



CITY DEAL

Preston, South Ribble & Lancashire

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

**ITEM CIRCULATED ON MONDAY 6TH AUGUST FOR INFORMATION /
NOTING IN ADVANCE OF THE CITY DEAL MEETING SCHEDULED
FOR 16TH AUGUST 2018**

(Part I – Open to Press and Public)

Items

- 1. 2017/18 End of Year Finance Monitoring Report (Pages 1 - 12)**
- 2. 2017/18 End of Year Monitoring Report (Pages 13 - 40)**
- 3. 2018/19 Quarter 1 Finance Update (Pages 41 - 48)**
- 4. Implementation Update (Pages 49 - 58)**



CITY DEAL

Preston, South Ribble & Lancashire

CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD

Private and Confidential: No

ITEM FOR INFORMATION / NOTING IN ADVANCE OF THE CITY DEAL MEETING SCHEDULED FOR 16TH AUGUST 2018

2017/18 End of Year Finance Monitoring Report (Appendices 'A' and 'B' refers)

Report Author: Joanne Ainsworth, Finance Advisor, Lancashire County Council, 01772 532358, email joanne.ainsworth@lancashire.gov.uk

Executive Summary

This report provides an update on the City Deal Infrastructure Delivery Fund during Quarter 4; January to March 2018 and sets out the latest position going forward.

The current position of the Infrastructure Delivery Fund is based on the assumption that the mitigation of £75.150m required following the North West Preston Roads Programme funding decision is agreed and implemented. To not do so would result in the Infrastructure Delivery Fund model being in deficit of £73.098m and outside of the agreed funding position. With this mitigation included, the Infrastructure Delivery Fund is forecasting a projected surplus over the life of the deal of £2.052m, this is a reduction from the previously reported position at December 2017 of £3.675m which included the same mitigation assumption.

Key Risks to the model

- Agreement to fund the North West Preston Roads Programme has created a pressure in the model of **£75.150m** which will require mitigation by agreement of the partners. Work is ongoing as part of the City Deal Review to address this.
- Other developer contributions of £16.863m still need to be secured with a further circa £15m currently secured being at risk following the need for revision to planning application on the Whittingham Hospital site.
- Developer contributions will become payable outside of the 11-15 year run on period if sites are phased.
- The total risk of reductions to income are currently **circa £41m**.

Recommendation



The City Deal Executive and Stewardship Board is asked to:

- (i) Note the Quarter 4 Finance Update and dashboard
- (ii) Note the key risks and issues going forward and consider mitigation needed to ensure the model remains balanced over the lifetime of the Deal.

Background and Advice

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

1.1 Background

1.2 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 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 an understanding and commitment from the partners to keep the model balanced.

1.3 It is recognised that the model is dynamic and that changes to the income and expenditure in the model will occur over time. This is sustainable subject to the maximum agreed cumulative cash flow limit of £107m being in place and not being breached.

1.4 Key risks to the model

Resources

1.5 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 and the availability of business rates retention being available to local partners to pay into the model.

1.6 The total of developer contributions in the current model is £110.452m after building in increased rates and the modelling of those sites / units which will attract Community Infrastructure Levy and other contributions and allowance for the deductions for parish council deductions and local admin fees. Following latest housing return figures, £19.217m (net) of this is now expected to come into the model in the "run-on" period of years 11-15, due to reported slippage in



CITY DEAL

Preston, South Ribble & Lancashire

sites being brought forward for development. This also has an impact on the period of time that the county council will have to cash flow the City Deal over and the resulting finance charges incurred. Within this assumption is the current start date for each site which triggers the full Community Infrastructure Levy payment for the site within 2 years. Some sites are not currently profiled to be delivered in phases which is unrealistic given the large number of units on these sites and as such there is a risk that phasing will increase the amount of Community Infrastructure Levy payable in the run on period and increasing the cash flow risk within the model.

