provide a further GD3 update to Lancashire MPs; and
- (vii) Note the need for a further special LEP Board, or Board approval via written procedure, to sign-off Lancashire's final GD3 submission by the deadline of 28 July 2016.



Background and Advice

- 1.1 The LEP Board meeting on 14 June 2016 received a detailed update on the local and national position regarding Growth Deal 3. At this stage, the outcome of the EU Referendum has had no material impact on the Government's GD3 plans and timescales, with LEPs expected to continue with the development of their submissions.
- 1.2 The purpose of this report is to advise the LEP Board on the progress being made with the development of the Lancashire GD3 submission with a view to submitting a strong and competitive proposal to Government by the deadline of 28 July 2016.
- 1.3 Since the last Board meeting, the LEP Chair and officers have engaged with local authority Leaders and Chief Executives on the development of their respective proposals, and, importantly, the need to prioritise Lancashire's submission based on the established factors used by the LEP and Government to assess the merits of GD proposals.
- 1.4 Local authority partners acknowledge the need for the LEP Board to provide leadership and direction on the prioritisation of GD3 scheme proposals. However, given the strengthening relationship between the LEP and Lancashire's local authorities, it is proposed that the LEP's analysis of GD3 priorities is presented to the inaugural meeting of the shadow Lancashire Combined Authority (CA) on 11 July 2016.
- 1.5 The LEP Chair is a non-constituent member of the shadow CA. The views of the shadow CA will be communicated to the Board along with any proposed changes for consideration.
- 1.6 The Board may recall that Government officials were seeking a "snapshot" of Lancashire's emerging GD3 scheme proposals. This was provided and was based on the information considered and agreed by the LEP and Lancashire Leaders. The informal feedback from officials has been relatively high-level though very positive.
- 1.7 The remainder of this report provides more detail on Lancashire's current GD3 scheme proposals and seeks the comments of the Board on the prioritisation analysis which is set out in Appendix 'A'.
- 1.8 However, the Board is also asked to comment on the late submission of a scheme proposal from UCLAN. A completed EOI template has been submitted and is attached at Appendix 'B'. The views of the Board are sought regarding the inclusion of this proposal in Lancashire's GD3 submission.
- 1.9 The Board is also asked to note that Lancashire's Ministerial Challenge Session is confirmed for 6 July 2016, with Robert Goodwill, Minister of State for Transport. The LEP Chair, the Chair of the LEP Growth Deal Management Board (Mr Graham Cowley) and Chair of Transport for Lancashire (County



Councillor Jenny Mein) will form the team of three requested by Government with support from the Director of Economic Development at the County Council. Lancashire Leaders will be represented by County Councillor Jenny Mein. Any significant issues raised by the Minister will be communicated to the Board.

2. Developing Lancashire's Growth Deal 3 Submission

- 2.1 Subject to the views of the Board regarding's UCLAN's GD3 scheme proposal, the current Lancashire submission of 24 proposals represents a total GD3 funding ask of £155.95M, with the potential to deliver 10,000 new jobs, almost 7,000 new homes, with nearly £1.2 billion of private sector leveraged investment. The latter primarily generated by the proposed South Lancaster, Pennine Gateway and NW Burnley schemes. Clearly, Lancashire has a major GD3 funding ask of Government, but such an investment programme has the potential to deliver transformational change.
- 2.2 However, partners in Lancashire recognise that Government requires LEPs without an established Combined Authority, which is committed to mayoral governance, to prioritise the scheme proposals within their GD3 submissions.
- 2.3 Based on the evidence provided by scheme sponsors, LEP officers have undertaken an initial assessment of each proposal against the factors used by LEPs and Government in this (and in previous) GD rounds – namely local/strategic fit; strategic outcomes, including GVA, employment and housing growth; private leverage; deliverability; scale-ability; and VFM. However, the latter factor has not been fully tested, at this stage, as schemes are not required to be business-case ready and given most GD3 funding will only be made available to successful schemes in 2020/21.
- 2.4 In undertaking this initial analysis, it is clear this is the strongest GD scheme pipeline developed by local partners. Therefore, it is important to state the initial categorisation of proposals is not a judgement of the quality of individual schemes but an assessment of their readiness and fit with GD requirements and timescales, at this specific moment in time.
- 2.5 To this end, it is the intention that Lancashire's GD3 final submission should include all 24 scheme proposals.
- 2.6 The findings of the initial scheme analysis are set out in Appendix 'A'. Broadly, there are three emerging categories or priority groups. Priority 1 schemes are listed 1-15; Priority 2 schemes are listed 16-17; with Priority 3 schemes listed 18-24.
- 2.7 Current scheme proposals will be discussed in more detail at the Board meeting. However, Priority 1 schemes, as outlined, would still be seeking a combined GD3 funding ask of £140M. Given the national GD3 fund is likely to be many times over-subscribed, and we are required to prioritise proposals, the Board is asked to give consideration to accepting the proposed ranking of Priority 1 schemes, in our final submission. However, if scheme sponsors can



provide new material evidence in support of their proposal there may be a case to re-assess a scheme's ranking, but this opportunity should close by 15 July 2016. The views of the Board are sought on allowing this degree of flexibility, given the GD3 submission deadline.

