



**CITY DEAL**

Preston, South Ribble & Lancashire

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

**Monday, 18th September, 2017 in Committee Room 'C' - The Duke of Lancaster Room, County Hall, Preston, at 10.00 am**

**Agenda**

**Part I (Items Publicly available)**

- 1. Welcome and Apologies for Absence**
- 2. Minutes of the City Deal Executive meeting held on 20th June 2017 (Pages 1 - 10)**
- 3. Minutes of the City Deal Stewardship Board meeting held on 20th June 2017 (Pages 11 - 20)**
- 4. Matters Arising**
- 5. Declaration of Interests**
- 6. City Transport Plan - Presentation by Mott MacDonald**

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

- 7. Preston, South Ribble and Lancashire City Deal: HCA Business and Disposal Plan (2017-20) (Pages 21 - 38)**
- 8. HCA Quarterly Monitoring Progress Update – Q1 2017/18 (Pages 39 - 46)**

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

- 9. Implementation Update - Quarter 1 - April - June 2017 (Pages 47 - 68)**

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

**10. Infrastructure Delivery - Fishergate Central Gateway (Phases 1, 2 & 3) - Re-profile of Funding and Project Update (Pages 69 - 72)**

**11. Any Other Business**

**12. Date of Next Meeting**

The next Combined Preston, South Ribble and Lancashire City Deal meeting is scheduled to be held on Wednesday, 29<sup>th</sup> November 2017 in Committee Room 'C' - The Duke of Lancaster Room, County Hall, Preston.

**Part II (Private and Confidential)**

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

**13. Preston Western Distributor (including Cottam Link Road) and East West Link Road (Pages 73 - 78)**

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

**14. Infrastructure Delivery - Procurement of Broughton Village/A6 Corridor Improvement Works (Pages 79 - 82)**

**15. Chairmans report to the Lancashire Enterprise Partnership (LEP) Board**



## CITY DEAL

Preston, South Ribble & Lancashire

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

#### **Minutes of the Meeting held on Tuesday, 20th June, 2017 at 2.30 pm at the Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston**

#### **Present**

Jim Carter (Chair)

County Councillor Michael Green      Councillor P Rankin  
Councillor Peter Mullineaux

#### **In Attendance**

Lorraine Norris, Chief Executive, Preston City Council  
Denise Johnson, Deputy Chief Executive, South Ribble Borough Council  
Jo Turton, Chief Executive, Lancashire County Council  
Stuart Sage, Homes and Communities Agency  
Joanne Ainsworth, Finance Officer, Lancashire County Council  
Marcus Hudson Development Manager, Planning and Environment, Lancashire County Council  
Beckie Joyce, Head of Strategic Development, Lancashire County Council  
Andy Milroy, Company Services Officer, Lancashire County Council  
Julie Musesogla, Homes and Communities Agency  
Sarah Parry, City Deal Programme Manager, Lancashire County Council  
Sue Procter, Director of Programmes and Project Management, Lancashire County Council  
Eddie Sutton, Director of Development and Corporate Services, Lancashire County Council  
Ginette Unsworth, Head of Communications, Lancashire County Council

#### **Observers**

Councillor Phil Smith, South Ribble Borough Council

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

The Chairman, Jim Carter, welcomed all to the meeting. Apologies for absence were presented as follows:

- County Councillor Geoff Driver with County Councillor Michael Green attending as the nominated Lancashire County Council Leader substitute.
- Karl Tupling and Danielle Gillespie with Stuart Sage attending as the nominated Homes and Communities Agency substitute.
- Jean Hunter with Denise Johnson attending as the nominated South

Ribble Borough Council Chief Executive substitute.

- Malcolm McVicar

It was noted that Councillor Phil Smith (South Ribble Borough Council) was in attendance as an Observer to the meeting, the Chairman agreed he could remain for the full meeting subject to observing the protocols of the Part II Private and Confidential section of the meeting.

**2. Minutes of the meeting City Deal Executive meeting held on 30th March 2017**

It was noted that since production of the minutes that the 14<sup>th</sup> June 2017 meeting had been moved to 20<sup>th</sup> June 2017.

**Resolved:** That the minutes of the City Deal Executive meeting held on 30<sup>th</sup> March 2017 be approved as an accurate record.

**3. Minutes of the City Deal Stewardship Board meeting held on 30th March 2017**

It was noted that since production of the minutes that the 14<sup>th</sup> June 2017 meeting had been moved to 20<sup>th</sup> June 2017.

**Resolved:** That the minutes of the City Deal Stewardship Board meeting held on 30<sup>th</sup> March 2017 be approved as an accurate record.

**4. Matters Arising**

None

**5. Declarations of Interest**

None

**6. Presentation from Cardinal Newman College regarding College Growth**

Nick Burnham, Katie O'Reilly and Kerrie Norman (all Cardinal Newman College) gave a presentation on a potential future project to develop a Maths, Health and Social Care Centre of Excellence.

The presentation highlighted future needs in relation to a growing demographic in the City Deal area and the need to meet student demand from 2019 onwards.

**Resolved:** The City Deal Executive and Stewardship Board agreed that a Business Case would be prepared for consideration by the City Deal in

September 2017 and agreed to give further consideration to the project upon receipt of the Business Case.

*Nick Burnham, Katie O'Reilly and Kerrie Norman left the meeting at this point.*

## 7. HCA Business and Disposal Plan (2016 – 2019) Progress Update

Stuart Sage, Head of Public Sector Land North West, and Julie Musesogla, both Homes and Communities Agency (HCA) presented a report (circulated) that updated the City Deal Members on progress made by the HCA on the delivery of the City Deal housing sites from 10<sup>th</sup> February 2017 to 14<sup>th</sup> June 2017.

It was reported that progress was on track, with specific updates provided as follows:

### Preston

- **Cottam Hall Phase 3:** Following the agreement of the Section 106, the Reserved Matters application for 119 units was submitted on 20<sup>th</sup> March 2017 by Morris Homes.
- **Cottam Hall Phase 1:** A total of £905,228 has been paid to Lancashire County Council (LCC) in grant payments.
- **Whittingham:** There had been 42 housing completions on Phase 1 by the end of March 2017 (10 more than the forecast for 16/17). A further 16 have completed since 31<sup>st</sup> March 2017. Preparations are underway to submit a revised outline planning application to address the market and delivery challenges that have prevented the site from coming forward to date from Phase 2 onwards.
- **Land at Eastway (residential):** The first 10 houses were completed by Story Homes.
- **Land at Eastway (commercial):** Contracts were exchanged on the commercial element of the Eastway site to deliver c.3,500 sq.m of employment floorspace.

### South Ribble

- **Altcar Lane:** Marketing of this site commenced in February 2017 through HCA's Delivery Partner Panel. 11 expressions of interest were received. There were 6 responses to the sifting brief and 4 of these were shortlisted. An invitation to tender will go out to the 4 shortlisted parties in June 2017 following internal HCA approval.
- **Croston Road South:** LCC repaid the loan of £585,210 in April 2017 and the first grant payment of almost £2.5m was paid to LCC for this site. The first 11 houses were completed.

As of 24<sup>th</sup> May 2017 HCA had invested £14.3m in loans and £7.7m in grants.

It was noted that there were no further milestones to be met by the end of this quarter (June 2017). The HCA are committed to new delivery approaches to help increase the number of new homes being built. The HCA have commenced marketing of Altcar Lane under Accelerated Construction. All future HCA disposals will be evaluated to establish the suitability of the Accelerated Construction route to service deliver. It was clarified to City Deal Members that Accelerated Construction does not impact on quality or standards it simply sets in place a process in order to deliver houses within a faster timeframe.

**Resolved:** The City Deal Executive and Stewardship Board noted the report and progress made on delivery of the City Deal housing sites from 10<sup>th</sup> February 2017 to 14<sup>th</sup> June 2017 as presented.

## **8. Implementation Update**

### **a. 2016/17 - End of Year Review**

Sarah Parry, Programme Manager – City Deal, Lancashire County Council presented a report (circulated) which provided City Deal Members with end End of Year Review for 2016 / 17.

It was noted that the report contained information presented in a new "Performance Dashboard" format, City Deal Members commented that the new format was very useful.

It was reported that with regard to housing delivery, commercial floor space, jobs and employment and skills targets the City Deal had performed strongly and had exceeded targets for the end of year 3.

It was noted that Infrastructure Delivery was subject to additional reports, presented later in the agenda, under Part II Private and Confidential.

**Resolved:** The City Deal Executive and Stewardship Board noted the overall performance of the Programme in 2016 / 17 and endorsed the proposed Annual Return to Government as set out in the report.

### **b. 2016/17 - Year 3 - Quarter 4 - Finance Report**

Jo Ainsworth, Finance Officer, Lancashire County Council presented a report (circulated) which contained the financial position for the period ending Year 3, Quarter 4 for the City Deal.

It was noted that for the next City Deal meeting the reporting format would be changed.

In terms of the financial position, it was reported that for the Quarter 4 2016/17 period the model currently showed a projected surplus over the city deal period (assuming a 15 year

deal) of £2.634m compared to a position as reported in the Quarter 3 report to 31 December 2016, a surplus of £1.936m – a change of £0.698m.

The main changes relate to forecasts in housing numbers following the six monthly returns and the implementation of the CIL instalment policy.

**Resolved:** The City Deal Executive and Stewardship Board noted the Year 3, Quarter 4 Financial Statement, as presented.

### **c. City Deal Business and Delivery Plan 2017-20**

Sarah Parry presented a report (circulated) which provided City Deal Members with the City Deal Business and Delivery Plan for 2017-20 for approval.

It was highlighted that City Deal partners have provided a commitment to prepare, on an annual basis, a 3 year Business and Delivery Plan. The Plan is based on a set of infrastructure delivery milestones and housing / commercial site development forecasts which enable officers to track progress and changes to the income and expenditure streams in the Infrastructure Delivery Fund (IDF).

The revised delivery programme set out an IDF worth over £145m, over the three year period, reflecting the significant progress to be made on four strategic highways projects. Income into the fund is estimated at £139m over the same period.

The Plan also provided detailed information on housing and employment sites, setting out delivery of over 4000 housing units, over 112,000 sq m of commercial floor-space and creation of over 4200 jobs within the 3-year period.

With regard to Infrastructure Delivery, it was reported that the milestones had been updated to reflect the latest position and it shows that in the next three year period:

- 8 infrastructure schemes will seek planning consent.
- 11 infrastructure schemes will start on site
- 19 infrastructure schemes will complete.

Schemes with changes to their delivery timescales were reported to the City Deal Members, as set out in the report.

A couple of errors in the report were corrected, it was noted that the New Hall Lane will complete in June 2018 rather than later in 2018.

The Pickerings Farm Link Road data was incorrect. Both schemes will be updated accordingly in the final Delivery Plan.

Ginette Unsworth, Head of Communications, Lancashire County Council, provided an overview of Appendix 'D' (to the report) – Invest Central Lancashire Communication Strategy.

It was noted that subject approval by the City Deal Members that final drafts of the Business and Delivery Plan would be circulated electronically to members for final sign off in advance of the September 2017 City Deal meeting.

**Resolved:** The City Deal Executive and Stewardship Board approved:

- (i) That the updated infrastructure and housing/commercial site delivery programme for 2017-20 be approved and developed into a City Deal Business and Delivery Plan 2017-20 and be made available on the City Deal website.
- (ii) That the Invest Central Lancashire 2017-18 Communications Strategy be approved and included in the City Deal Business and Delivery Plan.

## **9. Community Infrastructure Plan**

### **a. Principles of the Community Infrastructure Plan**

Lorraine Norris, Chief Executive, Preston City Council presented a report (circulated) which presented City Deal Members with the Principles of the Community Infrastructure Plan (CIP) for approval.

It was reported that the plan was a result of work carried out by a cross partner team in consultation with other key stakeholder services such as health bodies and education. The CIP covers a 10 year period.

It was highlighted that the City Deal in itself will not generate all the funds required to cover all of the community requirements. This means the partners will need to prioritise and maximise bids to other funding sources. It will be crucially important to co-ordinate effectively the collection of section106 agreements. One way to achieve this may be through a shared team approach. For this reason where the plan highlights preferred schemes these may change over time and in many cases are at the stage illustrative of the kind of investment needed.

To enable the Accountable Body to ensure the financial stability of the City Deal the plan proposed certain decisions are retained to the Executive. These are highlighted at paragraph 2 and if agreed will form the operating principles for the fund together with the criteria set out in the plan. Further technical detail may be needed and it is proposed the Programme Board finalises that detail.

The City Deal Agreement (HOTs) sets out the basis for each partner's contribution by way of:

- Community Infrastructure Levy (CIL);
- Section106;
- New Homes Bonus (NHB);
- Business Rate; and
- Assets.



The Community Infrastructure Fund is linked to housing development sites and determined by the requirements of the S.123 list in the community infrastructure regulations and S.106 regulations.

Each district council partner agreed to pay into the fund CIL, S.106, and NHB payments when received:-

- (i) All housing units on sites specified in the original agreed list; and
- (ii) Unspecified sites delivering a further 1,000 housing units.

The City Deal Agreement specifies that both Preston City Council and South Ribble Borough Council retain decision making for community expenditure on that infrastructure traditionally delivered by district councils. In similar terms Lancashire County Council is to determine expenditure of community funds on education.

The report presented recommended that the City Deal Executive assumes decision making powers in all cases where it is proposed that expenditure is committed in advance (in whole or in part) of income collection.

**Resolved:** The City Deal Executive and Stewardship Board approved:

- (i) The operating principles set out in the plan being:
  - a. CIL and other development related funds (S106, S278 agreements) are levied to support delivery of the City Deal objectives and the Community Infrastructure priorities and paid into the Infrastructure Delivery Fund.
  - b. All commitments to expenditure (i.e. before funds are collected) will be approved by the City Deal Executive according to agreed criteria set out in the plan and details to be agreed by the Programme Board and LCC's S151 Officer.
  - c. The City Deal Executive will approve Community Infrastructure schemes which are strategic, cross borough or of sub regional / regional significance and will be overseen by the City Deal Executive including those set out in the CIP.
- (ii) The Executive will use the following criteria as a guide to determine whether Community Infrastructure Schemes should attract pre-committed funds:
  - a. The advice of the Accountable Body regarding the financial position.
  - b. The strategic nature of the scheme (cross borough; sub regional; critical or enabling infrastructure).
  - c. Whether the use of funds levers in significant other funds from external sources.
- (iii) Other projects will not require the decision of the Executive subject to the Accountable Body confirming that funds have been collected by the relevant partner and recorded by the accountable body.
- (iv) The plan will be reviewed on an annual basis.

**b. Park and Ride, Eastway, Preston**

It was noted that this item had been withdrawn.

**10. Any Other Business**

Beckie Joyce, Head of Strategic Economic Development, Lancashire County Council raised an item under Any Other Business regarding the National Productivity Investment Fund (NPIF).

It was reported that the Highways Authority (Lancashire County Council) had put together a bid following a ranking criteria of scheme.

The criteria included easing congestion, housing and job opportunities. Following this process schemes to reduce congestion in Preston City Centre around Ringway are proposed for submission.

**Resolved:** The City Deal Executive and Stewardship Board noted the proposal relating to the National Productivity Investment Fund.

**11. Date of Next Meeting**

It was noted that the next meeting was scheduled to be held on 18<sup>th</sup> September 2017, 10am, Cabinet Room 'C', County Hall, Preston.

**Part II**

*At this point the City Deal Executive and the Stewardship Board agreed that the meeting move into Part II (Private and Confidential) in order to consider two remaining items of business 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.*

**12. Infrastructure Delivery**

**a. Preston Western Distributor (including Cottam Link Road) and East West Link Road**

Marcus Hudson, Development Manager, Planning and Environment, Lancashire County Council presented a private and confidential report (circulated) regarding Preston Western Distributor (including Cottam Link Road) and East West Link Road.

**Resolved:** The City Deal Executive and Stewardship Board agreed that a detailed review be undertaken which will be shared with the Board electronically as soon as possible, with a further report presented to the next City Deal meeting in September 2017.