- 1.7 While there is more certainty with regard to the Community Infrastructure Levy element of developer contributions, within this total figure of £110.452m there is also a £51.366m assumption which relates to “other developer contributions”, previously referred to as Community Infrastructure Levy Plus, and which includes monies payable through, for example, section 106/ 278 agreements. It should be noted that to date £34.503m of these have already been secured under agreements leaving an amount of £16.863 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 section 106 / section 278 monies and the linking to delivery of schemes is addressed below and is the subject of ongoing work. There is also the risk that a renegotiation of a planning application for a key site (Whittingham Hospital) which is reporting a secured section 106 agreement will not realise as much income to the model once the new application is prepared. Information is outstanding to fully understand the effect on the model of the suggested new application but the impact is believed to be circa £15m of the already agreed section 106 that would be at risk.
- 1.8 There are also changes to government policies proposed relating to Community Infrastructure Levy, New Homes Bonus 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 New Homes Bonus changes have been confirmed. In short the changes are from 2018/19 for New Homes Bonus 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 New Homes Bonus reduction, the model would continue to be adversely impacted.

Expenditure

- 1.9 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.

The Executive and Stewardship Board has agreed to fund the delivery of the North West Preston Roads Programme including Preston Western Distributor. Whilst the agreement to fund was made, the compensating changes to the



CITY DEAL

Preston, South Ribble & Lancashire

model to ensure income and expenditure remain aligned was deferred to form part of the 5 year review process due to complete summer 2018. The current Infrastructure Delivery Fund position reflects the revised Preston Western Distributor cost estimates and uses a balancing mitigating adjustments line of £75.150m to ensure the model remains balanced and within the maximum allowed cash flow position whilst awaiting the outcome of the 5 year review. This funding position will need to be addressed by the time of the North West Preston Roads Programme full business case approval in 2018/19.

1.10 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.

1.11 It should be noted that the expenditure lines are indicative budgets 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. There is no guarantee that all allocations can be fulfilled if the income to the model is not forthcoming or if other schemes have a greater priority.

1.12 Position of the model as at 31st March 2018

1.13 The model as at Quarter 4 2017-18 is appended to this report.

1.14 The model is currently showing a projected surplus over the city deal period of £2.052m, compared to a position at 31st December 2017 of £3.675m surplus. This assumes the mitigation for North West Preston Roads Programme is implemented, without this the model would be in a deficit position of £ 73.098m which is outside of the agreed limits.

1.15 The changes this quarter can be summarised as:-

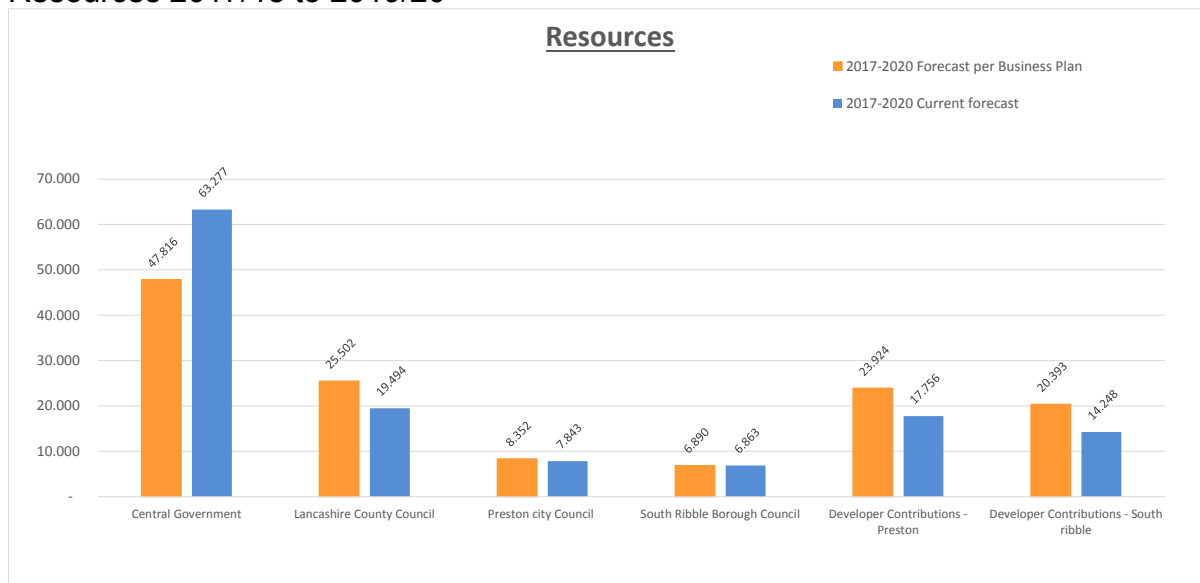
Net reduction in developer contributions	-£ 1.447
Increase in contingency budget	
(Community Infrastructure Levy inflation)	-£ 1.300
Net effect of housing return and profiles	-£ 2.747
Additional income from Preston City Council capital	£ 0.124
Reduction in expenditure (Heatherleigh spine)	£ 0.989
Reduction in Homes England loan interest	£ 0.012
	<u>-£1.622</u>

1.16 There is a currently an agreement to fund North West Preston Roads Programme which if unmitigated represents a risk that the model breaches the maximum allowed cash flow and / or the model forecasts a deficit position. This risk will need to be mitigated by measures agreed by the executive and a line for mitigation measures required is included in the model.