- 2.8 As agreed at the last LEP Board, one of the LEP's independent economic appraisal teams (Genecon) has been engaged to check and ensure consistent and accurate GD3 scheme information is provided in support of each proposal and the final submission.
- 2.9 As previously discussed with the Board, the Homes and Communities Agency (HCA) is expected to be responsible for a number of new national housing growth funding streams. The details and timescales of these funds are expected shortly, but they are unlikely to offer any certainty to Lancashire's GD3 schemes with starter home, housing land acquisition/access, Garden Village or Housing Zone elements. However, the LEP and the shadow CA will continue to work with the HCA to maximise local access to any new housing growth funds and reduce Lancashire's GD3 funding ask.
- 2.10 The work of the shadow CA in developing a complementary Devolution Deal with Government, with possibly a new Local Growth and Productivity Fund, would provide an alternative and significant funding opportunity capable of supporting proposals in the GD3 scheme pipeline.
- 2.11 Given the quality of scheme proposals, the LEP and shadow CA will need to consider how they intend to continue developing proposals that are unsuccessful in securing GD3 funding.

3. Next Steps

- 3.1 Subject to the views and approval of the Board, it is proposed that the LEP's scheme prioritisation analysis is shared with the shadow CA on 11 July 2016 for its comment and endorsement.
- 3.2 It is also proposed that the LEP agrees with the shadow CA an update for Lancashire MPs on the latest GD3 position, given their limited response to recent briefings, and with a view to mobilising the support of local MPs for Lancashire's submission.
- 3.3 Formal feedback from the Ministerial Challenge Session on 6 July 2016 will be communicated to the Board with proposed actions to address any concerns raised by the Minister.
- 3.4 Work is underway on drafting the LEP's commentary and case-making in support of Lancashire's GD3 submission and will address the key issues identified by Greg Clark, the Government's lead GD Minister; including
 - *A strong local investment case in support of Lancashire's GD3 proposals underpinned by the LEP's Strategic Economic Plan, additional economic*



analysis and links to Combined Authority and Devolution Deal developments.

- *Lancashire's contribution to delivering national growth objectives.*
- *Evidence of strong collaboration between the LEP and Lancashire's local authorities.*
- *Evidence of greater levels of private investment and leverage compared to previous GD submissions.*
- *Evidence of a strong GD track-record of delivery and a fully compliant LEP Assurance Framework.*
- *Evidence of LEP engagement with SMEs.*

3.5 In light of the above, it will be necessary to plan for a further special Board meeting, or alternatively to agree to a written procedure, given the imminent holiday period, to sign-off of the final Lancashire GD3 submission.

Project Title	Priority	Project Sponsor	Brief Project Summary	Estimated Project Value	Growth Deal Funding Request	Period Growth Deal Funding Required	Outputs	SEP Theme	Other National Funding Sources
Advanced Manufacturing Research Centre NW	Priority 1 – Rank 1	Sheffield University and Lancaster University	The development of a manufacturing research and development facility to increase productivity of Lancashire and the wider region's advanced engineering and manufacturing sector, further refining the established model developed at the AMRC Catapult Centre in Sheffield. The initial focus of the NW AMRC will be machining, automated assembly, surface finishing and additive manufacturing. This proposal is also at the heart of Lancashire and Sheffield's successful Science and Innovation Audit submission to Government – the Northern Powerhouse Advanced Manufacturing Corridor. Opportunity to integrate/link with UCLAN's EIC to establish Lancashire as a national centre of excellence.	£50m over 3 phases	£15m	2017/18	490 Business Assists in Phase 1 610 Business Assists in Phase 2 690 Business Assists in Phase 3 695 jobs Phase 1 (of which 180 - construction) 860 jobs Phase 2	<ul style="list-style-type: none"> • Sector Development and Growth • Innovation Excellence • Releasing Local Growth Potential 	
South Lancaster	Priority 1 – Rank 2	Lancashire County Council / Lancaster City Council	Delivery of reconfigured Junction 33 on the M6 to support housing growth and HE-led business and innovation development facilities. Also includes critical infrastructure to unlock housing sites (new bridges over West Coast Main Line). Supported by application to achieve "Garden City" status. Opportunity to establish City Deal type framework in South Lancaster linking new Bay Gateway corridor and major City Centre development proposals.	£65m	£40m	2019 onwards	3,500 housing units, expansion of world class University by 30%, with additional high value jobs and business spin-outs	<ul style="list-style-type: none"> • Releasing Local Growth Potential • Innovation Excellence 	Homes and Communities Agency Housing/Infrastructure Funds Highways England RIS funds
21 st Century Conference Centre & Hotel Offer for Blackpool	Priority 1 – Rank 3	Blackpool Council	Creation of a new conference centre and hotel scheme anchored at Blackpool's famous Winter Gardens which will enable the resort and Lancashire to once again attract national and international conferences. This proposal builds on the LEP's priority focus on the renewal of Blackpool and complements Lancashire's emerging Devolution Deal with Government (HMT) to address perverse housing market dysfunction in Blackpool.	£37.5m	£15m	2017/18 onwards	5 to 10 new businesses created 212 FTEs	<ul style="list-style-type: none"> • Renewal of Blackpool • Releasing Local Growth Potential • Sector Development and Growth 	
North West Burnley Growth Corridor	Priority 1 – Rank 4	Burnley Borough Council	Infrastructure development in two locations in Burnley, at Padiham and Hapton, to deliver new housing and jobs growth, whilst supporting a flood defence scheme which will help to protect nearly 10,000 homes and businesses from the River Calder. The development provides the opportunity to extend the East Lancashire Cycle Network. Key locations include the former Baxi site, Shuttleworth Mead Business Park and Padiham town centre.	£9.5m	£6.25m + £2m from DfT Access Fund	2018/19 and 2019/20 with potential to push back by 1 year	250 housing units of which 10% are starter homes 622 FTEs created in manufacturing and logistics	<ul style="list-style-type: none"> • Releasing Local Growth potential 	Homes and Communities Agency Housing/Infrastructure Funds Environment Agency Flood Defence Funds