**b. Broughton Bypass**

Sue Procter, Director of Programmes and Project Management, Lancashire County Council presented a report updating on Broughton Bypass.

**Resolved:** The City Deal Executive and Stewardship Board approved the recommendations as set out in the report, and, approved an addition recommendation that the Terms of Reference for completion of a review be circulated to the City Deal Members for approval as soon as is practicable.

**13. Chairmans' Report to the Lancashire Enterprise Partnership Board**

It was noted that this item would be a standing item on future City Deal meeting agendas for the Chairman to summarise any items to be referred to the Lancashire Enterprise Partnership Board for approval / consideration.





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**Minutes of the Meeting held on Tuesday, 20th June, 2017 at 2.30 pm at the Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston**

#### **Present**

Stuart Sage (Chair)

Jim Carter  
Lorraine Norris

Denise Johnson  
Jo Turton

#### **In Attendance**

County Councillor Michael Green, Leader, Lancashire County Council  
Councillor Peter Mullineaux, Leader, South Ribble Borough Council  
Councillor Peter Rankin, Leader, Preston City Council  
Joanne Ainsworth, Finance Officer, Lancashire County Council  
Marcus Hudson Development Manager, Planning and Environment, Lancashire County Council  
Beckie Joyce, Head of Strategic Development, Lancashire County Council  
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Julie Musesogla, Homes and Communities Agency  
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#### **Observers**

Councillor Phil Smith, South Ribble Borough Council

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

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receipt of the Business Case.

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It was noted that subject approval by the City Deal Members that final drafts of the Business and Delivery Plan would be circulated electronically to members for final sign off in advance of the September 2017 City Deal meeting.

**Resolved:** The City Deal Executive and Stewardship Board approved:

- (i) That the updated infrastructure and housing/commercial site delivery programme for 2017-20 be approved and developed into a City Deal Business and Delivery Plan 2017-20 and be made available on the City Deal website.
- (ii) That the Invest Central Lancashire 2017-18 Communications Strategy be approved and included in the City Deal Business and Delivery Plan.

## **9. Community Infrastructure Plan**

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To enable the Accountable Body to ensure the financial stability of the City Deal the plan proposed certain decisions are retained to the Executive. These are highlighted at paragraph 2 and if agreed will form the operating principles for the fund together with the criteria set out in the plan. Further technical detail may be needed and it is proposed the Programme Board finalises that detail.

The City Deal Agreement (HOTs) sets out the basis for each partner's contribution by way of:

- Community Infrastructure Levy (CIL);
- Section106;
- New Homes Bonus (NHB);
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- (i) All housing units on sites specified in the original agreed list; and
- (ii) Unspecified sites delivering a further 1,000 housing units.

The City Deal Agreement specifies that both Preston City Council and South Ribble Borough Council retain decision making for community expenditure on that infrastructure traditionally delivered by district councils. In similar terms Lancashire County Council is to determine expenditure of community funds on education.

The report presented recommended that the City Deal Executive assumes decision making powers in all cases where it is proposed that expenditure is committed in advance (in whole or in part) of income collection.

**Resolved:** The City Deal Executive and Stewardship Board approved:

- (i) The operating principles set out in the plan being:
  - a. CIL and other development related funds (S106, S278 agreements) are levied to support delivery of the City Deal objectives and the Community Infrastructure priorities and paid into the Infrastructure Delivery Fund.
  - b. All commitments to expenditure (i.e. before funds are collected) will be approved by the City Deal Executive according to agreed criteria set out in the plan and details to be agreed by the Programme Board and LCC's S151 Officer.
  - c. The City Deal Executive will approve Community Infrastructure schemes which are strategic, cross borough or of sub regional / regional significance and will be overseen by the City Deal Executive including those set out in the CIP.
- (ii) The Executive will use the following criteria as a guide to determine whether Community Infrastructure Schemes should attract pre-committed funds:
  - a. The advice of the Accountable Body regarding the financial position.
  - b. The strategic nature of the scheme (cross borough; sub regional; critical or enabling infrastructure).
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- (iii) Other projects will not require the decision of the Executive subject to the Accountable Body confirming that funds have been collected by the relevant partner and recorded by the accountable body.
- (iv) The plan will be reviewed on an annual basis.

b. **Park and Ride, Eastway, Preston**

It was noted that this item had been withdrawn.

**10. Any Other Business**

Beckie Joyce, Head of Strategic Economic Development, Lancashire County Council raised an item under Any Other Business regarding the National Productivity Investment Fund (NPIF).

It was reported that the Highways Authority (Lancashire County Council) had put together a bid following a ranking criteria of schemes.

The criteria included easing congestion, housing and job opportunities. Following this process schemes to reduce congestion in Preston City Centre around Ringway are proposed for submission.

**Resolved:** The City Deal Executive and Stewardship Board noted the proposal relating to the National Productivity Investment Fund.

## 11. Date of Next Meeting

It was noted that the next meeting was scheduled to be held on 18<sup>th</sup> September 2017, 10am, Cabinet Room 'C', County Hall, Preston.

## Part II

*At this point the City Deal Executive and the Stewardship Board agreed that the meeting move into Part II (Private and Confidential) in order to consider two remaining items of business 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.*

## 12. Infrastructure Delivery

### a. Preston Western Distributor (including Cottam Link Road) and East West Link Road

Marcus Hudson, Development Manager, Planning and Environment, Lancashire County Council presented a private and confidential report (circulated) regarding Preston Western Distributor (including Cottam Link Road) and East West Link Road.

**Resolved:** The City Deal Executive and Stewardship Board agreed that a detailed review be undertaken which will be shared with the Board electronically as soon as possible, with a further report presented to the next City Deal meeting in September 2017.

**b. Broughton Bypass**

Sue Procter, Director of Programmes and Project Management, Lancashire County Council presented a report updating on Broughton Bypass.

**Resolved:** The City Deal Executive and Stewardship Board approved the recommendations as set out in the report, and, approved an addition recommendation that the Terms of Reference for completion of a review be circulated to the City Deal Members for approval as soon as is practicable.

**13. Chairmans' Report to the Lancashire Enterprise Partnership Board**

It was noted that this item would be a standing item on future City Deal meeting agendas for the Chairman to summarise any items to be referred to the Lancashire Enterprise Partnership Board for approval / consideration.





## CITY DEAL

Preston, South Ribble & Lancashire

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

**Private and Confidential: NO**

Monday, 18 September 2017

#### **Preston, South Ribble and Lancashire City Deal: HCA Business and Disposal Plan (2017-20)**

(Appendix 'A' refers)

**Report Author: Stuart Sage, Head of Public Sector Land North West, Homes and Communities Agency**

#### **Executive Summary**

This report provides summary of the 2017-20 HCA Business and Disposal Plan.

#### **Recommendation**

The City Deal Stewardship Board and Executive are recommended to note:

- (i) The progress towards the successful delivery of the 11 HCA City Deal sites during 2016/17.
- (ii) HCA's current and future investment into the City Deal; and
- (iii) The updated Business and Disposal Plan (BDP) to take the site milestones through to March 2020.

### **Background and Advice**

#### **HCA Delivery in 2016 - 2017**

Excellent progress has been made by the HCA during year 3, April 2016 – March 2017. Four of the 11 HCA City Deal sites (Cottam Hall (Phases 1 and 2), Whittingham Hospital (Phase 1), Croston Road South and Land at Eastway (residential)) have legal agreements in place with developer and are under construction.

One site (Brindle Road) completed in April 2016 and part of another site (Preston East) was disposed of in December 2016.

Since the end of the 2016/17 financial year HCA have also exchanged contracts with an occupier who will develop the Eastway commercial site.



# CITY DEAL

Preston, South Ribble & Lancashire

## Outputs

The key HCA sites outputs up to the end of year 3 include:

- HCA have secured outline planning permission with consent for 2,871.
- These sites are currently being delivered across 6 development outlets/phases.
- These development outlets/phases, cover five of the HCA's 11 City Deal sites (accounting for 2 phases at Cottam Hall) and are on course to deliver 1,159 new homes. Of the remaining sites Altcar Lane will be delivered through Accelerated Construction, whilst the details of the marketing of Croston Road North are yet to be finalised. HCA are not directly in control of delivery at Cottam Brickworks or Walton Park Link Road and Preston East does not contain any residential.
- There have been 219 housing completions to the end of 2016/17.

## Investment

Due to the strong delivery in 2016/17 HCA funding is being invested into the City Deal as shown below.

	Receipt	Loan (£)	Grant (£)	Total Payment (£)
<b>2016/17</b>	<b>£9,599,105</b>	<b>£1,947,682</b>	<b>£4,623,920</b>	<b>£6,571,602</b>
<b>Cumulative to 31.3.17</b>	<b>£16,064,900</b>	<b>£14,355,023</b>	<b>£4,623,920</b>	<b>£18,978,943</b>

The first grant payment was made in June 2016 and a total of £4.6m was paid in grant in 2016/17. Future payments to be made over the next three years are shown below and the full forecast for the Deal is detailed within the BDP in Appendix A.

	2017/18	2018/19	2019/20
<b>Cash Receipts</b>	<b>£9,366,306</b>	<b>£7,094,243</b>	<b>£5,601,250</b>
<b>Loan payments</b>	<b>£3,187,708</b>	<b>£*</b>	<b>£5,467,151</b>
<b>Grant payments</b>	<b>£6,646,288</b>	<b>£5,558,475</b>	<b>£2,077,241</b>
<b>Total payment</b>	<b>£9,833,986</b>	<b>£10,500,224</b>	<b>£7,544,392</b>

\*no loan payments will be made during 2018/19 as no deals will reach the unconditional stage during this period.

The following table demonstrates the financial position compared with where HCA forecast it would be when the 2016 BDP was drafted





# CITY DEAL

Preston, South Ribble & Lancashire

	2016/17 (forecast)	2016/17 (actual)	Difference (£)
Receipts (£)	8,637,943	9,599,105	+£961,162
Grant (£)	3,359,124	4,623,920	+£1,264,976
Loan (£)	4,942,295	1,947,682	-£2,994,693

The key differences between the forecast and actuals for 2016/17 relate to the delays in Cottam Hall phase 3 associated with the amendments required to the s106 agreement delaying the ability to get the deal with Morris Homes to an unconditional stage and thereby triggering the £3m loan to City Deal. The receipts and grant are both higher than was forecast within the BDP in 2016, this was mainly due to the receipt for Preston East Sector D, being considerably higher than expected, through the sale to Inchcape for a car dealership led scheme.

Since the payment of the first loan in 2014/15, HCA have received loan repayments totalling £13.76m and interest of £87k.

It is forecast that the '£37.5m 'grant cap' will be met in 2022/23. This is a year later than previously forecast, which is due to delays on some sites and others being delivered through Accelerated Construction.

## Risks, Emerging Issues and Milestones

At a project level the greatest risk around delivery of HCA sites sits with Pickerings Farm and Whittingham Hospital. Pickerings Farm is a large site complicated by the disparate ownership pattern, the presence of the west coast mainline to the eastern boundary and the scale of infrastructure that is required across the site. HCA are working closely with Taylor Wimpey to ensure both organisations commercial and corporate objectives can be achieved in a manner that delivers the site at the earliest opportunity.

The first phase of Whittingham Hospital is under development, however the marketing of the further development parcels has proved unsuccessful and highlighted the shortcomings in the appeal and deliverability of the site. In order to improve this situation, HCA are working towards a revised planning application that will reposition and potentially increase the quantum of residential to improve the viability and marketability of the site. HCA will work closely with City Deal partners to ensure the financial and delivery impacts of these changes are modelled and re-forecast.

Individual milestones for each project can be found in the BDP.



# **HCA Business and Disposal Plan**

## **Years 4, 5 and 6**

### **2017/18, 2018/19 and 2019/20**

# HCA Business & Disposal Plan (2017 – 2020)

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## **1. Background**

- 1.1 Introduction
- 1.2 HCA Approvals

## **2. HCA Delivery 2016/17**

- 2.1 2016/17 Delivery Highlights
- 2.2 Emerging Risks and Issues

## **3. HCA Delivery Profile**

- 3.1 Site Milestones

## **4. Finance**

- 4.1 Contracted and Forecasted Receipts Table
- 4.2 Forecast Loan and Grant Table

## **5. HCA City Deal Outputs**

- 5.1 Total number of Housing unit consented for planning
- 5.2 Total number of Housing unit completions

## **6. City Deal site plan**

- 6.1 City Deal sites plan

## **1. Background**

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### **1.1 Introduction**

- 1.1.1 This Business & Disposal Plan (BDP) refresh is prepared by the HCA and is one of the key documents used to measure the performance of the Lancashire, Preston and South Ribble City Deal ('The Deal'). The BDP specifically monitors progress in relation to the HCA land portfolio included within the deal. This BDP refresh should be read in conjunction with the Infrastructure Delivery Plan (IDP), which monitors the infrastructure delivery element of the City Deal programme and is produced by Lancashire County Council (LCC).
- 1.1.2 There are 11 HCA sites included within the Deal, and this BDP refresh provides detailed site information, delivery timescales, a review of the milestones delivered in year, milestones for years 4, 5 and 6, risks and receipt forecasts. The BDP is a 'live' document and is continually reviewed through the monitoring arrangements that are in place. This document is formally updated on an annual basis.
- 1.1.3 Whilst the HCA retains full control of its land disposals and decisions, the Executive and Stewardship Board still remains a key part of the Deal's governance structure and a meeting of the Board can be called to review progress and question decisions if and when required.
- 1.1.4 The fundamental role of this BDP refresh is to provide:
- A brief update on the successful delivery in 2016/17
  - Highlight any emerging issues
  - Update the milestone information and investment forecasts for the 11 HCA sites.
- 1.1.5 All background site information is contained within the original BDP 2015- 2018.

### **1.2 HCA Approvals**

- 1.2.1 There is three year approval in place from the HCA Board for the BDP from June 2015. The next Board approval required for the City Deal BDP will be June 2018.
- 1.2.2 The BDP Refresh will be taken to the North West SMT on an annual basis for noting and will feed into the overall City Deal Infrastructure Delivery Plan.

## 2. HCA Delivery 2016/17

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### 2.1 2016/17 Delivery Highlights

2.1.1 The HCA prepared the initial BDP at the start of year 1 (2014/15), which committed to a number of milestones to be delivered for the 11 HCA City Deal sites. Progress against those milestones has been excellent and in some cases milestones from future years have been expedited.

2.1.2 Land sales from HCA sites has resulted in the total receipts and level of grant paid in 2016/17 comfortably exceeding that forecast at within the last BDP refresh. This was a result of strong performance across the majority of HCA sites and a surge interest in commercial land which resulted in forecast values being comfortably surpassed at Preston East Sector D.

2.1.3 Three key residential sites spanning Preston and South Ribble achieved start on site within 2016/17 and will go on to deliver 758 new homes. A major housing milestone was also achieved at Brindle Road, where Miller Homes finished construction, the first City Deal site to achieve this milestone.

2.1.4 Given the widespread support and focus on this Deal (both internally within the HCA and externally with partners) it is critical that this good performance on delivery is maintained on all the sites, in accordance with the revised programme of milestones contained in this new three year BDP.