Financial performance against the business plan 2017-20

- 1.17 Comparing the current 2017-2020 position against those planned as per the 3 year business plan 2017-20 shows the graphs below. However these are subject to change following the completion of work as detailed in sections 1.9 Resources 2017/18 to 2019/20



The above shows that, over the 3 year period covered by the business plan, the forecasts have changed overtime as is the nature of the dynamic model.

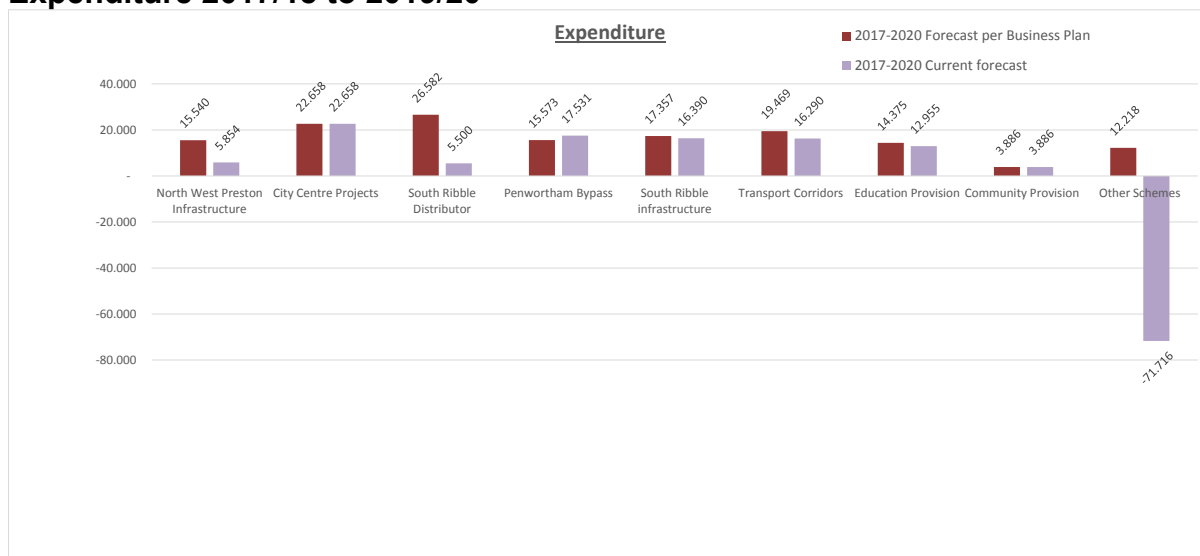
The total in the business plan was for total income of £132.877m and current forecasts are £129.482m over this period. There are variations between the types of income over the period with the fixed amounts of income from growth deal and Homes England being more than was originally anticipated but the more risky income streams such as developer contributions being less in the period. This poses an increased exposure risk in the model as these income streams are not fixed or capped amounts and could potentially not materialise within the life of the deal.



CITY DEAL

Preston, South Ribble & Lancashire

Expenditure 2017/18 to 2019/20



The graph shows the movement in forecasts of expenditure items compared to that at the time the business plan was developed. The changes to the current forecast relate to increased funding provision made for Broughton Bypass, the additional funding for North West Preston Roads Programme along with the slipped delivery timescales and clearly shows the need for £75.150m of mitigation to address the imbalance in the model. This mitigation will need to be in place before the full business case for the North West Preston Roads Programme is submitted for approval, which will be within the current business plan period.

1.18 Key issues raised by 31st March 2018

- 1.19 As part of the Resources Review, Keppie Massie advised on the assumptions made at the outset of the Deal with specific regard to the “other developer contributions” stream which includes section106 payments.
- 1.20 The partners 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, and to identify additional housing sites within the area. 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.
- 1.21 There are currently two reviews underway – the first a review of housing sites by HIVE will inform future housing profiles and will show the impact on the model in terms of income and timing as well as phasing of key large sites. These will potentially reduce the level of income or increase the timescale income is received over – both will impact on the financial risk within the model.