Project Title	Priority	Project Sponsor	Brief Project Summary	Estimated Project Value	Growth Deal Funding Request	Period Growth Deal Funding Required	Outputs	SEP Theme	Other National Funding Sources
Pennine Gateway	Priority 1 – Rank 5	Blackburn with Darwen	Project will deliver key transport infrastructure improvements at 3 main gateways into Blackburn from the M65 at Junctions 4, 5 and 6 to unlock new housing and employment growth. The proposal also supports the growth plans of Blackburn Hospital and its intention to become a university teaching centre. The proposal complements Growth Deal investment in Darwen and supports the LEP's strategic focus to establish the M65 as east Lancashire's primary growth corridor. The scheme would also complement and support the case for Highway England to upgrade M65 between JCTS 2-6.	£190m development value	£10m	2017/18 onwards	870 housing units 64,000 m ² of commercial floorspace 725 to 3,000 jobs	<ul style="list-style-type: none"> Releasing Local Growth Potential 	Homes and Communities Agency Housing/Infrastructure Funds Highway England RIS and Development Funds
Lomeshaye Industrial Estate Extension, Nelson	Priority 1 – Rank 6	Pendle Borough Council	The development of the extension of the existing Lomeshaye Industrial Estate to establish strategic employment site, with site acquisition and infrastructure to provide site access from A6068. A key development proposal that would both benefit from and underpin the LEP's strategic focus on the Burnley – Pendle Growth Corridor.	£20.2m	£3.6m	2018/19	1,115 FTEs	<ul style="list-style-type: none"> Releasing Local Growth Potential Sector Development and Growth 	
Moor Street Gateway Project, Ormskirk	Priority 1 – Rank 7	West Lancashire Borough Council	Regeneration of Ormskirk bus station site, including the car park, to provide a mixed use development which will create residential development, new job opportunities for local people as well as graduate retention and space for local emerging businesses. Opportunity to establish improved public realm linkages to the train station and town centre. Major opportunity to align the expansion plans of Edge Hill University, which is currently recognised as the UK's University of the Year.	£16.7m	£5m	2017/18 and 2018/19	5 business incubator units, 10 arts related retail workshop units, 3 small retail units, 83 FTEs, 40 housing units or 200 flexible student accommodation units	<ul style="list-style-type: none"> Releasing Local Growth Potential Innovation Excellence Skills for Growth 	
Preston Railway Station Enabling Works	Priority 1 – Rank 8	Lancashire County Council	To support the re-development of Preston Station in order to improve functionality, passenger experience and realise the full potential of the site as a key regional economic/transport gateway, whilst offering much improved east-west rail connectivity for Lancashire, and the opportunity to link with and enhance Network Rail's HS2 upgrade plans for the station. Proposal represents a new signature scheme for the nationally recognised Preston and Lancashire City Deal and complements major university and commercial investment opportunities in the city centre.	£10m, subject to further discussion with Network Rail and other local development partners.			Preston Railway Station Enabling Works	<ul style="list-style-type: none"> Releasing Local Growth Potential 	Network Rail Investment Funding
West Craven Business Park	Priority 1 – Rank 9	Pendle Borough Council	Extension of business park to unlock 15.4 hectares of industrial land creating the	£32.9m	£3.5m	2018/19	1,950 FTEs 15 to 20	<ul style="list-style-type: none"> Releasing Local Growth Potential 	