2.1.5 In 2016/17 key physical milestones included:

- One site has secured planning permission with consent for 200 homes (Altcar Lane)
- There were 127 housing completions in 2016/17 (219 to date) across 5 sites

Date	Milestone
April 2016	<ul style="list-style-type: none"><li>• Cottam Hall Phase 2 (Story Homes) formally commenced on site – 283 units.</li><li>• Miller Homes commenced on site at Croston Road South – 175 units</li><li>• Brindle Road site was completed with 46 new homes being delivered making it the first HCA site to be completed since the City Deal commenced</li></ul>
June 2016	<ul style="list-style-type: none"><li>• Cottam Hall Phase 2 - Story Homes completed first dwelling ahead of schedule</li><li>• The first HCA grant payment of £504k was made to LCC due to the site completion at Brindle Road.</li></ul>
July 2016	<ul style="list-style-type: none"><li>• Cottam Hall Site K - Barratt Homes completed their 55<sup>th</sup> new home on site, meaning just over half of the 104 new homes had now been delivered. 47 sales were completed by the end of July.</li></ul>
August 2016	<ul style="list-style-type: none"><li>• Eastway (residential) - HCA and Story Homes completed a deal for 300 new homes resulting in a grant payment of £1.33m being made to LCC and loan payment of £1.169m.</li><li>• Internal HCA approval obtained to enter into the collaboration agreement</li></ul>

Date	Milestone
	with Taylor Wimpey at Pickering's Farm.
September 2016	<ul style="list-style-type: none"> <li>• Story Homes commenced on site at Eastway</li> <li>• Altcar Lane - the outline planning permission was approved at Planning Committee for 200 new homes. Altcar Lane will be one the first HCA sites to be delivered via Accelerated Construction</li> </ul>
December 2016	<ul style="list-style-type: none"> <li>• Preston Sector D – HCA completed disposal to Inchcape Estates Limited, for a price of £2.765m, resulting in a grant payment of over £2.5m and a loan payment of £139,095 being made to LCC.</li> </ul>
January 2017	<ul style="list-style-type: none"> <li>• The S106 was signed at Altcar Lane</li> <li>• First housing completion at Croston Road South took place.</li> </ul>
February 2017	<ul style="list-style-type: none"> <li>• Marketing commenced at Altcar Lane</li> <li>• Revised s106 signed for Cottam Hall</li> </ul>
March 2017	<ul style="list-style-type: none"> <li>• Reserved matters application submitted at Cottam Hall Phase 3</li> <li>• First grant payment of £256,992 paid to LCC for Cottam Hall Site K</li> </ul>

As a result of the above transactions, HCA made the following financial investment into the Deal in 2016/17:

	Receipt	Loan (£)	Grant (£)	Total Payment (£)
<b>2016/17</b>	<b>£ 9,599,105</b>	<b>£ 1,947,682</b>	<b>£ 4,623,920</b>	<b>£ 6,571,602</b>
<b>Cumulative to 31.3.17</b>	<b>£ 16,064,900</b>	<b>£ 14,355,023</b>	<b>£ 4,623,920</b>	<b>£ 18,978,943</b>

A full breakdown of the forecast HCA financial contribution is included in 4.2 on page 12.

## **2.2 Emerging Risks and Issues**

### **Financial**

- 2.2.1 Throughout 16/17 detailed work was undertaken to assess a number of proposed government policy changes, particularly amendments to the New Homes Bonus, which have the potential to impact on the financial arrangements of the City Deal. The outcome of this work illustrates what the financial impact of these fiscal policy changes is and how the City Deal partners may respond to this. This work will be used by all partners (including the HCA) to help shape and formulate a future ask of Government through a second City Deal, which is currently under discussion.
- 2.2.2 In March 2017, The City Deal partners were successful in securing HCA Capacity Funding of £200,000 to be used towards resolving issues in housing delivery on City Deal sites. Proposals on how to spend the HCA Capacity Funding has been approved.

### **Risk**

- 2.2.3 Given the volume of new homes which are to be delivered on HCA sites, it is imperative that the HCA understands the sensitivities in the market and the likely demand for new homes. This will be continually monitored through housing completion data and intelligence obtained through agents and housebuilders.
- 2.2.4 HCA will address this risk on a site by site basis. Accelerated Construction will form part of the solution by insulating developers from some of the sales risk, through the introduction of a buy-back of unsold properties. In sharing the risk through accelerated construction this should bring new entrants to the market, by appealing to those firms from a contracting background rather than purely housebuilders, of which there are a finite number who regularly bid for The Agency's larger residential sites.
- 2.2.5 Pickering's Farm and Whittingham Hospital continue to present challenges around the delivery of HCA's City Deal targets. Pickering's Farm is a large site complicated by the disparate ownership pattern, the presence of the west coast mainline to the eastern boundary and the scale of infrastructure that is required across the site. HCA are working closely with Taylor Wimpey to ensure both organisations commercial and corporate objectives can be achieved in a manner that delivers the site at the earliest opportunity.
- 2.2.6 The first phase at Whittingham Hospital is under development, however the marketing of further development parcels has proved unsuccessful and highlighted the shortcomings in the appeal and deliverability of the site. In order to improve this situation, HCA are working towards a revised planning application that will reposition and potentially increase the quantum of residential to improve the viability and marketability of the site. HCA will work closely with City Deal partners to ensure the financial and delivery impacts of these changes are modelled and re-forecast.



### 3 HCA Delivery Profile

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#### 3.1 Site Milestones

3.1.1 The key milestones for the disposal of HCA assets are monitored using the following headings:

1. Pre-Application work , including stakeholder engagement
2. Pre-Submission technical workshop,
3. Master-planning & options analysis
4. Outline Planning Application Submitted
5. Outline Planning Application Approved
6. Section 106 Signed/Planning Consent Issued
7. Site Marketing Commenced
8. Preferred Developer Selected (HCA Approval)
9. Conditional Legal Agreement
10. Reserved Matters Application Approved
11. Unconditional contract
12. Pre Commencement Ecological Mitigation/Site Infrastructure Works
13. Start On Site
14. First Housing Completion
15. Phase Completion
16. Other

3.1.2 The forecast delivery milestones for the 11 HCA assets are included in the following table. The table shows forecasts as of the previous BDP (2016-19) and the current forecast for each site – see below:

Site		Year 3 2016/17			Year 4 2017/18			Year 5 2018/19				
Cottam Hall Phase 3	2016/17		10	12	13			14				
	2017/18					12	10 13	14				

Forecast in 2016/17 BDP  
Revised forecast in current BDP

Site		Year 3 2016/17				Year 4 2017/18				Year 5 2018/19				Year 6 2019/20			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cottam Hall Site K	2016/17																
	2017/18										15						
Cottam Hall Phase 2	2016/17		14														
	2017/18			14													
Cottam Hall Phase 3	2016/17		10	12	13			14									
	2017/18						12	10	14								
Cottam Hall Phase 4	2016/17							7			8	9					
	2017/18							7			8	9		10-12	13		
Land at Eastway Resi.	2016/17			13		14											
	2017/18			13	14												
Land at Eastway Com	2016/17		11			10		13			15						
	2017/18					9		10			13			15			
Preston East EA	2016/17					7			8		11						
	2017/18										7			8		11	
Preston East Sect. D	2016/17	8		11			10		13								
	2017/18	8		11			13										
Cottam Brickworks	2016/17				13												
	2017/18								10	11		13				10	
Whittingham Phase 1	2016/17																
	2017/18															15	
Whittingham Phase 2	2016/17	8	9		10	13		14									
	2017/18				1				2	3	4	5-7			8	9	
Whittingham Phase 3	2016/17					7		8		9	10	13					
	2017/18																
Pickering's Farm	2016/17	16	3	3	4	5	7	8	9		10		13				
	2017/18								1	2	3		4		5	6	7
Croston Road South	2016/17	13		14													
	2017/18	13			14												
Croston Road North 1	2016/17	7			8	9		10	12	13		14					
	2017/18								7			8	9		10	11	13
Croston Road North 2	2016/17	7			8	9		10	12	13		14					
	2017/18											7			8	9	
Altcar Lane	2016/17	4	5	6	7	8	9		10	13		14					
	2017/18	4		5	6	7	8		9			10	13	14			
Brindle Road	2016/17	15															
	2017/18	15															
Walton Park Link	2016/17		13		14												
	2017/18						13		14								

Table 1: HCA site milestones for 2016/17 to 2019/20

## 4. Finances

### 4.1 Contracted and Forecasted Receipts Table

Site Name	Receipt type	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024+	All Years	Total
Cottam Hall*	Contracted	£ -	£ 370,495	£ 2,889,955	£ 3,230,805	£ 2,796,746	£ 1,756,193	£ -	£ -	£ -	£ -	£ -	£ -	£ 11,044,194	£ 36,079,089
	Forecast	£ -	£ -	£ 527,888	£ -	£ 648,510	£ 850,000	£ 2,031,250	£ 3,921,250	£ 6,081,250	£ 5,071,250	£ 3,890,000	£ 2,013,497	£ 25,034,895	
Land at Eastway, Broughton	Contracted	£ -	£ -	£ -	£ 2,500,000	£ 2,228,000	£ 2,000,000	£ 2,000,000	£ 2,500,000	£ 2,944,257	£ -	£ -	£ -	£ 14,172,257	£ 16,377,257
	Forecast	£ -	£ -	£ -	£ -	£ 1,205,000	£ -	£ -	£ -	£ 200,000	£ 500,000	£ 300,000	£ -	£ 2,205,000	
Preston East EA (Break even cost)	Contracted	£ -	£ -	£ -	£ 2,725,400	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 2,725,400	£ 4,295,400
	Forecast	£ -	£ -	£ -	£ -	£ -	£ -	£ 1,570,000	£ -	£ -	£ -	£ -	£ -	£ 1,570,000	
Cottam Brickworks (Nil contribution)	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Forecast	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Whittingham Hospital (Nil contribution)*	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Forecast	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Pickerings Farm (Cent. Lancs. Village)*	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Forecast	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 519,750	£ 1,975,050	£ 1,975,050	£ 1,975,050	£ 3,950,100	£ 10,395,000	£ 10,395,000
Croston Road South, Farington	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Forecast	£ -	£ -	£ -	£ 552,900	£ 2,488,050	£ 2,488,050	£ -	£ -	£ -	£ -	£ -	£ -	£ 5,529,000	£ 5,529,000
Croston Road North, Farington*	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Forecast	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 3,000,000	£ 3,000,000	£ 3,000,000	£ 3,000,000	£ 2,000,000	£ 14,000,000	£ 14,000,000
Altcar Lane, Leyland	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Forecast	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 1,500,000	£ 1,500,000	£ 1,500,000	£ 1,520,000	£ -	£ 6,020,000	£ 6,020,000
Brindle Road, Bamber Bridge	Contracted	£ 163,400	£ 740,000	£ 1,774,057	£ 590,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 3,267,457	£ 3,267,457
	Forecast	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Walton Park Link Road (Nil contribution)	Contracted	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Forecast	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
<b>Totals</b>		<b>£ 163,400</b>	<b>£ 1,110,495</b>	<b>£ 5,191,900</b>	<b>£ 9,599,105</b>	<b>£ 9,366,306</b>	<b>£ 7,094,243</b>	<b>£ 5,601,250</b>	<b>£ 11,441,000</b>	<b>£ 15,700,557</b>	<b>£ 12,046,300</b>	<b>£ 10,685,050</b>	<b>£ 7,963,597</b>	<b>£ 95,963,203</b>	<b>£ 95,963,203</b>

4.1.1 The above table illustrates the finances which are now governed by contracts with developers as opposed to land which HCA are yet to sell, which is listed under the “forecast” line. The Agency continues to monitor the data from land sales to ensure forecasts for remaining land are robust and evidence based.

## 4.2 Forecast Loan and Grant Table

Site Name	Payment	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024+	All Years	Total
Cottam Hall*	Loan	£ -	£ 1,995,197	£ 7,648,144	£ -	£ 3,000,000	£ -	£ 3,974,392	£ 6,941,109	£ 3,993,043	£ -	£ -	£ 227,413	£ 27,779,298	£ 30,951,971
	Grant	£ -	£ -	£ -	£ 256,992	£ 945,256	£ 1,070,425	£ -	£ 50,000	£ 850,000	£ -	£ -	£ -	£ 3,172,673	
Land at Eastway, Broughton	Loan	£ -	£ -	£ -	£ 1,169,377	£ 187,708	£ -	£ -	£ -	£ 183,778	£ -	£ -	£ -	£ 1,540,863	£ 15,561,035
	Grant	£ -	£ -	£ -	£ 1,330,623	£ 3,245,292	£ 2,000,000	£ 2,000,000	£ 2,500,000	£ 2,944,257	£ -	£ -	£ -	£ 14,020,172	
Preston East EA (Break even cost)	Loan	£ -	£ -	£ -	£ 193,095	£ -	£ -	£ 1,492,759	£ -	£ -	£ -	£ -	£ -	£ 1,685,854	£ 4,295,400
	Grant	£ -	£ -	£ -	£ 2,532,305	£ -	£ -	£ 77,241	£ -	£ -	£ -	£ -	£ -	£ 2,609,546	
Cottam Brickworks (Nil contribution)	Loan	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Grant	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Whittingham Hospital (Nil contribution)*	Loan	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Grant	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Pickerings Farm (Cent. Lancs. Village)*	Loan	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 2,017,408	£ -	£ -	£ -	£ -	£ 2,017,408	£ 11,892,658
	Grant	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 1,975,050	£ 1,975,050	£ 1,975,050	£ 3,950,100	£ 9,875,250		
Croston Road South, Farington	Loan	£ -	£ -	£ -	£ 585,210	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 585,210	£ 5,529,000
	Grant	£ -	£ -	£ -	£ 2,455,740	£ 2,488,050	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 4,943,790	
Croston Road North, Farington*	Loan	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 1,217,708	£ -	£ -	£ -	£ -	£ 1,217,708	£ 14,000,002
	Grant	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 1,782,294	£ 3,000,000	£ 3,000,000	£ 3,000,000	£ 2,000,000	£ 12,782,294	
Altcar Lane, Leyland	Loan	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 2,304,121	£ -	£ -	£ -	£ -	£ 2,304,121	£ 6,020,000
	Grant	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 695,879	£ 1,500,000	£ 1,520,000	£ -	£ -	£ 3,715,879	
Brindle Road, Bamber Bridge	Loan	£ -	£ 2,764,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 2,764,000	£ 3,268,000
	Grant	£ -	£ -	£ -	£ 504,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 504,000	
Walton Park Link Road (Nil contribution)	Loan	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Grant	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Total Loan		£ -	£ 4,759,197	£ 7,648,144	£ 1,947,682	£ 3,187,708	£ -	£ 5,467,151	£ 12,480,346	£ 4,176,821	£ -	£ -	£ 227,413	£ 39,894,462	£ 91,518,066
Total Grant		£ -	£ -	£ -	£ 4,623,920	£ 6,646,288	£ 5,558,475	£ 2,077,241	£ 4,332,294	£ 9,465,186	£ 6,475,050	£ 6,495,050	£ 5,950,100	£ 51,623,604	
Totals														£ -	£ 183,036,132

4.2.1 The above table combines forecast and contractual payments from HCA to City Deal partners. This is informed by the receipts profile detailed in 4.1.1.

4.2.2 The HCA exceeded its total receipts and grants forecasts for 2016/17, but fell short of the forecast loan amount. These changes can primarily be explained by 2 sites. HCA achieved a high land value at Preston East Sector D, where the sale achieved came in at £2.765m. This resulted in greater than forecast total receipts and as a consequence of the land value being paid in full upfront a greater grant payment being made to the City Deal. The loan forecast was hampered by Phase 3 at Cottam Hall where delays with the revised s106 agreement resulted in Morris Homes being unable to submit their reserved matters planning application. Once the deal with Morris Homes goes unconditional, the corresponding loan payment will be made by HCA.

4.2.3 The current forecast show the grant payable will reach the cap of £37.5m in the year 2022/23 and exceed this amount in the years following this.

## 5. HCA City Deal Outputs

The following tables reflect the current forecast outputs on the HCA sites.