CITY DEAL

Preston, South Ribble & Lancashire

- 1.22 The main 5 year City Deal review being carried out by SDG is underway with emerging findings relating to technical improvements in the working of the model itself and the need for partners to consider new income approaches, while managing and prioritising current and future expenditure, to ensure the sustainability and resilience of the underpinning financial model.

List of Background Papers

Paper	Date	Contact/Tel
-------	------	-------------

None		
------	--	--

Reason for inclusion in Part II, if appropriate

N/A

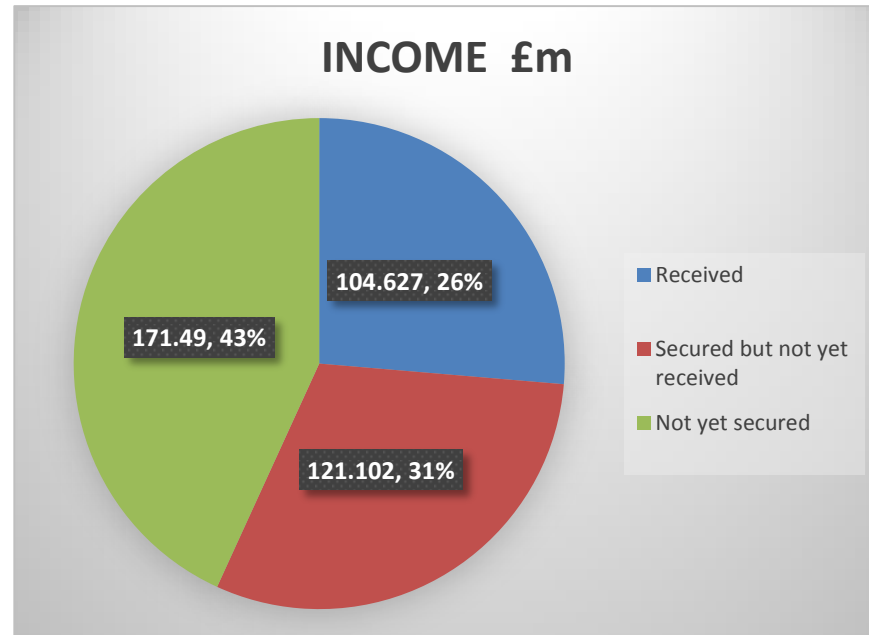
APPENDIX A																		
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		Year 11	Year 12	Year 13	Year 14	Year 15
	Total	Pre-2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		£m	£m	£m	£m	£m
Resources																		
Upper Tier Councils - Lancashire County Council																		
LCC Capital Investment Programme	22.277	4.400	1.500	0.952	10.225	1.875	3.325											
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	2.243	-	-	0.095	0.330	0.327	0.960	1.666	1.208	0.293	0.561	0.786		0.518	0.311	0.222	0.160	0.078
ERDF for Fishergate Central Gateway Delivery Programme	1.799	1.000	0.380	0.221	0.198													
LCC reserves	7.042						3.542	3.500										
Central Government																		
Single Local Growth Fund	79.510			16.020	27.764	4.613	0.700	15.200	15.213									
HCA - Locally Retained Landhold Receipts (1 year loan)	40.795	-	4.759	7.648	1.948		4.088	5.467	12.480	4.177	-	-		0.227	-	-	-	-
HCA - Expected Land Value Realisation on HCA Sites	37.500	-	-	-	4.624	5.700	6.522	2.077	4.282	8.615	5.680	-		-	-	-	-	-
HCA - Loan repayments	40.795			4.759	7.648	1.948		4.088	5.467	12.480	4.177	-		-	0.227	-	-	-
HCA - Interest on Loans	0.397		0.004	0.054	0.069	0.005	0.006	0.043	0.064	0.113	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										
Developers Contribution																		
Community Infrastructure Levy - Commercial sites - Preston	0.307		0.048	-	-	-	0.095	0.035	0.034	0.031	0.030	0.034						
Community Infrastructure Levy - commercial sites- South Ribble	2.597		0.011	0.011	-	-	2.368	0.036	0.055	0.053	0.045	0.040						
Community Infrastructure Levy - housing sites - Preston	36.128		0.510	0.648	1.773	4.234	2.799	3.065	3.040	2.579	1.680	2.118		2.130	2.229	2.210	2.321	4.791
Community Infrastructure Levy - housing sites - South Ribble	31.357		0.174	0.174	0.300	0.795	2.460	8.684	11.926	6.294	0.641	0.257		-	-	-	-	-
Community Infrastructure Levy Plus - housing sites- Preston	7.874		-	-	-	-	0.272	0.561	0.605	0.643	0.874	0.953		0.861	0.806	0.806	0.779	0.714