Project Title	Priority	Project Sponsor	Brief Project Summary	Estimated Project Value	Growth Deal Funding Request	Period Growth Deal Funding Required	Outputs	SEP Theme	Other National Funding Sources
Extension, Earby			opportunity to accommodate 61,800 m ² of floor-space. Opportunity to create high value job opportunities in one of England's most deprived areas. Development would help strengthen high value business offer along M65 growth corridor.				businesses assisted	<ul style="list-style-type: none"> • Sector Development and Growth 	
Preston Markets Quarter - Public Realm	Priority 1 - Rank 10	Preston City Council	Public realm improvements in Preston City Centre aimed at leveraging further investment and private sector led development. A key City Deal development priority.	£75m with £64m in private investment	£3m	2018/19 and 2019/20	300 FTEs and c.£13M GVA	<ul style="list-style-type: none"> • Releasing Local Growth Potential 	
Skills Capital Programme	Priority 1 – Rank 11	Subject to ABR and mini EOI process	It is anticipated that Lancashire's ABR will stimulate and consolidate opportunities in STEM related activity; health/social care; construction skills; incubation, innovation and research facilities; and specialist facilities – including international equine and a centre of excellence in arboriculture. The LEP's Skills and Employment Board has a track record of commissioning activity to meet business demands and is working on pipeline developments in the digital technology sector and is reviewing skills provision aligned to the chemical industry to ensure a pipeline for growth at the Hillhouse EZ.	£37.5m	£10-15m	2018/19 onwards	To be confirmed as ABR develops, including additional learners, facilities, refurbished estate and jobs created outcomes	<ul style="list-style-type: none"> • Skills for Growth 	
Green Lane Link Road	Priority 1 – Rank 12	Lancashire County Council/West Lancashire Borough Council	Proposed link road between the A565 Southport Road to the west of Tarleton and Green Lane to alleviate local traffic issues and support growth in the local agricultural and horticultural sector, which is recognised as one of England's leading rural economy centres.	£5m	£3m	2019	Over 1,500 people employed in this rural growth location with many private sector operators with constrained investment plans. Estimated 200 FTE opportunities.	<ul style="list-style-type: none"> • Releasing Local Growth Potential • Sector Development and Growth 	
A585 Junction Improvements (Link to Hillhouse EZ)	Priority 1 – Rank 13	Lancashire County Council	Junction improvements on the A585 Trunk Road at Victoria Road (Thornton), Norcross and M55 Junction 3. Infrastructure proposals to accelerate the delivery of the recently secured Hillhouse EZ in Thornton. The proposal would also add value to the Government's previously announced RIS1 A585 investment.	£6m	£5m	2018/19 onwards	Accelerating the delivery of EZ outputs, including 1,600 FTEs	<ul style="list-style-type: none"> • Sector Development and Growth • Innovation Excellence • Releasing Local Growth Potential 	Highways England RIS and Development Funds
Business Park, Euxton Lane, Chorley	Priority 1 – Rank 14	Chorley Council	Acquisition of 3 hectares of land adjacent to proposed Digital Health Village, including supporting infrastructure.	Not known	£1m	2017/18 and 2018/19	30 industrial units 150 FTEs	<ul style="list-style-type: none"> • Releasing Local Growth Potential • Sector Development and Growth 	ESIF
Junction 13 M65, Employment	Priority 1 – Rank 15	Pendle Borough Council	Acquisition and development of Riverside and Reedyford Mills to create SME business units	£13m development	£2.25m	2018	200FTEs	<ul style="list-style-type: none"> • Releasing Local Growth Potential 	