### 5.1 Total number of Housing unit consented for outline planning

Site		Actual 31.3.15	Actual 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	Yr. 10 23/24	Yr.10+ 2024+	Total
Cottam Hall	2016/17	1,100										1,100
	2017/18	1,100										1,100
Land at Eastway	2016/17	300										300
	2017/18	300										300
Preston East EA	2016/17	N.A.										N.A.
	2017/18	N.A.										N.A.
Cottam Brickworks	2016/17	N.A.										0
	2017/18	N.A.										0
Whittingham	2016/17	650										650
	2017/18	650										650
Pickering's Farm	2016/17		297									297
	2017/18					297						297
Croston Road South	2016/17	175										175
	2017/18	175										175
Croston Road North	2016/17	400										400
	2017/18	400										400
Altcar Lane	2016/17		200									172
	2017/18		200									200
Brindle Road	2016/17	46										46
	2017/18	46										46
Walton Park Link	2016/17	N.A.										N.A.
	2017/18	N.A.										N.A.
Total	2016/17	2,671	497									3,140
	2017/18	2,671	200			297						3,168

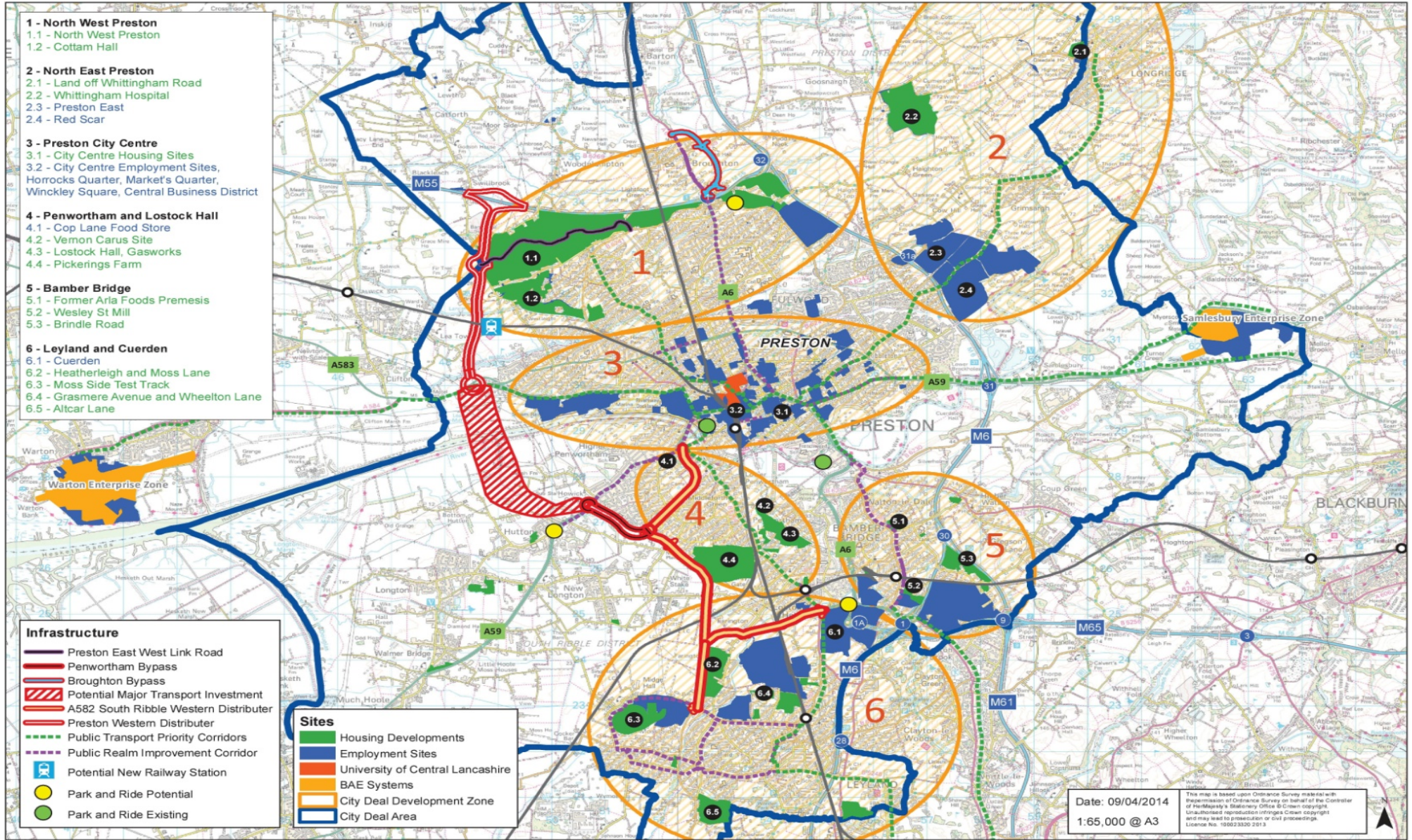
## 5.2 Total number of Housing unit completions

Site[1]		Actual 31.3.16	Actual 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	Yr. 10 23/24	Yr.10+ 2024+	Total
Cottam Hall*	2016/17	30	52	96	96	96	96	96	96	96	346	1,100
	2017/18	41	61	60	70	96	96	96	96	96	388	1,100
Land at Eastway	2016/17		10	20	30	30	30	30	30	30	90	300
	2017/18		10	20	30	30	30	30	30	30	90	300
Preston East EA	2016/17	N.A.										0
	2017/18	N.A.										0
Cottam Brickworks	2016/17	N.A.										0
	2017/18	N.A.										0
Whittingham*	2016/17	5	32	64	64	64	64	64	64	64	165	650
	2017/18	5	42	35	35	40	50	50	50	60	283	650
Pickering's Farm*	2016/17			50	50	50	60	50	37			297
	2017/18						20	50	50	50	177	297
Croston Road South	2016/17		16	32	32	32	32	31				175
	2017/18		14	32	32	32	32	33				175
Croston Road North*	2016/17				64	64	64	64	64	64	16	400
	2017/18						50	50	50	50	200	400
Altcar Lane	2016/17				32	32	32	32	32	32	8	200
	2017/18				60	60	60	20				200
Brindle Road	2016/17	42	4									46
	2017/18	46										46
Walton Park Link	2016/17	N.A.										0
	2017/18	N.A.										0
Total	2016/17	77	114	262	368	368	378	367	323	286	625	3,168
	2017/18	92	127	147	227	258	338	336	276	286	1138	3,225
Cumulative Total	2016/17	77	191	453	821	1189	1567	1934	2257	2543	3168	3,168
	2017/18	92	219	366	593	851	1189	1525	1801	2087	3225	3,168

[1] Where house completions are greater than 32, multiple phases are on site (e.g. 64 units at Whittingham is 2 phases, 96 units at Cottam Hall is 3 phases)

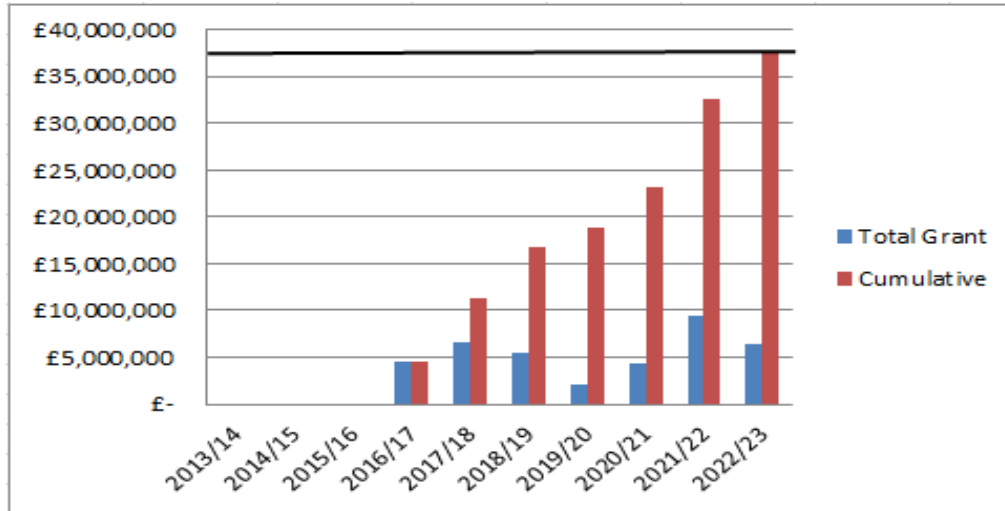


6. City Deal site plan 6.1 City Deal sites plan

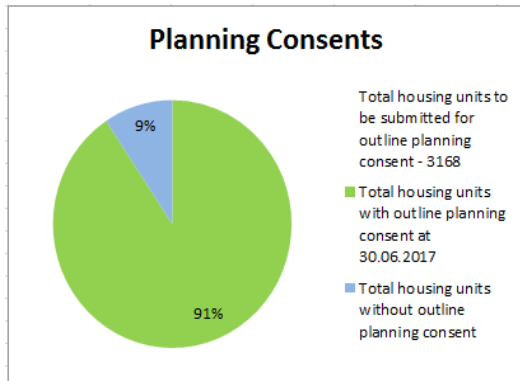






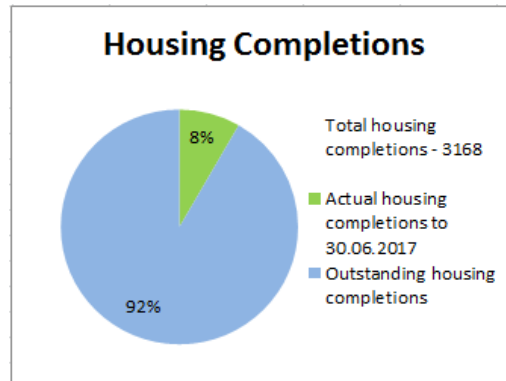


Grant Payments					
	Previous Quarter (Jan-Mar)	This Quarter (Apr-Jun)	Quarterly Average	In Year Actual	BDP Forecast for Year
Grant	£256,992	£3,103,976	£367,995	£3,103,976	£4,623,920
Loan	£0	£0	£717,751	£0	£3,187,708
Housing Completions	36	18	12	18	147

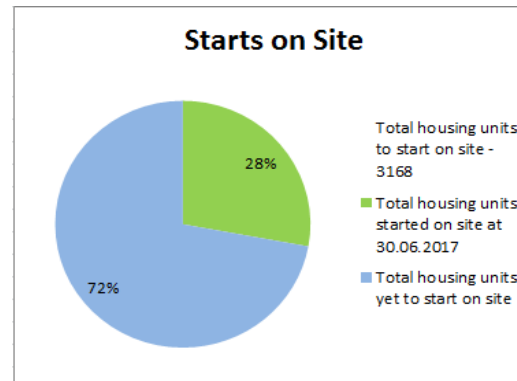


No additional planning permission secured in this reporting period.

Only Pickerings Farm is yet to achieve planning, however an amended planning consent for remaining Whittingham phases is required.



Development is underway on five outlets. There has been a slight increase in housing completions to reflect the increased development activity on Eastway and Croston Road South.



No additional Starts on Site during this reporting period

Starts on Site are counted for the entire site on commencement of first unit.

£3,103,976 of grant paid in this reporting period. The grant was so high this quarter due to a committed payment of almost £2.5m being made by Miller and paid back out to LCC. In addition to this a balancing sum of almost £600k for Cottam Ph1's Guaranteed Annual Payment was made this quarter

## **1.0 Report Overview**

- 1.1 This report provides an update on the progress made by the HCA on the delivery of the City Deal housing sites from 01.04.17 to 30.06.17. It focuses on the key delivery milestones, finances invested, outputs and draws out key risks and emerging issues.
- 1.2 The report format has been changed to provide a more visual snapshot of progress and enable comparison on a quarter by quarter basis.

## **2.0 Recommendation**

- 2.1 The Stewardship Board and Executive are recommended to:
  - 2.1.1 Note the content of the report and the progress made

## **3.0 HCA Site Highlights (01.04.17 to 30.06.17)**

- 3.1 Between the period 01.04.17 and 30.06.17, progress has been made on a number of HCA sites. Key highlights and future milestones can be found in the table below:



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Preston, South Ribble & Lancashire

Site	Project	Status	Completions/total units	Completions (Apr-Jun)	Finance (Apr-Jun)	Summary	Milestones for next quarter (Jul-Sep)
1	<b>Cottam Hall Phase 1 (Site K)</b>	Barratts on site	68/104 (65%)	TBC	£648,326 grant paid to LCC in this reporting period	<p>The grant consisted of payments from 2 plot sales, as well as the remainder of the Guaranteed Annual Payment.</p> <p>Since the end of the reporting period a further £148,510 has been paid in grant to LCC.</p>	Further grant payments are anticipated however the amounts are dependent on plot sales.
	<b>Cottam Hall Phase 2</b>	Story Homes on site.	28/283 (10%)	6	N/A	2 completions since the end of the reporting period.	N/A – ongoing build out
	<b>Cottam Hall Phase 3</b>	Deal done with Morris Homes - not yet on site. RM application submitted.	0/119 (0%)	N/A	N/A	RM application was submitted in March 2017.	RM application to be considered at September's planning committee. This should enable the deal to go unconditional and trigger the loan payment (£3m)
2	<b>Cottam Brickworks</b>	Planning permission in place	0/206 (0%)	N/A	N/A	Site in 3 <sup>rd</sup> party ownership. Access land agreement has lapsed	No progress envisaged by land owner in forthcoming quarter.
3	<b>Land at Eastway (resi)</b>	Story Homes on site.	16/300 (5%)	9	N/A	There have been a further 3 completions since the end of the reporting period.	LCC will repay the loan payment of c£1.17m. A grant payment of £2.28m



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						There has been a loan repayment of £1.17m from City Deal and a grant payment of £2.28m since the end of the reporting period.	will be made to LCC following a further contractual payment from the developer.
	<b>Land at Eastway (commercial)</b>	Deal done with HBS Healthcare Ltd – not yet on site.	N/A (commercial)	N/A	N/A	The site was sold to HBS Healthcare Ltd in May on a conditional basis – the condition is that Story Homes construct the access to the site.	N/A
<b>4</b>	<b>Whittingham</b>	Taylor Wimpey on site (phase 1 only)	Ph 1 - 56/150 (37%)	11	N/A	Consultant procurement to resolve planning and design issues to commence shortly.	N/A – ongoing build
<b>5</b>	<b>Preston East EA</b>	Site not yet marketed	N/A (commercial)	N/A	N/A	Feasibility work being undertaken by consultants.	Soft market testing report being undertaken by JLL to be received by HCA.
	<b>Preston East – Sector D</b>	Deal done with Inchcape Estates – not yet on site	N/A	N/A	N/A	No further updates as the sale was an unconditional freehold disposal.	N/A
<b>6</b>	<b>Pickerings Farm</b>	Site not yet marketed	0/297 (0%)	N/A	N/A	Negotiations with Taylor Wimpey re collaboration agreement ongoing.	N/A
<b>7</b>	<b>Altcar Lane</b>	Site currently on the market	0/200 (0%)	N/A	N/A	Following marketing, 11 expressions of interest	N/A



						received. 6 responses to the sifting brief and 4 of these were shortlisted. ITT issued to the 4 shortlisted parties. Tender process has been put back a month due to policy changes. Tender returns now due 1 November 2017	
8	<b>Croston Road North</b>	Site not yet marketed	0/400 (0%)	N/A	N/A	Clarity over the delivery of the spine road requirement before marketing commences.	N/A
9	<b>Croston Road South</b>	Miller on site.	31/175 (18%)	18	£585,210 loan repaid in April. First grant payment of almost £2.5m was paid to LCC.	Millers on site and building out.	N/A – ongoing build
10	<b>Brindle Road</b>	Complete	46/46 (100%)	N/A	N/A	All units completed	N/A
11	<b>Walton Park Link</b>	Planning permission in place for Morris and Bovis sites.	0/350 (0%)	N/A	N/A	Deal between Morris Homes and National Grid has now gone unconditional.	Morris Homes to start construction

## 4.0 Risks

- 4.1 Ongoing delays associated with Pickerings Farm and Whittingham Hospital risk the ongoing success of housing delivery across HCA land. Measures are being put in place to address the delays and expedite progress where possible.