Community Infrastructure Levy Plus - housing sites - South Ribble	8.989		-	-	-	-	0.288	0.801	1.471	1.469	1.190	1.027		0.817	0.596	0.590	0.370	0.370
Quaker Lodge rental income	0.086		-	-	-	-	0.022	0.022	0.022	0.022	-	-		-	-	-	-	-
S106 / S278 Agreements - non housing related	2.933	1.893	-	0.040	-	-	1.000	-	-	-	-	-						
S106 / S278 - Out of Scope spend	0.243	-	-	-	-	0.243												
S106 / S278 Agreements - sites in Preston	30.670	1.200	4.985	3.222	0.106	0.753	3.581	2.873	4.248	4.229	0.972	3.325		1.176	-	-	-	-
S106 / S278 Agreements - sites in South Ribble	0.657		-	-	-	-	-	0.124	0.258	0.275	-	-		-	-	-	-	-
Lower Tier Councils - Preston City Council																		
Business Rate Retention at Strategic City Deal Locations	5.135		0.031	0.042	-	-	1.668	0.714	0.345	0.629	0.746	0.961						
PCC Grants - Performance Reward Grant	0.124					0.124												
New Homes Bonus	28.051		-	0.077	0.486	0.803	1.822	2.684	3.651	4.511	5.141	5.408		3.468	-	-	-	-
Lower Tier Councils - South Ribble Borough Council																		
Business Rate Retention at Strategic City Deal Locations	4.350		0.042	0.085	-	-	2.322	0.980	0.103	0.188	0.273	0.357						
New Homes Bonus	25.409		-	0.198	0.770	0.483	1.477	1.574	2.204	3.032	3.871	4.702		5.397	1.700	-	-	-
Moss Side Test Track Land Receipt	5.000											5.000						
Preston 5% CIL admin charge	1.789		-	0.060	0.089	0.179	0.145	0.155	0.154	0.131	0.086	0.108		0.107	0.111	0.111	0.116	0.240
South Ribble 5% CIL admin charge	1.679		-	-	0.004	0.032	0.241	0.436	0.599	0.317	0.034	0.015		-	-	-	-	-
Contribution for Communications & Marketing	0.065		-	0.009	-		0.056	-	-	-	-	-						
Community Infrastructure Levy due to Parish Councils in Preston	4.198		0.001	0.170	0.238	0.479	0.286	0.311	0.288	0.219	0.240	0.300		0.302	0.317	0.332	0.348	0.367
Community Infrastructure Levy due to Parish Councils in South Ribble	3.724		0.023	0.023	0.011	0.114	0.107	0.377	1.619	1.438	0.058	-		-	-	-	-	-
Total Resources	397.219	9.593	23.771	26.362	44.901	19.039	53.014	57.673	54.391	25.606	20.869	28.341		15.481	6.280	3.386	3.166	5.346
Delivery Programmes																		
North West Preston																		
NW Preston Green Infrastructure	5.221		-		0.096	0.089	1.239	0.871	0.776	0.776	0.776	0.776						
Further Community Infrastructure	4.579		-		0.095	0.050	0.857	0.789	0.789	0.789	0.789	0.424						
Market Quarter	0.400			0.035	0.357	0.006	0.002											
East-West Spine Road	18.757		0.141	0.693	0.300	0.128	0.500	1.500	6.404	5.232	3.858							
Preston Western Distributor M55 to A583, M55 Junction 2 & Land Ass	170.693	0.197	0.994	1.749	2.939	3.637	1.905	33.101	58.281	32.779	35.111							