Project Title	Priority	Project Sponsor	Brief Project Summary	Estimated Project Value	Growth Deal Funding Request	Period Growth Deal Funding Required	Outputs	SEP Theme	Other National Funding Sources
Sites, Nelson			to provide much needed expansion space for indigenous growth businesses. Developments would help strengthen high value business offer along M65 growth corridor.	value					
Ribble Valley Housing and Economic Growth Plan	Priority 2 – Rank 16	Ribble Valley Borough Council	Scheme will deliver housing growth and create business accommodation in the Ribble Valley at key sites including Standen and Barrow Business Park. The proposal represents a major growth opportunity on the A59 linking Lancashire and North Yorkshire.	Not known	£3m	Not known	1,000 + housing units 65 FTEs 9 business assists	<ul style="list-style-type: none"> Releasing Local Growth Potential Sector Development and Growth 	Homes and Communities Agency Housing/Infrastructure Funds
Futures Park, Bacup	Priority 2 – Rank 17	Rosendale Borough Council	To prepare and develop the remaining plots of brownfield land at the Futures Park site for a mixture of industrial and leisure uses and to secure alternative management arrangements for Lee and Cragg Quarries.	£3m	£600,000	2017/18	100 jobs created	<ul style="list-style-type: none"> Releasing local Growth Potential Sector Development and Growth 	
Skelmersdale Town Centre Regeneration	Priority 3 – Rank 18	West Lancashire Borough Council	Support for £16m regeneration, retail and leisure development in Skelmersdale town centre including public realm improvements and new technology centre operated by West Lancashire College.	£18.6m	£6.5m	2018/19 and 2019/20	Not known	<ul style="list-style-type: none"> Releasing Local Growth Potential Skills for Growth 	HCA Housing / Infrastructure Funds GD 3 Skills Capital
Huncoat	Priority 3 – Rank 19	Hyndburn Borough Council	Development of strategic site at Huncoat providing the potential to bring forward housing opportunities and open-up a new employment location. Sites include former colliery and power station sites and adjacent land.	Not known	£3/4m for link road with additional investment for site acquisition	2019/20	c. 1,950 FTEs with 600 to 800 housing units	<ul style="list-style-type: none"> Releasing Local Growth Potential Sector Development and Growth 	HCA Housing / Infrastructure Funds
Further Clough Housing Site	Priority 3 – Rank 20	Pendle Borough Council	Development of 10.4 hectare housing site in Nelson on land owned by Pendle Borough Council.	£33.2m development value	£1.8m	2018	180 to 200 housing units	<ul style="list-style-type: none"> Releasing Local Growth Potential 	HCA Housing / Infrastructure Funds
Halifax Road Housing Site, Nelson	Priority 3 – Rank 21	Pendle Borough Council	Development of 23.4 acre housing site in Nelson owned by Pendle Borough Council and Lancashire County Council through provision of enabling site access and infrastructure.	£24m development value	£450k	2018	203 housing units £11.2m GVA contribution from construction	<ul style="list-style-type: none"> Releasing Local Growth Potential 	HCA Housing / Infrastructure Funds
Nelson Town Centre Improvements	Priority 3 – Rank 22	Pendle Borough Council	Supporting investment in the Pendle Rise Shopping Centre to support a reconfigured town centre retail offer and improved public realm.	£4m	£2m	2018	100 FTEs	<ul style="list-style-type: none"> Releasing Local Growth Potential 	
Derby Street Gateway Project	Priority 3 – Rank 23	West Lancashire Borough Council	Re-use vacant land and buildings in Ormskirk town centre to enable the delivery 5 potential development projects. Opportunity for local public sector partners to jointly develop their property estate.	Not known	Not Known	Not Known	Not known	<ul style="list-style-type: none"> Releasing Local Growth Potential 	
Greenshoots 3+	Priority 3 – Rank 24	West Lancashire Borough Council	Improving and diversifying the existing stock of industrial, business and office space in Skelmersdale. Key activities include improvement of WLBC's poor industrial space, purchase and improvement of poor private	Not known	Not known	Not Known	Not known	<ul style="list-style-type: none"> Releasing Local Growth Potential Sector Development and Growth 	

Project Title	Priority	Project Sponsor	Brief Project Summary	Estimated Project Value	Growth Deal Funding Request	Period Growth Deal Funding Required	Outputs	SEP Theme	Other National Funding Sources
			sector stock and development of land owned by WLBC at White Moss Business Park.						
Total GD3 Funding Ask					£150.95M/£155.95m				

Growth Deal 3 (GD3) Project Summary Form

Name of proposed scheme: UCLan Masterplan Highways and Street Scene Improvements

A. RATIONALE**1a Impact on the Delivery of LEP Strategic Economic Plan Priorities**

Can you please tick all that apply:

- Sector Development & Growth []
Realise the full potential of Lancashire's competitive economic strengths and business base.
- Innovation Excellence []
Maximise the economic value of Lancashire's centres of research and innovation excellence and globally competitive business clusters.
- Skills for Growth []
Refocus Lancashire's approach to skills provision, ensuring it is responsive to business needs and demands.
- Releasing Local Growth Potential []
Create the right conditions for business and investor growth, and unlock new development and employment opportunities across Lancashire.
- The Renewal of Blackpool¹ []
Focus on addressing Blackpool's unique characteristics which require a specific focus, to create economic opportunities for its local communities.

1b. Can you please provide a summary of the proposed scheme (maximum of 300 words)?

The scheme provides highways improvements required to enable the first phase of the University masterplan, including New Square and the Student Support Centre, as well as providing transformational street scene improvements that better connect the campus and city centre. The overall scheme will deliver a number of economic development benefits including; integrating the University and City, supporting additional student recruitment and catalysing private sector investment (particularly on Corporation Street and Friargate).

The total cost of the highways and street scene improvements is £18.8m (based on the same quality finish as Fishergate). The University is seeking £9.4m of Lancashire Growth Deal funding with the remaining £9.4m provided by the University.

¹ In any project comparison, projects delivering against both "The Renewal of Blackpool" and "Releasing Local Growth Potential" will be considered as delivering against a single LEP priority.

Lancashire County Council has been appointed to undertake the technical engineering design for the proposed highways improvements. PlanitIE have been appointed to progress the urban design of the Street Scene, pedestrianisation and shared space. The overall project management is being led by AA Projects, including cost consultancy.