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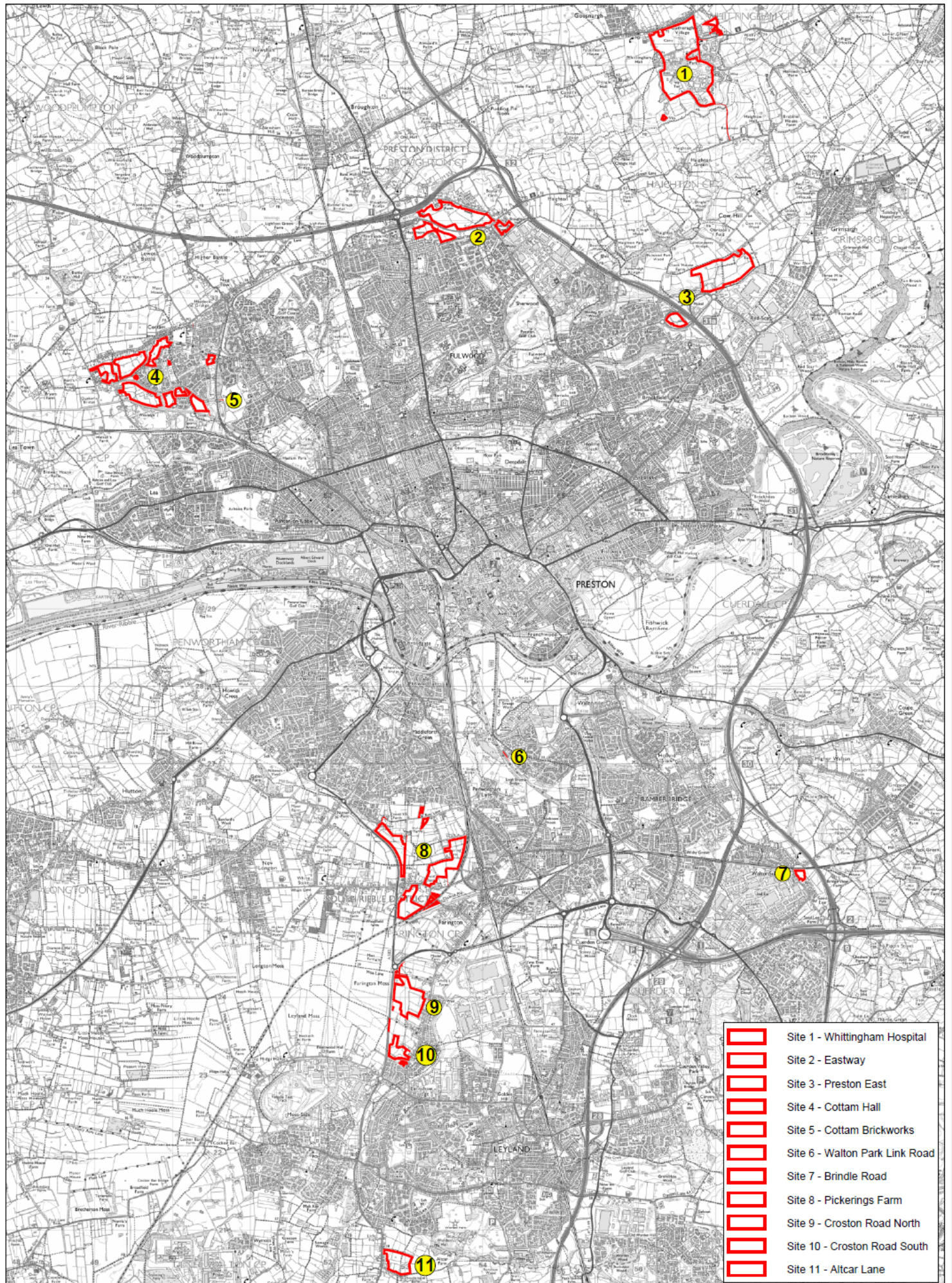
4.2 Viability remains a concern at Whittingham Hospital due to the level of abnormal costs associated with a new spine road, foul sewer connection and the provision of a new sports facility.

## **5.0 Summary**

5.1 Overall positive progress is being made across the portfolio. Housing completions have accelerated with additional sites commencing over the last 12 months.

5.2 HCA are on track to pay the £37.5m grant by 2022/23





Information shown is correct to the best of Spatial Intelligence Departments knowledge at date of issue.

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### HCA Preston City Deal Sites

APH24298 / 15/06/2017 / SCALE : N. T. S.

Spatial and Market Intelligence  
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 Email: spatial.intelligence@hca.gov.uk  
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## CITY DEAL

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### CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD

**Private and Confidential: No**

Monday, 18 September 2017

#### **Implementation Update - Quarter 1 - April - June 2017**

(Appendices 'A', 'B' and 'C' refer)

**Report Author:** Sarah Parry, Programme Manager – City Deal, Lancashire County Council, 01772 530615, email [sarah.parry@lancashire.gov.uk](mailto:sarah.parry@lancashire.gov.uk)  
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#### **Executive Summary**

This report provides a progress update on delivering the infrastructure schemes during Quarter 1; April-June 2017 and sets out the latest position going forward. The report is presented in 3 parts:-

1. Quarter 1 Project Monitoring Report - Dashboard and detailed analysis attached
2. Update on Implementation Issues
3. Quarter 1 - Finance Monitoring Report

#### **Recommendation**

The City Deal Executive and Stewardship Board is asked to note the Quarter 1 Implementation Update for the period April-June 2017.

### **Background and Advice**

#### **1. QUARTER 1 – PROJECT MONITORING REPORT (Apr-Jun 2017)**

##### **1.1 Current Position**

- 1.2 A quarter 1 performance dashboard is attached at Appendix 'A' and provides "at a glance" information on the delivery of the infrastructure schemes to date. The more detailed project monitoring analysis for quarter 1 is also attached at Appendix 'B' for those requiring more information on the specific schemes.

It can be noted from the appendices, that there were a small number of schemes with specific milestones in the period April-Jun (quarter 1). The report confirms that all but one of those were achieved including completion of



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improvement works on Cannon Street, Preston. The milestone not achieved in quarter 1, related to the completion of the feasibility study for the proposed Ribble Crossing, which is now expected in quarter 2.

1.4 The Executive and Stewardship Board will note that of the 49 infrastructure schemes included in the Plan for 2017/18; 22 are progressing as planned with no issues identified; 8 have been highlighted amber due to potential risks of not meeting milestones going forward; 2 have been highlighted red due to the potential risk to delivery being high; 6 schemes have now completed and 11 schemes are under review/subject to the outcome of masterplanning exercises and therefore no milestones have been agreed at this point in time.

1.5 The monitoring spreadsheet also highlights some movements in programme delivery timescales which will be updated in the Business and Delivery Plan as follows:-

### Highways and Transport/Priority Corridors

- i. **Broughton Bypass** – early completion in Q3 ahead of forecast completion in Q4.
- ii. **Penwortham Bypass** – Planning Application being determined in Q2 due to the requirement to respond to technical representations to the planning application.
- iii. **New Ribble Crossing Feasibility Study** – Study will now complete in Q2 as opposed to Q1, due to technical details which require more analysis than anticipated.
- iv. **Bamber Bridge** – Following the detailed design process, phase 2 of the scheme is now expected to complete in Q1 2018/19.
- v. **Cuerden Strategic Site Road Infrastructure** – Planning application now due to be determined in Q2 due to additional information being required.

### Community Infrastructure

- vi. **Lancaster Canal Towpath** – scheme to be reprogrammed due to a financial challenge with anticipated costs above the fixed s.106 sum allocated.
- vii. **Tom Benson Way** – scheme to be reprogrammed due to ecological matters arising that need to be resolved.
- viii. **Youth Zone** – The scheme will not commence on site in Q2 due to officers exploring how additional LCC services can be accommodated in the new building. The scheme will need to be reprogrammed.
- ix. **Guild Wheel Upgrade – Bluebell Way** – Design approval now scheduled for Q2, due to further information about the scheme funding position and design constraints being requested by the Infrastructure Delivery Steering Group.
- x. **Guild Wheel Upgrade – Watery Lane** - Design approval now scheduled for Q2, due to further information about the scheme funding position and design constraints being requested by the Infrastructure Delivery Steering Group.



## 2. UPDATE ON IMPLEMENTATION ISSUES

### 2.1 Current Position

2.2 The table below sets out the more significant issues that are being prioritised in the Programme in order to appropriately manage risk. Some of the issues have previously been reported and an update on the current position is provided.

Scheme/Issue	Update/Latest Position
<b>Preston Western Distributor</b>	See separate report on agenda.
<b>East/West Link Road</b>	See separate report on agenda.
<p><b>Pickerings Farm - Link Road</b> cannot be progressed to design stage until bridge options have been determined and funding issues resolved.</p> <p>Arrangements will need to be in place prior to detailed masterplanning being completed.</p>	<p>Discussions are ongoing with Network Rail regarding a new bridge over the WCML and the associated cost implications for the City Deal. Further work is being undertaken to understand at what point this access is required from a highways technical perspective. A contract for the design of Bee Lane Bridge has now been agreed with Network Rail and they will undertake this specialist design work.</p> <p>Negotiations with Taylor Wimpey over a Collaboration Agreement are ongoing. It is anticipated that this agreement will be finalised by October 2017. It is expected that consultants will be procured by February 2018. The planning application is programmed to be submitted in Q4 Year 5.</p>
<p><b>Croston Road Spine Road</b> – Land acquisition relating to the delivery of the full spine road is more complex than originally anticipated and have not yet concluded.</p>	<p>The HCA will now oversee the delivery of the Spine road as part of the wider development. <b>Issue closed.</b></p>
<b>Fishergate Phase 3</b>	See separate report on agenda.

## 3. YEAR 4, QUARTER 1 FINANCE MONITORING REPORT (attached)

### 3.1 Introduction

3.2 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



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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.

- 3.3 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 being breached.

### 3.4 Key risks to the model

#### Resources

- 3.5 Whilst most of the income to the model is fixed in commitment or capped amounts, the main risk (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) 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 as noted above.
- 3.6 The total of these in the current model is £106.842m after building in increased rates and the modelling of those sites / units which will attract CIL and other contributions. Following interim findings of the Resources Review, undertaken by external consultants, £11.976m of this is now 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 on the period of time that LCC will have to cash flow the City Deal over and the resulting finance charges incurred.
- 3.7 While there is more certainty with regard to the CIL element of developer contributions, within this total figure of £106.842m there is also £52.945m which relates to “other developer contributions”, sometimes referred to as CIL Plus, and which includes monies payable through, for example, section 106/278 agreements. It should be noted that to date £34.804m of these have already been secured leaving an amount of £18.033m 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. The issues relating to the agreed s106/s278 monies and the linking to delivery of schemes is addressed below and is the subject of ongoing work.
- 3.8 There are also changes to government policies proposed relating to CIL, NHB and business rates along with a housing white paper – all of which have the potential to undermine the assumptions currently in the model. These have been considered in the Resources Review work. To date only the NHB



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changes have been confirmed. In short the changes are from 2018/19 for NHB being paid for 4 years instead of 6 per house. The impact on the current 10 year model would be circa £9m with no mitigation. Over a 15 year period with the NHB reduction, the model would continue to be adversely impacted.

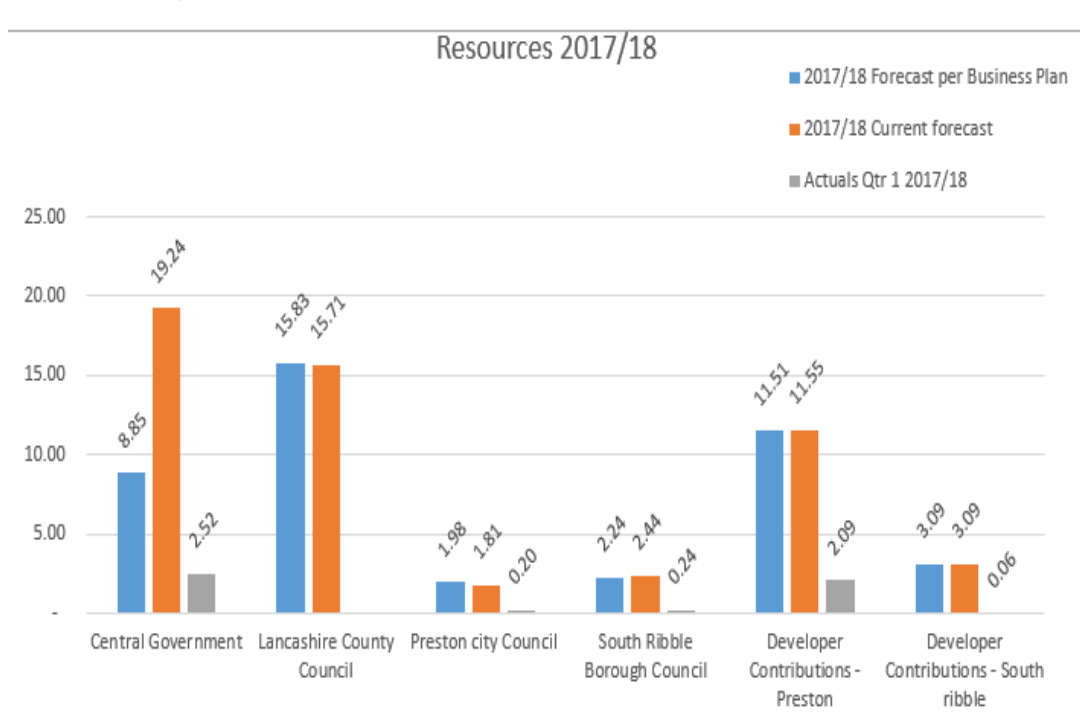
## **Expenditure**

- 3.9 All agreed expenditure changes and slippages have been included in the model and items to be agreed at this meeting will be reflected in future models once agreed.
- 3.10 The Executive and Stewardship Board considered, at its June 2017 meeting, a report outlining current estimates for PWD and EWLR and a report on this item appears elsewhere on this agenda. The current IDF position does not reflect revised PWD cost estimates.
- 3.11 Scheme estimates set out in the model 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 a process in place to ensure that final costs are scrutinised prior to approval and schemes are fully funded prior to implementation.
- 3.12 It should be noted that the expenditure lines are indicative budget allocations only – the amount needed and available for each scheme as it comes forward will depend on the dynamics of the model at the time in terms of funding secured and expected, along with competing priorities from other schemes.
- 3.13 **Position of the model as at 30<sup>th</sup> June 2017**
- 3.14 The model as at Quarter 1 2017-18 is attached at Appendix 'C' to this report.
- 3.15 The model is currently showing a projected surplus over the city deal period of £0.126m, compared to a position at year end 2016-17 of £2.634m.
- 3.16 All the changes to income relate to changes in the forecasts in housing numbers and known income from a site being more than was anticipated from that site following planning approval.
- 3.17 The major change to expenditure was the agreed commitment to additional funding of Broughton Bypass of £4.44m at the last meeting of the Executive.
- 3.18 The updated forecast outturn for 2017/18 compared against the forecast in the business plan 2017-20 is shown in the graphs below. However these are subject to change following the completion of work as detailed in the 2017/18 Resources table below.

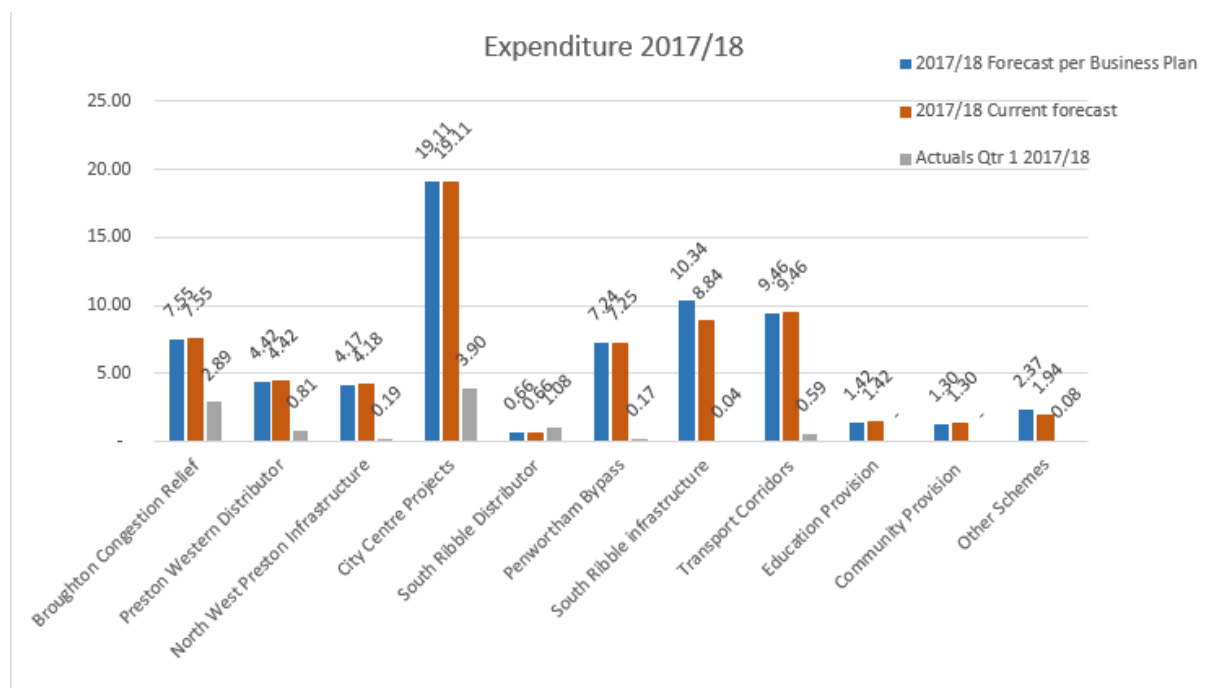


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Preston, South Ribble & Lancashire



Nb. Central Government resources estimated in 2017/18 are higher than originally estimated due to the management of growth deal payments within city deal following slippages in the overall Growth Deal programme (funds are agreed with Government to be temporarily moved to non growth deal capital projects until required by original projects). This will mean reduced funding in future years to remain at the total agreed amount in City Deal over the period.