Quaker Lodge commission	0.097	-	-	-	-	0.097												
Cottam Parkway	15.000		0.004	0.001	0.145	0.002				14.848								
Whittingham / Broughton / Preston East																		
A6 Broughton Congestion Reduction	31.723		0.892	4.008	11.643	9.300	5.880											
M55 Junction 1 Roundabout	1.716	1.602	0.114															
M6 Junction 32	8.000		8.000															
Preston City Centre																		
Preston Bus Station	24.267	0.003	0.211	0.409	3.596	12.194	7.854											
Fishergate Central Gateway	11.000	1.746	1.744	4.223	0.677	0.221	2.389											
South Ribble																		
Pickerings Farm Link Road	4.500			-	0.004	0.048	4.448											
Moss Side Test Track Road Infrastructure	2.050						2.050											
Land Between Heatherleigh and Moss Lane Spine Road	0.011		-	-	0.011													
Cuerden Strategic Site Road Infrastructure	6.002					1.154	4.848											
Community/ Green Infrastructure	6.471		-	0.299	0.431	0.015	1.271	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	3.367	1.000	1.133	1.000	4.585	9.170	6.327						
Completion Penwortham Bypass	19.453	0.019	0.227	0.829	0.847	2.063	7.500	7.968										
New Ribble Bridge - Preliminary Works & Route Protection	2.000		0.005	0.027	0.279	0.030	1.659											
South Ribble Other	5.000											5.000						
Education Infrastructure - Preston																		
Education Infrastructure - South Ribble																		
Community Provision - Preston CC																		
Community Provision - South Ribble BC																		
Public Transport Corridors & Local Centres- Preston																		
Public Transport Corridors & Local Centres- South Ribble																		
Masterplan costs	0.025	-	-	-			0.025											
CL Transport Modelling costs	0.339	-	-	0.098	0.097	0.090	0.030	0.024										
Revenue costs to be included in City Deal	0.087	-	-	0.006	0.008	0.034	0.006	0.006	0.006	0.007	0.007	0.007						
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	-	-	-	-	-						
Expenditure Mitigation Adjustments required	75.150						75.150											
Construction inflation provision	12.377				-		2.247	0.442	3.529	3.102	2.620	0.436						
Total Delivery Programmes	397.410	4.219	19.564	21.122	29.539	36.053	15.704	62.918	94.643	73.223	56.107	15.726		-	-	-	-	-
Cost of Capital	2.243	-	-	0.095	0.330	0.327	0.960	1.666	1.208	0.293	0.561	0.786		0.518	0.311	0.222	0.160	0.078
Surplus/ (Deficit)	2.052	5.374	4.207	5.335	15.692	16.687	69.678	3.579	39.044	47.324	35.799	11.830		14.963	5.968	3.164	3.006	5.269
Cumulative Surplus/ (Deficit)		5.374	9.581	14.916	30.608	13.921	83.599	80.020	40.976	6.348	42.147	30.317		15.354	9.386	6.222	3.216	2.053