The project will contribute to the long standing objectives of local partners, including those in the Preston City Centre Plan, to secure economic vitality, create a sense of place and enhance accessibility and movement. The Plan identifies Corporation Street as an opportunity area.

The scheme will support the Strategic Economic Plan Priority of 'Releasing Local Growth Potential' by creating a distinctive destination for students, businesses and residents. This environment will enable the first phase of the University masterplan, increase footfall in the area and generate confidence in the market to drive forward and catalyse a wider programme of private sector investment.

The scheme will also provide indirect benefits that support other SEP priorities; Sector Development and Growth, Innovation Excellence, Skills for Growth and Business Growth and Enterprise through the delivery of the University masterplan and as a result of the inward investment activities stimulated.

- 1c. Is the proposed scheme of national relevance in terms of its ability to deliver national policy priorities and/or respond to an opportunity of national significance? If YES, please state in what way:

Yes. The scheme will enable the University's campus masterplan and support the wider regeneration of Preston City Centre, increasing Lancashire's ability to contribute to Government's Northern Powerhouse agenda.

- 1d. Does the project contribute to LEP cross-boundary working and the delivery of growth outcomes beyond Lancashire? If YES, please state in what way:

B. OUTPUTS

The scheme will deliver 37,926 sq. meters of high quality public realm, including highways and pavement area.

EKOSGEN consultants have been engaged to support the development of the Business Case for the project, including the quantification of outputs and gross and net economic benefits. These benefits include; attracting Investment, Increasing land and property values, attracting visitors to the University and Preston, and enhancing image.

2a Economic Impact (GVA) – can you please provide evidence of the overall economic impact of the proposed scheme, based on estimates of GVA impact for 2017/2021 with any additional GVA impacts beyond 2021 also identified.

2b. Business Growth – can you please provide summary details of the businesses directly created by this proposed scheme.

Scheme	Businesses	Sectors	Total

Where businesses are indirectly created/supported by this proposed scheme, please provide summary evidence below:

2c. Employment Growth – can you please provide summary details of employment creation directly created/safeguarded by this proposed scheme.

Scheme	FT Equivalentents	Sectors	Total

Where employment benefits are indirectly created/safeguarded by this proposed scheme, please provide summary evidence below:

2d. Housing Growth – can you please provide summary details of the direct housing growth impacts generated by this proposed scheme. Please indicate whether these housing growth impacts are additional to those already identified in agreed local plans.

Scheme	Housing Units	Total

Where housing growth benefits are indirectly generated by this proposed scheme, please provide evidence below:

C. VALUE FOR MONEY & LEVERAGE

3a. Can you indicate how much GD3 funding is being sought in support of the proposed scheme?

Total GD3 sought £9.4m
Total Gross Project Cost £18.8m

3b. When would the GD3 funds be required?

The Project's overall expenditure profile is shown below. It is recognised that some 'bridge-funding' from the University may be required to align with GD3.

Financial Year	2015/16	2016/17	2017/18	Total
Project Spend	0.7	6.2	11.9	18.8

3c. What is the total project leverage (GD 3 funds as % of total project cost) for this proposed scheme?

1:1 (50%)

3d. What is the private direct private leverage (private funds as % of total project cost) for this proposed scheme?

1:1 (50%)

3e. What is the direct other public leverage (other public funds as % of total project cost) for this proposed scheme?

3f. If known, what is the indirect private leverage, based upon direct outputs?

The scheme directly enables the development of a number of large scale investment projects (£60m +) associated with the University masterplan, including the Student Support Centre and New Square.

In addition to the University's own investment in the scheme and wider masterplan, private sector investment is expected to be generated as a result of the public realm improvements. This investment will, for example, help to reduce the level of vacancies at units based along the affected routes.

3g. If known, what is the indirect public leverage, based upon direct outputs?

3h. Can you please provide a summary of the evidence which demonstrates value for money. For example, this would include information such as cost per job, benefit cost ratio analysis for transport schemes, other impact analyses?

GIFA – 37,926 (sq meters)

Area of public works including highways and pavement area.

Cost/sq meter £496

Value for money, in terms of the level of benefits created relative to the total and public sector cost, will also be tested through EKOSGEN's work.

D. DELIVERABILITY

4a. Planning Certainty

Does the proposed scheme require planning permission or any other formal statutory consents to progress?

Yes

If NO, go to question 4b. If YES, provide details below:

We will be seeking outline planning permission at the end of this calendar year for the new Student Support centre and Square and this will enable the highways changes.

Consent required	Date obtained	Date to be obtained	Other relevant information

4b. Funding Certainty

Are other private/public funding sources confirmed? If YES, provide details below:

The Highways/Street Scene project is contained within the priority projects designated as Phase 1A by the University Board.

Currently, £550k of Feasibility monies have been approved by the Board to investigate and develop the project proposal. £8.85m is included for this subject to Board approval in future years, this figure is indicative at this stage and needs to be considered within the parameters of the maturity of the proposal.