# CITY DEAL

Preston, South Ribble & Lancashire

## 3.19 **Key issues raised by 30<sup>th</sup> June 2017**

- 3.20 As part of the Resources Review, Keppie Massie are advising on the assumptions made at the outset of the Deal with specific regard to the “other developer contributions” stream which includes s106 payments. Furthermore the councils continue to work together to ensure there is a shared and common interpretation of the binding Heads of Terms which require the partners to maximise the value of developer contributions being collected and paid into the fund. Work is underway to quantify the amount of additional developer contributions collected to date against that forecast as well as capture the projects being delivered by the funding, as part of the City Deal Infrastructure Delivery Plan.





## Implementation update - Quarter 1 April-June 2017 (Appendix 'A')

This summary provides an overview of how the City Deal Programme has performed during quarter 1 - Apr-June 2017

### City Deal schemes – Overview of progress against milestones for Quarter 1 – 2017/18

No.	REF	Scheme name	Q1	Forward RAG	Status
1.	T01-01	A6 Broughton Bypass		Green	On site
2.	T01-02	Preston Western Distributor (PWD)		Red	planning
3.	T01-03	East West Link Road (EWLR)		Red	planning
4.	T01-04	Cottam Parkway (business case)		Green	underway
5.	T03-01	Preston Bus Station – concrete repairs/car park		Green	On site
6.	T03-02	Preston Bus Station – refurb of concourse		Green	On site
7.	T03-04	Preston bus Station – on site highways works		Green	On site
8.	N/A	Preston bus Station – off site highways works		White	Not started
9.	T03-08	Fishergate Central Gateway – Ph3		Yellow	Under review
10.	T04-01	Penwortham bypass		Yellow	planning
11.	T04-07	A582 Pope Lane roundabout		Green	On site
12.	T04-08	A582 south Ribble Western Distributor dualling (SRWD)		White	No milestones
13.	T04-09	Pickerings Farm Link Road		Yellow	Under review
14.	<b>T04-10</b>	<b>New Ribble Crossing – feasibility study</b>	Yellow	Green	<b>underway</b>
15.	T05-03	Cuerden Strategic Site – road infrastructure		Yellow	Planning
16.	T05-01	Heatherleigh and Moss Lane – Croston Road spine road		White	No milestones
17.	T05-02	Moss Side Test Track – road infrastructure		Green	Planning
18.	P01-01	Broughton/Fulwood (North of M55)		Green	Planning
19.	P01-02	Broughton/Fulwood (South of M55)		White	Under review
20.	P01-03	North West Preston/Cottam/Ingol/City Centre		White	Under review
21.	P01-04	Warton to Preston Distributor		White	Under review
22.	P02-01	Longridge/Grimsaragh/Ribbleton/City Centre		White	Under review
23.	P03-01a	PWD to Samlesbury – New Hall Lane Local Centre (local centre)		Green	On site
24.	P03-01b	PWD to Samlesbury – New Hall Lane Local Centre (corridor)		White	Under review
25.	<b>P03-02</b>	<b>City Transport Plan</b>	Green	Green	<b>underway</b>
26.	P04-01	Hutton/Higher Penwortham/City Centre		White	Under review
27.	P04-02	North of Lostock Lane		White	Under review
28.	P05-01	South of Lostock Lane		White	Under review
29.	P06-01	Bamber Bridge/City Centre		Green	On site
30.	<b>NA03</b>	<b>Corridors master planning</b>	Green	Green	<b>underway</b>
31.	C01-04	Lancaster Canal Towpath		Yellow	Not started
32.	C01-05	Tom Benson Way		Yellow	Not started
33.	C01-01	Guild Wheel Upgrade Link – P1 Bluebell Way		Green	Design
34.	C01-02	Guild Wheel Upgrade Link – P2 Watery Lane		Green	Design
35.	C02-01	Grimsaragh Green		White	Not started
36.	C03-04	East Cliff Cycle Link and Bridge		Yellow	Under review
37.	C03-01	Preston bus station – Youth zone		Yellow	Design
38.	C03-05	Expanded City Cultural Development programme		Green	underway
39.	<b>C04-01</b>	<b>Landmark Features – P2 Iron Horse</b>	Green	Green	<b>active</b>
40.	C05-01	St Catherine's Park – Phase 2		Green	Design
41.	<b>NA-02</b>	<b>City Deal Cycling and Walking Delivery Plan</b>	Green	Green	<b>underway</b>
42.	NA-01	Leisure Development Plan		Green	underway
43.	C05-06	Central Park Development Plan		Green	underway
44.	<b>T03-09</b>	<b>Fishergate winckley Sq – Ph 1 THI (Cannon Street)</b>	Blue	Blue	<b>complete</b>
45.	C04-02	Landmark Features – P3 Leyland Tractor		Blue	complete
46.	T03-07	Fishergate central Gateway – Ph2		Blue	complete
47.	C03-02	Fishergate Winckley Square – P2 Winckley Sq Gardens		Blue	complete
48.	C03-03	East Cliff Cycle Hub		Blue	complete
49.	T04-06	A582 Tank Roundabout		Blue	complete

Milestone met/on track = GREEN

Milestone not met/ uncertainty about funding/delivery options but mitigating action being taken = AMBER

Milestone not met/risk to programme/delay = RED

More information about scheme milestones and delivery can be found in Appendix 'B'  
The finance model can also be found in Appendix 'C'.

### Movements in the programme:

**Broughton bypass:** Early completion in Q3.

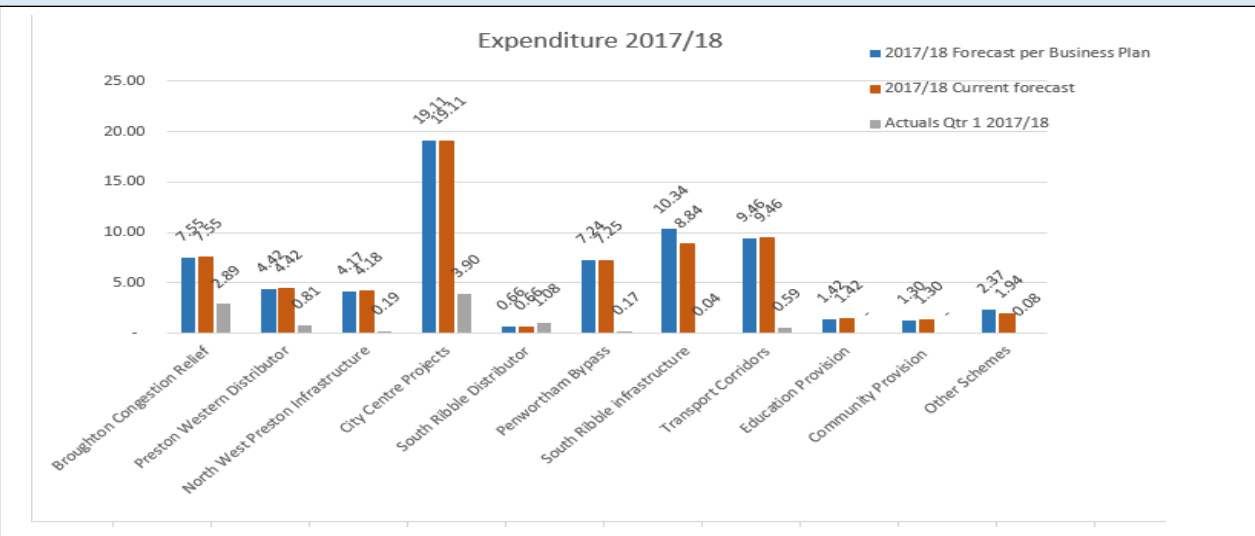
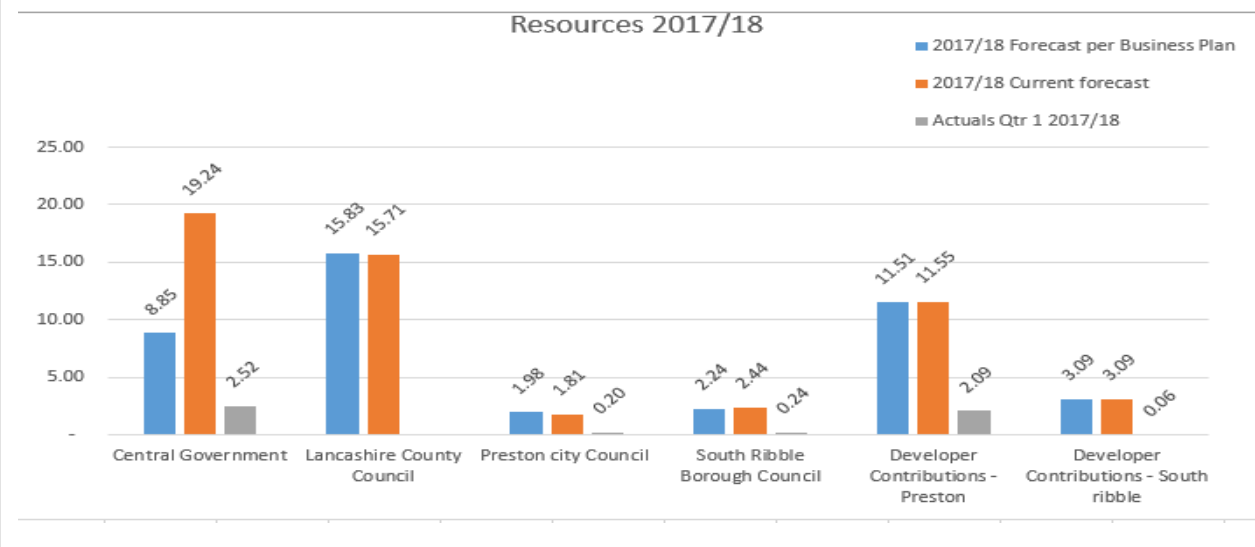
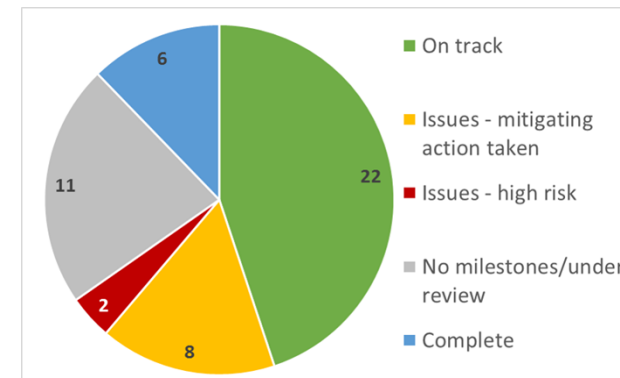
**Penwortham Bypass:** Planning application now being determined in Q2 due to the requirement to respond to technical representation to the planning application.

**New Ribble Crossing Feasibility Study** – Study will now complete in Q2 as opposed to Q1, due to technical details which require more analysis than anticipated.

**Bamber Bridge** – following the detailed design process, phase 2 of the scheme is now expected to complete in Q1 2018/19.

**Cuerden Strategic Site Road Infrastructure** – planning application is now due to be determined in Q2 due to additional information being required.

### Chart: Scheme status - overview



### Key Implementation Issues:

**PWD and EWLR**– The planning application for these schemes will not be determined until 4<sup>th</sup> October. This is due to the requirement to respond to complex technical representation to the application. Officers are preparing a detailed report on these matters to be considered at a future Executive and Stewardship board meeting.

**Pickerings Farm Link Road** – Discussions are ongoing with Network Rail regarding a new bridge over the WCML and the associated cost implications for the City Deal. Negotiations with Taylor Wimpey over a Collaboration Agreement are ongoing. It is anticipated that this agreement will be finalised by October 2017. The planning application is programmed to be submitted in Q4 Year 5.

**Fishergate Phase 3** – A funding proposal for this scheme is being prepared in order to address increased costs.

### Other Project issues:

**Penwortham bypass and Cuerden Strategic Site Road infrastructure** –Delay in determination of planning applications could affect future programme.

**Lancaster Canal Towpath** –

Scheme costs exceeds agreed 106 – legal advice being sought.

**Tom Benson Way** –

Ecological issues will delay the scheme

**Preston bus station – Youth Zone** –

Additional LCC services need to be accommodated in the new building – might require significant redesign – scheme delayed.



**APPENDIX 'B' - Implementation Update**  
**Detailed Scheme Progress update - Year 4 – Quarter 1 April-June 2017**

**Highways and Transport Hubs**

1	Concept design complete	2	Consultation	3	Concept design approved	4	Outline business case submitted	5	Outline business case approved
6	Planning application submitted	7	Planning application determined	8	commencement of land and property negotiation	9	CPO/SRO confirmed	9a	CPO made Q3 17/18
								9b	CPO confirmed
10	Detailed design and contract documents complete	11	Full business case approved	12	construction contract awarded	13	Start on site	14	Site complete

Project update:

**Please explain any issues or delays and describe any mitigating actions/options being taken or proposed to address these.**

**Provide full details of any financial risks you are aware of, even if this does not currently impact on milestones.**

- Has the financial profile of this scheme changed – yes/no?
- Do you expect the scheme to go over budget? details

**If you are aware of any issues that might affect scheduled start and completion dates please provide details here.**

Zone	Zone Name	REF	Scheme Name	Lead officer	Org.	Q1	Q2	Q3	Q4	RAG	Scheme progress
1	North West Preston	T01-001	A6 Broughton bypass (and M55 junction 1 and M6 Junction 32 improvement works 2013-15)	Dave Leung	LCC				14	Green	Currently on site – completion now confirmed for October 2017, earlier than forecast.
1	North West Preston	T01-002	Preston Western Distributor (PWD)	Phil Wilson	LCC		7	4, 5, 9a		Red	<b>Programme slippage:</b> The planning application will not be determined in July as originally anticipated, this will now be 4th October – just outside of Q2. This is due to the requirement to respond to complex technical representations to the planning application. It is not expected to affect the overall programme. Officers are preparing a detailed report on the funding position and delivery programme which will be brought to a future meeting of the E&SB.
1	North West Preston	T01-003	East West Link Road	Phil Wilson	LCC		7	9a		Red	<b>Programme slippage:</b>  As above
1	North West Preston	T01-004	Cottam Parkway	Phil Wilson	LCC					Green	The preparation of a Grip 3 business case in order to advance this scheme was approved by IDSG/Project Team in June 2017. The business case is expected to be completed by June 2018.