Funding source	Confirmed	Date obtained	Evidence, including decision making body

If NO, when will these other funding sources be secured? Please provide details below:

Other Key Factors

- 4c. Does the proposed scheme have all necessary land ownership(s) in place to deliver the project? If YES, briefly set out the details below. If NOT, when will these be secured?

Yes. All land is already owned by all partners in the scheme (LCC, PCC and UCLan).

- 4d. Can you please confirm your Local Plan status?

Local Plan status – the Masterplan has been widely circulated and has the support of Preston City Council and Lancashire County Council. The Masterplan includes this major Highways and Street Scene project. As part of the project, and also the Student Support Centre and New Square, planning will be required to change the highway network. LCC and the rest of the design team are working in the knowledge of this requirement.

E. SCALEABILITY

- 5a. Can this proposed scheme be delivered for less total funding (from all sources) than currently proposed?

Yes.

If YES, provide financial implications and impact upon key outputs below, and complete 5b. If NO, the form is complete

The scale and quality of the highways and street scene improvements (and the benefits associated with the scheme) are dependent on the overall project budget. It will not be possible to do all the proposed works based upon the University contribution alone.

- 5b. Can this proposed scheme be delivered with less GD3 funding? If YES, by how much? If NO, the form is complete

Yes, although the scale and quality of the highways and street scene improvements (and the benefits associated with the scheme) are dependent on the overall project budget. It will not be possible to do all the proposed works based upon the University contribution alone.

Please return the completed form to: Martin Kelly, Director of Economic Development, Lancashire County Council via martin.kelly@lancashire.gov.uk

Lancashire Combined Authority Developments

The purpose of this Briefing Note is to update LEP Board members on Lancashire Combined Authority (LCA) developments and the strengthening of working relationships with the LEP.

The enclosed working documents (Appendices 'A' and 'B') are being developed between the shadow LCA and LEP, with positive discussions involving the LEP Chair and the Chair of the Growth Management Board. These documents aim to capture the intent of the shadow LCA and LEP to work together. Both Edwin and Graham will be able to update the Board on these emerging documents.

Some early working principles include the need to adapt ways of working and not to seek change for change sake. Clearly, we do not want to create two separate sets of strategies and policies, but look for jointly adopted approaches, with opportunities to refresh the LEP's Strategic Economic Plan in the Autumn.

The key change for the LEP, in terms of accountability, is the transfer of TfL to the new LCA, which reflects the proposed scheme of governance, but there are no changes proposed in terms of LEP representation of the Board of TfL.

Recommendation

The LEP Board are asked to note the Lancashire Combined Authority Developments update.

Graham Cowley
Chair of the LEP Growth Deal Management Board

CA and LEP – Schedule of Intent – July 16

CA Theme	Policy	Strategy	Implementation	Transition issues
Housing	<p>CA: formulates and sets policy as part of wider Lancashire Plan</p> <p>LEP: input to policy formulation with focus on growth and productivity drivers</p>	<p>CA: defines strategy with input from LEP</p> <p>LEP: input from LEP reflecting prosperity strategy (SEP2) and market knowledge</p>	<p>CA: directs, manages and monitors programmes of investment where funding is via CA, liaising with LEP</p> <p>LEP: directs, manages and monitors programmes of investment where funding is via LEP, liaising with CA</p> <p>Note: Opportunities to strengthen joint relationships with HCA and public/private providers/developers</p>	
Prosperity	<p>CA: sets policy as part of wider Lancashire Plan</p> <p>LEP: defines realistic aspiration and formulates policy with focus on growth and productivity drivers</p>	<p>CA: signs-off "prosperity" strategies and growth bids; Leads on CA (and Mayoral) bids for funding with input from LEP</p> <p>LEP: leads on prosperity strategy development (SEP2, including investment strategy), with input from local authorities; leads on LEP bids for investment/funding</p>	<p>CA: directs, manages and monitors programmes of investment where funding is via CA, liaising with LEP</p> <p>LEP: directs, manages and monitors programmes of investment where funding is via LEP, liaising with CA</p> <p>Opportunity/requirement for shared scrutiny and performance management arrangements</p> <p>Note: potential for joint teams to strengthen capacity and capability</p>	<p>The LSEP is due for review in the autumn 2016.</p> <p>The review period will be an opportunity for the LSEP to be jointly developed and owned.</p> <p>Accountability for funds is a matter of fact. In practice schemes are likely to have multiple funding streams and therefore the management and monitoring will need to be decided on a case by case basis.</p>
Skills (and	CA: formulates and sets	The CA and LEP will work	CA: directs, manages and monitors	