Green	Milestones met or no milestones	Amber	Milestones not met but not significant/likely to be met in next quarter and/or mitigating action being taken	Red	Milestones not met and are unlikely to be met in next quarter, could mean significant delay
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**APPENDIX 'B' - Implementation Update**  
**Detailed Scheme Progress update - Year 4 – Quarter 1 April-June 2017**

Zone	Zone Name	REF	Scheme Name	Lead officer	Org.	Q1	Q2	Q3	Q4	RAG	Scheme progress
3	Preston City Centre	T0301	Preston Bus Station – concrete repairs and car park refurbishment	Andrew Barrow	LCC			14		Green	<b>On programme:</b> Completion remains on target for Q3 – December 2017
3	Preston City Centre	T0302	Preston Bus Station – refurbishment and redevelopment of concourse	Andrew Barrow	LCC			14		Green	<b>On programme:</b> Completion remains on target for Q3 – December 2017
3	Preston city Centre	T0304	Preston Bus Station – on site highway works	Andrew Barrow	LCC					Green	<b>On programme</b> No milestones this year still on programme. Phase 1 delivery of the Bus bays is now complete.
3	Preston City Centre		Preston Bus Station – off site highway works	Andrew Barrow	LCC						<b>No milestones this year:</b>
3	Preston City Centre	T0307	Fishergate Central Gateway – Phase 2	Phil Wilson	LCC						Completed
3	Preston City Centre	T0308	Fishergate Central Gateway – Phase 3	Andrew Barrow	LCC					Amber	<b>Project under review</b>
3	Preston City Centre	T0309	Fishergate/Winkley Square – P1 THI	Paul Crowther	PCC	14					<b>Scheme has now completed</b>
4	Penwortham and Lostock Hall	T0401	Penwortham Bypass	Phil Wilson	LCC		7	10 13		Amber	The planning application is now expected to be considered at September committee. This is due to the requirement to respond to complex technical representations to the planning application. This could have an impact on the programme and will need to be reviewed in September. No financial or other risks have been identified.

Green	Milestones met or no milestones	Amber	Milestones not met but not significant/likely to be met in next quarter and/or mitigating action being taken	Red	Milestones not met and are unlikely to be met in next quarter, could mean significant delay
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**APPENDIX 'B' - Implementation Update**  
**Detailed Scheme Progress update - Year 4 – Quarter 1 April-June 2017**

Zone	Zone Name	REF	Scheme Name	Lead officer	Org.	Q1	Q2	Q3	Q4	RAG	Scheme progress
4	Penwortham and Lostock Hall	T004-006	A582 Tank Roundabout	Phil Wilson	LCC						Complete
4	Penwortham and Lostock Hall	T004-007	A582 Pope Lane Roundabout	Phil Wilson	LCC			14			<b>On programme:</b> There are no milestones in this quarter or in Q2, but it is anticipated that this scheme will complete on site in October - Q3 as planned.
4	Penwortham and Lostock Hall	T004-008	A582 South Ribble Western Distributor (SRWD) Dualling	Phil Wilson	LCC						<b>No milestones this year.</b>
4	Penwortham and Lostock Hall	T004-009	Pickerings Farm Link Road	Mark Phillips	HCA						<b>No milestones this year:</b> Negotiations with Taylor Wimpey over a Collaboration Agreement are ongoing. It is anticipated that this agreement will be finalised by October 2017. It is expected that consultants will be procured in November and a masterplan draft will be produced by February 2018. Planning application is programmed to be submitted in in Q4 year 5.
4	Penwortham and Lostock Hall	T004-010	New Ribble Crossing – feasibility study	Phil Wilson	LCC	Study to complete					<b>Programme slippage:</b> Feasibility study was not completed in Q1 as anticipated; outputs are expected early in Q2. This delay is due to technical details which require more analysis than anticipated. The study will be reviewed by IDSG in September.
5	Leyland and Cuerden	T005-003	Cuerden Strategic Site road infrastructure	Chris Dyson	LCC		7	10 12 13			It is anticipated that the planning application will be determined in Q2 at September committee. This is subject to additional information being obtained in time.
5	Leyland and Cuerden	T005-001	Heatherleigh and Moss Lane (Croston Road) Spine Road	Phil Wilson	LCC						<b>No milestones this year:</b> HCA have confirmed that delivery of this scheme will be undertaken as part of the development.

Green	Milestones met or no milestones	Amber	Milestones not met but not significant/likely to be met in next quarter and/or mitigating action being taken	Red	Milestones not met and are unlikely to be met in next quarter, could mean significant delay
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**APPENDIX 'B' - Implementation Update**  
**Detailed Scheme Progress update - Year 4 – Quarter 1 April-June 2017**

Zone	Zone Name	REF	Scheme Name	Lead officer	Org.	Q1	Q2	Q3	Q4	R	A	G	Scheme progress
5	Leyland and Cuerden	T05002	Moss side Test Track Road Infrastructure	Jonathan Noad	SRBC				6				<b>No milestones in this or next quarter</b>  The masterplan was considered and approved by Planning committee on 26 <sup>th</sup> July 2017.

**Public Transport corridor/local centre**

1	Concept design complete	2	Consultation	3	Concept design approved	4	Outline business case submitted	5	Outline business case approved
6	Planning application submitted	7	Planning application determined	8	commencement of land and property negotiation	9	CPO/SRO confirmed	10	Detailed design and contract documents complete
11	Full business case approved	12	construction contract awarded	13	Start on site	14	Site complete		

Zone	Name	REF	Scheme Name	Lead officer	Org.	Q1	Q2	Q3	Q4	R	A	G	Site progress
1	North West Preston	P01001	Broughton/Fulwood (North of M55)	John Gatheral	LCC		1	2 3	6 7 10				There are no milestones for this scheme in Q1. The delivery of this scheme is aligned with the completion of Broughton Bypass. In light of the accelerated completion of the bypass new delivery milestones will need to be developed for this scheme.
1	North West Preston	P01002	Broughton/Fulwood (South of M55)	Phil Wilson	LCC								Awaiting outcome of corridors master planning process.
1	North West Preston	P01003	North West Preston/Cottam/Ingol/City Centre	Phil Wilson	LCC								Awaiting outcome of corridors master planning process.
1	North West Preston	P01004	Warton to Preston Distributor	Phil Wilson	LCC								Awaiting outcome of corridors master planning process.
2	North East Preston	P02001	Longridge/Grimstargh/Ribbleton/City Centre	Phil Wilson	LCC								Awaiting outcome of corridors master planning process.

Green	Milestones met or no milestones	Amber	Milestones not met but not significant/likely to be met in next quarter and/or mitigating action being taken	Red	Milestones not met and are unlikely to be met in next quarter, could mean significant delay
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**APPENDIX 'B' - Implementation Update**  
**Detailed Scheme Progress update - Year 4 – Quarter 1 April-June 2017**

Zone	Name	REF	Scheme Name	Lead officer	Org.	Q 1	Q 2	Q 3	Q 4	RAG	Site progress
3	Preston City Centre	P03011a	Preston Western Distributor to Samlesbury – New Hall Lane Local Centre ( <b>local centre</b> )	Phil Wilson	LCC			14			<b>Programme progressing well:</b> This scheme will complete in Q2, ahead of schedule.
3	Preston City Centre	P03011b	Preston Western Distributor to Samlesbury – New Hall Lane Local Centre ( <b>corridor</b> )	Phil Wilson	LCC						Awaiting outcome of corridors master planning process.
4	Penwortham and Lostock Hall	P04011	Hutton/Higher Penwortham/City Centre	Phil Wilson	LCC						Awaiting outcome of corridors master planning process.
4	Penwortham and Lostock Hall	P04022	North of Lostock Lane	Phil Wilson	LCC						Awaiting outcome of corridors master planning process.
5	Leyland and Cuerden	P05011	South of Lostock Lane	Howard Booth	SRBC						Awaiting outcome of corridors master planning process.
6	Bamber Bridge	P06011	Bamber Bridge/City Centre	Phil Wilson	LCC						Bamber Bridge Phase 1 is now complete as is design for Phase 2. Programming the scheme delivery is now underway. Original forecast estimated completion in Q3. However following the detailed design process it is now expected that phase 2 will complete in Q1 2018/19.

Green	Milestones met or no milestones	Amber	Milestones not met but not significant/likely to be met in next quarter and/or mitigating action being taken	Red	Milestones not met and are unlikely to be met in next quarter, could mean significant delay
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**APPENDIX 'B' - Implementation Update**  
**Detailed Scheme Progress update - Year 4 – Quarter 1 April-June 2017**

1	Tenders returns received	2	Study commissioned/Baseline evidence	3	Issues & Opportunities report/Options identification/Stakeholder workshops	4	Draft report/Public consultation/Final report
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Zone	Zone Name	REF	Scheme Name	Lead officer	Org.	Q1	Q2	Q3	Q4	RA G	Scheme progress
3	Preston City Centre	P03002	City Transport Plan (new scheme 17/18)	David Gordon	LCC	2	3	4		G	<p><b>On programme:</b></p> <p>The study was commissioned and baseline evidence was gathered in Quarter 1 as anticipated. In Q2 it is expected that Issues &amp; Opportunities report/Options identification/Stakeholder workshops will take place as programmed. There are no issues to report.</p>

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Green	Milestones met or no milestones	Amber	Milestones not met but not significant/likely to be met in next quarter and/or mitigating action being taken	Red	Milestones not met and are unlikely to be met in next quarter, could mean significant delay
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**APPENDIX 'B' - Implementation Update**  
**Detailed Scheme Progress update - Year 4 – Quarter 1 April-June 2017**

**Community Infrastructure (C)**

1	Design developed and completed	2	Design approved	3	Planning application submitted	4	Planning application determined	5	Funding/match funding
6	Member Decision	7	Contract documents complete	8	contract awarded	9	Start on site	10	site complete

Zone	Name	REF	Scheme Name	Lead officer	Org.	Q 1	Q 2	Q 3	Q 4	R A G	Site progress
1	North West Preston	C01-004	Lancaster Canal Towpath	Phil Wilson	LCC					Amber	<b>Scheme to be reprogrammed;</b> It was anticipated that this scheme would commence on site in Q2 2017/18 but due to a financial challenge with anticipated costs above the fixed S106 sum allocated a legal position is being sought. The scheme will required reprogramming.
1	North West Preston	C01-005	Tom Benson Way	Phil Wilson	LCC		9	10		Amber	<b>Programme slippage:</b> Start on site was programmed for Q2 but this is not now expected to happen due to ecological matters arising that need to be resolved. A report is due at the end of August that will Indicate how to proceed with the scheme.
1	North West Preston	C01-001	Guild Wheel Upgrade Link – P1 Bluebell Way	Russell Rees	PCC		1, 2	3, 4, 5	7, 8	Green	Initial design and cost reviewed by IDSG in July 2017. Scheme design and options being revised
1	North West Preston	C01-002	Guild Wheel Upgrade Link – P2 Watery Lane	Russell Rees	PCC		1, 2	3, 4, 5	7, 8	Green	Initial design and cost reviewed by IDSG in July 2017. Scheme design and options being revised.
2	North East Preston	C02-001	Grimstargh Green	Mark Taylor	PCC			6, 7, 8	9, 10	Green	No milestones in this or next quarter

Green	Milestones met or no milestones	Amber	Milestones not met but not significant/likely to be met in next quarter and/or mitigating action being taken	Red	Milestones not met and are unlikely to be met in next quarter, could mean significant delay
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**APPENDIX 'B' - Implementation Update**  
**Detailed Scheme Progress update - Year 4 – Quarter 1 April-June 2017**

Zone	Zone Name	REF	Scheme Name	Lead officer	Org.	Q 1	Q 2	Q 3	Q 4	RAG	Scheme progress
3	Preston city Centre	C03022	Fishergate Winckley Square – P2 Winckley Sq Gardens	Matthew Kelly	PCC						Complete
3	North East Preston	C03033	East Cliff Cycle Hub	Paul Holland	Virgin						Complete
3	North East Preston	C03044	East Cliff Cycle Link and Bridge	Nigel Roberts	LCC					Amber	<p><b>There are no milestones this year.</b>                      The delivery of the bridge and opening of cycle link is dependent on agreement with Network Rail and development of the Park Hotel. This introduces a number of risks on timescales and budgets.</p> <p><b>Project under review</b></p>
3	Preston City Centre	C03011	Preston bus station – Youth zone	Andrew Barrow	LCC		9			Amber	<p><b>Programme slippage:</b>                      This scheme will not commence on site in Q2 as originally planned. This is due to officers exploring how additional LCC services can be accommodated in the new building. This could impact on start on site if significant redesign is required.</p>
3	Preston City Centre	C03055	Expanded City Cultural Development programme	Nigel Roberts	PCC					Green	<p>Initial scheme complete but work continues with artists to deliver agreed outputs.</p> <p><b>Scheme progressing as planned.</b></p>
4	Penwortham and Lostock Hall	C04011	Landmark Features – P2 Iron Horse	Howerd Booth	SRBC	8, 9	10			Green	<p><b>On programme:</b>                      Currently on site – scheme is expected to complete by the end of September.</p>
4	Penwortham and Lostock Hall	C04022	Landmark Features – P3 Leyland Tractor	Howerd Booth	SRBC						Complete
5	Leyland and Cuerden	C05011	St Catherine's Park ph2	Howerd Booth	SRBC		1, 2	3, 4, 5, 6	7, 8	Green	<p><b>On programme:</b>                      It is anticipated that the milestones will be met going forward for this scheme.</p>

Green	Milestones met or no milestones	Amber	Milestones not met but not significant/likely to be met in next quarter and/or mitigating action being taken	Red	Milestones not met and are unlikely to be met in next quarter, could mean significant delay
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**APPENDIX 'B' - Implementation Update**  
**Detailed Scheme Progress update - Year 4 – Quarter 1 April-June 2017**

1	Preparation and scoping report	2	Draft master planning completed	3	Consultation and draft masterplans produced	4	Presentation to City Deal Steering Group
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Zone	Name	REF	Scheme Name	Lead officer	Org.	Q1	Q2	Q3	Q4	RAG	Site progress
-	Non zone specific	N A - 0 3	Corridors master planning	Helen Norman	LCC	2,	3	4			<b>Project progressing as planned with some slippage:</b> The master planning exercise is now complete. However, consultation and production of draft plans was delayed due to purdah for local and national elections. Presentation to City Deal Steering Group in Q3. (Update provided by HN 23.06.17)

1	Agree Brief	2	Consultants commence work	3	Complete initial draft	4	Consultation	5	Adopt final version
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Zone	Name	REF	Scheme Name	Lead officer	Org.	Q1	Q2	Q3	Q4	RAG	Site progress
-	Non zone specific	N A - 0 2	City Deal Cycling and Walking Delivery Plan	Nigel Roberts		3, 4		5			Draft Strategy has been completed and circulated for comments – some limited consultation with stakeholders has been undertaken.  No financial risks with the delivery of the strategy itself – there will be a need to prioritise identified works to meet available budgets. . (Updated by Nigel Roberts 27/06/17)

Green	Milestones met or no milestones	Amber	Milestones not met but not significant/likely to be met in next quarter and/or mitigating action being taken	Red	Milestones not met and are unlikely to be met in next quarter, could mean significant delay
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**APPENDIX 'B' - Implementation Update**  
**Detailed Scheme Progress update - Year 4 – Quarter 1 April-June 2017**

1	Leisure review completed	2	Leisure strategy update by Leisure Partnership	3	Delivery options fixed
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Zone	Name	REF	Scheme Name	Lead officer	Org.	Q1	Q2	Q3	Q4		R A G	Site progress
-	Non zone specific	N A - 0 1	Leisure Development Plan	Denise Johnson				3				Scheme progressing as planned.

Ecological study – commissioned	2	Ecological study – completion	3	Secondment of member of staff to focus on access points and access through the park, delivery of sporting facilities and sports pitches and examine land.	4	Adoption of final masterplan	5	Adopt final version
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Zone	Name	REF	Scheme Name	Lead officer	Org.	Q1	Q2	Q3	Q4		R A G	Site progress
5	Leyland and Cuerden	C 0 5 - 0 6	Central Park Development Plan	Denise Johnson				4				<p><b>Scheme progressing as planned:</b></p> <p>'On target. Central Parks Masterplan is due to go to Planning Committee for approval in July.'</p>

Green	Milestones met or no milestones	Amber	Milestones not met but not significant/likely to be met in next quarter and/or mitigating action being taken	Red	Milestones not met and are unlikely to be met in next quarter, could mean significant delay
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**City Deal Executive and Stewardship Board Meeting – 18<sup>th</sup> September 2017  
Implementation Update APPENDIX 'C'**

**Finance Model – Year 4 Quarter 2017/18**

		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
<b>Resources</b>																	
<b>Upper Tier Councils - Lancashire County Council</b>																	
LCC Capital Investment Programme	22.277	4.400	1.500	0.952	10.225	5.200											
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 & other land receipts	0.233				0.005		0.057	0.057	0.057	0.057							
New Homes Bonus	12.953				2.591	1.295	1.295	1.295	1.295	1.295	1.295	1.295	1.295				
LCC Revenue Contribution - Capital Financing Cost	0.144			0.095	0.269	0.285	0.213	0.326	0.364	0.022	0.482	0.495	0.296	0.167	0.122	0.077	0.035
ERDF for Fishergate Central Gateway Delivery Programme	1.799	1.000	0.380	0.221	0.198												
LCC reserves	7.042					7.042											
<b>Central Government</b>																	
Single Local Growth Fund	79.510			16.020	27.764	1.124	0.700	15.200	20.950								
HCA - Locally Retained Landhold Receipts (1 year loan)	38.402		4.759	7.648	1.948	3.188	2.017	3.974	10.463	4.177			0.227				
HCA - Expected Land Value Realisation on HCA Sites	37.500				4.624	6.646	5.558	2.477	6.307	9.465	2.421						
HCA - Loan repayments	38.402			4.759	7.648	1.948	3.188	2.017	3.974	10.463	4.177			0.227			
HCA - Interest on Loans	0.385		0.004	0.054	0.069	0.021	0.030	0.023	0.049	0.096	0.036		0.000	0.002			
Highways Agency - Pinchpoint Funding for Broughton/ M55/ M6	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										
<b>Developers Contribution</b>																	
Community Infrastructure Levy - Commercial sites - Preston	0.333		0.048			0.061	0.044	0.044	0.037	0.034	0.034	0.031					
Community Infrastructure Levy - commercial sites - South Ribble	2.601		0.011	0.011		2.347	0.025	0.045	0.055	0.052	0.044	0.033					
Community Infrastructure Levy - housing sites - Preston	32.651		0.510	0.648	2.117	5.846	3.836	3.244	3.063	2.164	1.775	1.786	1.798	1.408	1.474	1.548	1.434
Community Infrastructure Levy - housing sites - South Ribble	30.369		0.174	0.174	0.315	0.946	7.880	9.697	5.987	4.646	0.641	0.257					
Community Infrastructure Levy Plus - housing sites - Preston	7.943					0.217	0.810	1.004	0.857	0.827	0.878	0.874	0.720	0.504	0.462	0.420	0.370
Community Infrastructure Levy Plus - housing sites - South Ribble	9.943					0.097	0.565	1.116	1.380	1.447	1.229	1.023	0.855	0.635	0.567	0.567	0.462
Quaker Lodge rental income	0.108					0.022	0.022	0.022	0.022	0.022							
S106 / S278 Agreements - non housing related	2.933	1.893		0.040		1.000											
S106 / S278 Agreements - sites in Preston	31.960	1.200	4.985	3.222	0.106	5.221	3.347	2.975	2.404	3.849	1.054	3.035	0.300	0.082	0.082	0.082	0.016
S106 / S278 Agreements - sites in South Ribble																	
<b>Lower Tier Councils - Preston City Council</b>																	
Business Rate Retention at Strategic City Deal Locations	5.135		0.031	0.042		0.977	0.692	0.714	0.345	0.629	0.746	0.961					
PCC Grants - lottery funding																	
New Homes Bonus	28.051			0.077	0.486	0.803	2.088	2.912	4.141	5.170	5.870	6.147	0.357				
<b>Lower Tier Councils - South Ribble Borough Council</b>																	
Business Rate Retention at Strategic City Deal Locations	4.350		0.042	0.085		1.445	0.877	0.980	0.103	0.188	0.273	0.357					
New Homes Bonus	25.409			0.198	0.770	0.966	0.977	1.617	2.421	3.346	4.170	4.980	5.593	0.371			
Moss Side Test Track Land Receipt	5.000											5.000					
Preston 5% CL admin charge	2.046			0.060	0.106	0.306	0.235	0.215	0.198	0.151	0.134	0.135	0.126	0.096	0.097	0.098	0.090
South Ribble 5% CL admin charge	2.134				0.004	0.170	0.424	0.543	0.371	0.307	0.096	0.066	0.043	0.032	0.028	0.028	0.023
Contribution for Communications & Marketing	0.065			0.009		0.056											
Community Infrastructure Levy due to Parish Councils in Preston	4.224		0.001	0.170	0.238	0.512	0.442	0.472	0.426	0.291	0.254	0.268	0.270	0.211	0.221	0.232	0.215
Community Infrastructure Levy due to Parish Councils in South Ribble	3.595		0.023	0.023	0.011	0.131	0.407	0.651	1.255	1.083	0.058						
<b>Total Resources</b>	<b>395.885</b>	<b>9.593</b>	<b>23.771</b>	<b>26.362</b>	<b>45.303</b>	<b>53.877</b>	<b>40.853</b>	<b>45.626</b>	<b>55.750</b>	<b>27.499</b>	<b>18.658</b>	<b>28.307</b>	<b>11.003</b>	<b>2.598</b>	<b>2.361</b>	<b>2.335</b>	<b>1.989</b>
<b>Delivery Programmes</b>																	
<b>North West Preston</b>																	
NW Preston Green Infrastructure	5.221				0.096	0.954	0.750	0.760	0.665	0.665	0.665	0.665					
Further Community Infrastructure	4.579				0.095	0.744	0.726	0.676	0.676	0.676	0.676	0.676					
Market Quarter	0.400			0.035	0.357	0.008											
East-West Spine Road	9.800		0.141	0.693	0.300	1.916	1.000	2.875	2.875								
Preston Western Distributor M55 to A583, M55 Junction 2 & Land Assembl	104.500	0.197	0.994	1.749	2.939	4.421	3.000	15.700	31.400	31.400	12.700						
Quaker Lodge commission	0.097					0.097											
Cottam Parkway	15.000		0.004	0.001	0.145	0.456	0.900	0.900	2.000	10.594							
<b>Whittingham / Broughton / Preston East</b>																	
A6 Broughton Congestion Reduction	31.723	3.189	0.892	4.008	11.643	11.991											
M55 Junction 1 Roundabout	1.716	1.602	0.114														
M6 Junction 32	8.000		8.000														
<b>Preston City Centre</b>																	
Preston Bus Station	24.267	0.003	0.211	0.409	3.596	16.502	3.546										
Fishergate Central Gateway	11.000	1.746	1.744	4.223	0.677	2.610											
<b>South Ribble</b>																	
Pickerings Farm Link Road	4.500				0.004	1.296	3.200										
Moss Side Test Track Road Infrastructure	2.050					0.025	2.025										
Land Between Heatherleigh and Moss Lane Spine Road	1.000				0.011	0.989											
Cuerden Strategic Site Road Infrastructure	6.002					4.502	1.500										
Community/ Green Infrastructure	6.448			0.299	0.431	0.337	0.897	0.897	0.897	0.897	0.897	0.897					
A582 South Ribble Western Distributor/ B2523 Flensburg Way	44.543	0.152	5.841	7.328	4.640	0.658	1.000	1.000	1.000	4.585	9.170	9.169					
Completion Penwortham Bypass	17.500	0.019	0.227	0.829	0.847	7.249	7.500	0.829									
New Ribble Bridge - Preliminary Works & Route Protection	2.000		0.005	0.027	0.279	1.689											
South Ribble Other	5.000											5.000					
Education Infrastructure - Preston	25.972					1.420	1.420	5.875	8.507	8.750							
Education Infrastructure - South Ribble	13.727						2.830	2.830	8.067								
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	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	12.113	0.250	0.028	0.084	1.586	6.298	0.517	1.600	1.750								
Public Transport Corridors & Local Centres- South Ribble	12.113	0.250	0.068	0.035	0.706	3.163	5.302	2.589									
Masterplan costs	0.025					0.025											
CL Transport Modelling costs	0.269			0.098	0.097	0.030	0.020	0.024									
Revenue costs to be included in City Deal	0.087			0.006	0.008	0.013	0.010	0.010	0.010	0.010	0.010	0.010					
City Deal funding for LCDL staff	1.309				0.164	0.164	0.164	0.164	0.164	0.164	0.164	0.164					
Communications and Marketing	0.065			0.003	0.024	0.038											
Construction inflation provision	11.637					1.465	1.530	1.389	2.321	2.868	1.416	0.649					
<b>Total Delivery Programmes</b>	<b>395.615</b>	<b>7.408</b>	<b>19.564</b>	<b>21.122</b>	<b>29.539</b>	<b>70.355</b>	<b>39.132</b>	<b>39.412</b>	<b>61.626</b>	<b>61.904</b>	<b>26.993</b>	<b>18.559</b>					
Cost of Capital	0.144			0.095	0.269	0.285	0.213	0.326	0.364	0.022	0.482	0.495	0.296	0.167	0.122	0.077	0.035
<b>Surplus/ (Deficit)</b>	<b>0.126</b>	<b>2.185</b>	<b>4.207</b>	<b>5.335</b>	<b>16.033</b>	<b>16.193</b>	<b>1.934</b>	<b>6.540</b>	<b>5.512</b>	<b>34</b>							





## CITY DEAL

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

**Private and Confidential: No**

Monday, 18 September 2017

### **Infrastructure Delivery - Fishergate Central Gateway (Phases 1, 2 & 3) - Re-profile of Funding and Project Update**

**Report Author: Sue Procter, Director – Programmes and Project Management, Lancashire County Council Tel: 01772 538848**

#### **Executive Summary**

This report provides the Executive and Stewardship Board (E&SB) with an overview of the delivery of the Fishergate Central Gateway Project, Phases 1,2 and 3; and the current funding gap position.

It outlines a funding gap of £44,000 across a £10.736M project (original funding secured £10.692M) and recommends an additional sum of £44,000 is transferred in to the project from the Transport Corridor line.

#### **Recommendation**

- (i) The City Deal Executive and Stewardship Board are asked to note the report.
- (ii) The City Deal Executive is requested to approve for the transfer of £44,000 from the unallocated element of the Transport Corridor line into the Fishergate Central Gateway project.

#### **Background and Advice**

The Fishergate Central Gateway project includes three separate delivery phases and has been funded from a variety of sources as detailed in the table below:



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<b>Scheme</b>	<b>Funding Source</b>	<b>Amount £</b>
Fishergate Phase 1	Third party contributions (Local Transport Plan, Local Sustainable Transport Fund, on street parking surplus, s.106 contributions, Virgin)	1.893m
	ERDF	1.799m
	LCC	1.500m
<b>Sub total</b>	<b>Sub total</b>	<b>5.192m</b>
Fishergate 2 and 3 (note 2 )	Growth Deal	4.500m
	LCC Contribution	1.00m
<b>Total</b>	<b>Total</b>	<b>10.692</b>

The total allocation for the combined Fishergate schemes within City Deal model is £10.692m.

Phases 1 and 2 are now complete and have delivered outturn costs of:

Phase 1 - £4.086m

Phase 2 - £4.25m

The allocation within the £10.692 for Fishergate 3 is £2.4m

Informed by the outturn costs for Phases 1 and 2, and a robust re-appraisal of the design and construction costs it is now estimated that the final cost of the combined projects is £10.736m, creating a funding gap of £44k. It is proposed that this funding gap be met from the unallocated element of the Transport Corridor line within the City Deal model. (This will not require alterations to any schemes that have already been approved).

## Additional Information:

### Fishergate Phase 1

Additional funding allocations were made available through the Phase 1 delivery from third parties and ERDF, delivering the scheme with a budget surplus. This surplus of £1.106m is retained within the City Deal Fishergate Central Gateway programme.

### Fishergate Phase 2

Phase 2 exceeded the profiled budget of £3.1m by £1.15m due to a combination of factors, including:

- Additional area delivered compared to estimate representing a 10% increase in the scheme – an extra 1,113m<sup>2</sup> (c £375k);
- Unforeseen works which arose during construction e.g. accommodate unidentified services and utilities (c £450k),





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The remaining additional costs are attributed to a number of smaller issues including:

- Adjustment to the work programme due to constraints on site including issues with permissions to remove existing street furniture and maintaining access to businesses throughout delivery;
- Adjustments to work programmes to address constraints on site related to the requirement to maintain operational bus lanes throughout operations;
- Refinement of original scope of works e.g. street lighting, bus shelters, re-design of frontage to Boots following customer and partner feedback.

## Fishergate Phase 3

The programme for Phase 3 is now under review and the programmed January 2017 start on site is likely to be delayed. This is due to a number of factors, including the need to undertake a 'lessons learnt' review of the design to ensure delivery within the £2.4m allocation and provide reassurance to the City Deal E&SB and Growth Deal Management Board of the deliverability of the combined scheme.

Highways Design & Construction and CD Highways colleagues have revisited the design of phase 3 in order to ensure that the scheme is deliverable within the original agreed budget of £2.4m and is complementary to the design of Phases 1 and 2 and the wider public realm in Preston City Centre.

Specifications have been developed by the Highways Design & Construction Service working in conjunction with the LCC CD Highways Team to effectively balance the demands of affordability while still delivering a quality public realm scheme which complements work already done in earlier phases and delivers the agreed and contracted outputs. These will be presented to the Infrastructure Delivery Steering Group (IDSG) in compliance with the scheme approval process.

As part of the lessons learnt from Phase 2 we intend to restrict vehicle use of Lancaster Road during the construction phase. This will enable the delivery team to work on a larger area without interruption, improving efficiency and reducing construction time and cost. This addresses issues of site constraints encountered in Phase 2.

In addition, progress on a number of other projects across Preston city centre, as well as the emergence of new ones, has had implications for the implementation of Phase 3 Fishergate works:

- Detailed work has still to be done on how the Re-imagining the Harris will interact with public realm on Lancaster Road. Further discussions have established that the timescale for the Harris project is too far in the future for detailed interface to be planned and built into the Fishergate project. On that basis the scheme will be designed around existing entrances and exits, (which will be contained within the £2.4m) and any special requirements will have to be introduced by the Harris project as and when it proceeds.



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- The Guildhall has plans to remove the off-centre concrete steps outside its building and replace with two symmetrical staircases framing the entrance. This will alter the square meterage which requires refurbishment on Lancaster Road. Any increase in cost would need to be funded outside the £2.4m and we are currently in dialogue with the landowner to address this.
- A proposed health-led development on the 'grassy knoll' site at the corner of Tithebarn Street and Lord Street will have frontages on both streets and may also have specific needs in terms of access and public realm design. We are working on the basis that this will not come to fruition in the timescale of the delivery of Phase 3, and therefore any additional requirements beyond Phase 3 would need to be met from the new development.

Added to the above there is also the need to ensure that the Phase 3 works are aligned with the Preston Bus Station redevelopment programme in order to allow effective management of traffic in the area while the planned youth zone and associated public realm are constructed from September 2017 onwards, and to minimise the need for construction traffic to pass over newly laid highway.

It should be noted that early highway works are required on Lord Street to facilitate the movement of buses and Coaches following the implementation of new arrangements for exiting Preston Bus Station from the beginning of April 2018. This will necessitate the delivery of works on Lord Street in February/March 2018. The delivery of the Phase 3 works through the LCC City Deal Highways team ensures that this work has been programmed for delivery to satisfy this requirement, taking full account of the design and value engineering review of the full Phase 3 works. This would not be possible through an external procurement route.

It will be necessary to amend the Infrastructure Delivery Plan to take account of any revised programme. A revised high level delivery programme has been produced and will be further refined during the detailed design phase:

Completion of detailed design – Phase 3 - March 2018  
(Delivery of Lord Street Works – Feb/March 2018)  
Instruct works – Phase 3 - April 2018  
Start on site – Phase 3 - June 2018  
Practical completion – June 2019

# Agenda Item 13

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# Agenda Item 14

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