CA Theme	Policy	Strategy	Implementation	Transition issues
Employment)	<p>policy, in consultation with LEP, as part of the wider Lancashire Plan</p> <p>LEP: inputs to policy formulation</p>	<p>together to hone the Existing Skills and Employment Strategy and identify priorities for intervention which the deliver the most value. This will also include early years, primary and secondary education where there are gaps in performance and consideration of wider interventions such as the 'work programme'.</p> <p>The shared aim of the CA/LEP will be to establish a Skills and Employment Board reconstituting the existing Board to bring wider representation from business, community, and providers at all levels.</p>	<p>programmes of investment where funding is via CA, liaising with LEP</p> <p>LEP: directs, manages and monitors programmes of investment where funding is via LEP, liaising with CA</p> <p>Note: potential for joint teams to strengthen capacity and capability</p>	<p>Again there is an opportunity for the CA to adopt the existing strategy as a joint and supported by a joint board.</p> <p>Agree potential for joint teams but also new work which might be more CA delivered</p>
Transport	<p>CA: formulates and sets policy through TfL, as part of wider Lancashire Plan</p> <p>LEP: input to policy formulation through 2 voting Members on TfL (note: retention of current LEP representation on TfL)</p>	<p>CA: transport strategy underpinned by prosperity strategy and wider Lancashire Plan, but signed off by TfL</p> <p>LEP: transport strategy driven by prosperity strategy, but signed off by TfL</p>	<p>CA: directs, manages and monitors programmes of investment where funding is via CA, liaising with LEP</p> <p>LEP: directs, manages and monitors programmes of investment where funding is via LEP, liaising with CA</p> <p>Note: potential for joint teams to</p>	<p>TfL has a direct relationship to the CA rather than the LEP although representation from the LEP remains unchanged.</p> <p>There is an undertaking within the CA to move to shared accountability and liability amongst all 14 authorities. Current TfL authorities</p>

CA Theme	Policy	Strategy	Implementation	Transition issues
			strengthen capacity and capability	<p>using their best endeavours to make this change.</p> <p>See above on accountabilities but the main thrust here is TFL board remains the same but its principal accountability is to the CA</p>
Governance	<p>CA: formulates and sets CA governance and legal framework, with LEP consulted on current/future proposals</p> <p>LEP: LEP Chair a non-constituent member of the CA; LEP input to formulation of current/future CA governance and legal framework; agrees with CA the role and responsibilities of the LEP within new framework</p>	<p>CA: Leads on development of current and future Governance Reviews. Leads on CA schemes, orders, constitution and other legal instruments; Leads on all CA consultation and communications</p> <p>LEP: formal input to current and future developments of the CA governance and legal framework</p>	<p>CA: directs/manages CA governance and legal framework, and establishes scrutiny arrangements in consultation with LEP and other key stakeholders</p> <p>LEP: directs/manages LEP governance and legal framework; LEP modifies its Performance Committee and Assurance Framework in recognition of established CA and new scrutiny arrangements</p>	<p>The CA will have an O&S function; audit and performance. There may be opportunities for shared structures and or programmes particularly with O&S.</p>

LEP AND SUB COMMITTEES

<u>EXISTING</u>	<u>COMBINED AUTHORITY</u>
GROWTH DEAL MGT BOARD	For current programmes (1,2,3) no change. If there is a future round or similar funding pot a CA would want to have oversight of the process working with the LEP to agree the focus of any future growth fund or similar bids. (Unless Government provides non ring-fenced funds, the key criteria is usually nationally set and informed by agreed strategies) Bid development and on-going programme management would remain with the LEP.
ENTERPRISE ZONE GOV COMMITTEE	No change to current EZ arrangements. (Note: this Committee has oversight of three EZs and four sites, but no change proposed in this area).
PERFORMANCE COMMITTEE	No change. However, there may be a need to consider/link with required scrutiny arrangements for CA?
BUSINESS SUPPORT COMMITTEE	No change.
CITY DEAL	No proposal to change governance of the existing deal. However, future deals may have a direct relationship to the CA.
EMPLOYMENT AND SKILLS BOARD	Potential for this to be a Joint Committee of the LEP and CA with clear lines of accountability regarding the leadership and delivery of distinct elements of a shared strategy.
TRANSPORT FOR LANCASHIRE	Transfers to the CA. Maintains its current LEP representation. CA commits its best endeavours to move from 3 transport authorities to 1 with 15 members (all LAs) ; at which part the Chair of the LEP may acquire voting rights on TFL issues as decided in the CA. (Note: there may be a few legacy hand-over issues in relation to Growth Deal funded transport schemes).

COMBINED AUTHORITY

LANCASHIRE PLAN				
An umbrella plan which sets out the priorities of the CA and identifies strategies and partners for delivery.				
Skills	Housing	Connected	Prosperous	Public Services
Lancashire Employment and Skills Strategy*	Co-ordinated/Joint Local Development Frameworks SHMAs	Co-ordinated/Joint Local Development Frameworks Transport Masterplans Lancashire Strategic Transport Prospectus*	Co-ordinated/Joint Local Development Frameworks Strategic Economic Plan*	STP Community Safety Strategy Domestic Violence Strategy Early Intervention/Prevention Place JSNA

*shared CA/LEP Strategies (Give consideration to the strategic transport prospectus being a joint strategy, as its strength is the link between transport and growth priorities)