DRAFT Finance Dashboard - Quarter 4 Jan – March 2018

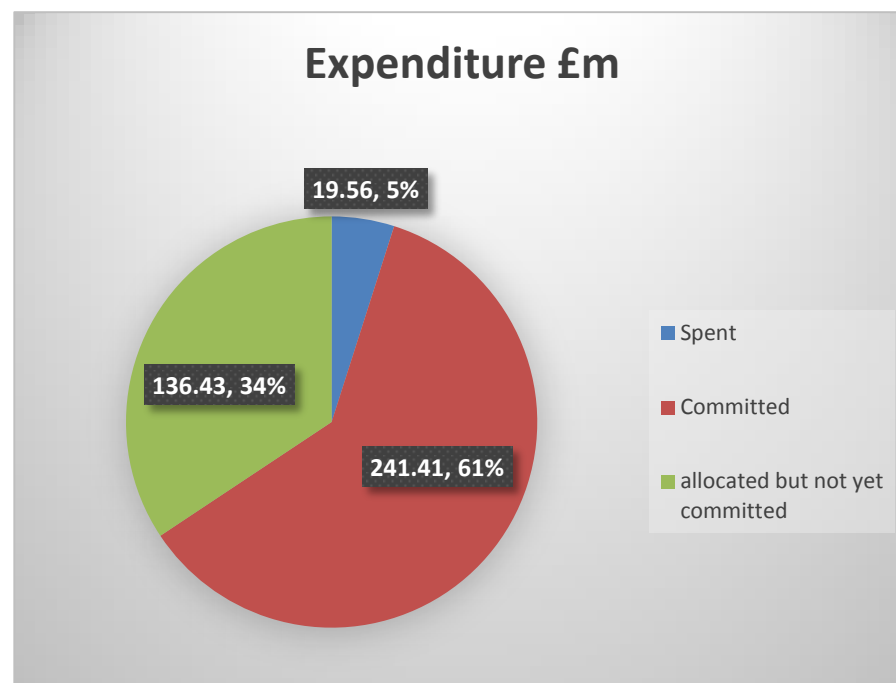
Appendix B

This summary provides an overview of how the City Deal Programme IDF has performed during quarter 4 – January to March 2018

The graphs below show the position **over the life of the deal** as at Qtr. 4 year 4.
Split of total income in the model showing received, secured and as yet unsecured



Split of Total Expenditure split by spent, committed and allocated but not yet committed over the



The above position shows the assumption that the commitment to North West Preston roads programme will be met by mitigating actions. As at qtr 4 year 4 the deal has received or secured 57% of the income forecast but has spent or committed 66% of the expenditure forecast over the life of the deal. This poses a cash flow risk.

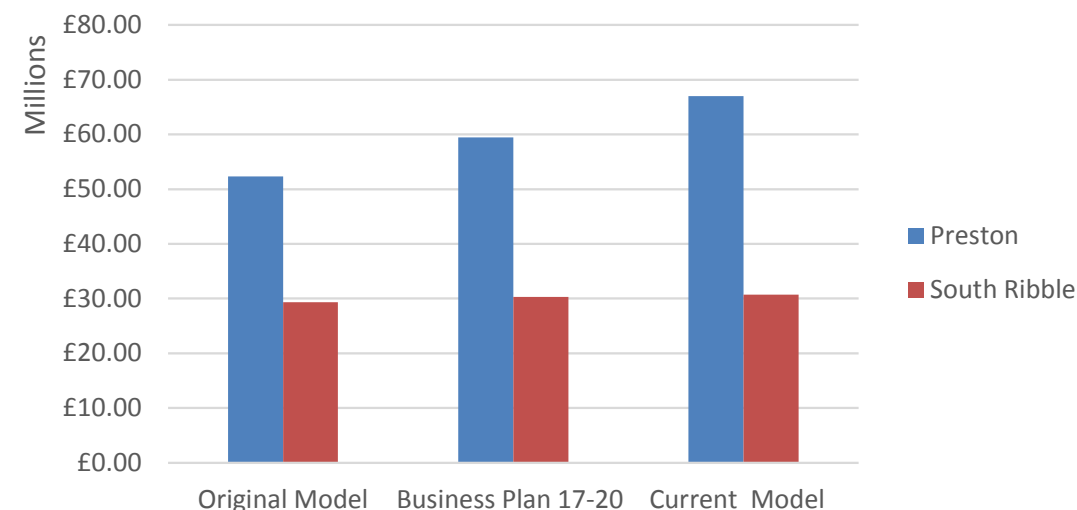
POSITION OF THE MODEL AS AT 31st December 2017

Surplus over 10 year deal (15 yr. collection period) is **£2.052m**. With inclusion of Mitigation adjustment line following approval to fund NWPRP (£75.150m) as this will be required in time for FBC approval in 18/19 to allow the model to stay within agreed funding limits

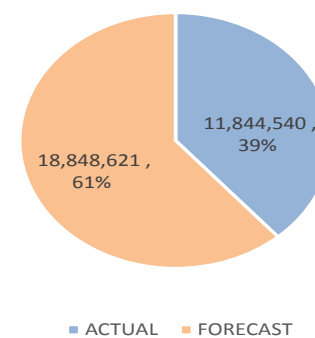
Key changes from last period

1. Less income to model from housing number return (-£1.447m)
2. Increase in contingency budget due to delayed CIL receipts (-£1.300m)
3. Additional income form PCC capital (£0.124m)
4. Reduction in expenditure – no longer delivering Heatherleigh spine road (£0.989m)
5. Reduction in Homes England Loan interest forecasts (£0.012m)
6. Reprofiting of expenditure lines to latest forecast spend - no overall impact but changes to cash flow position over years. Current max cumulative cash flow requirement £ 42.147 in year 9 – anticipated at time of deal £107m in year 5.

Developer Income expected from sites



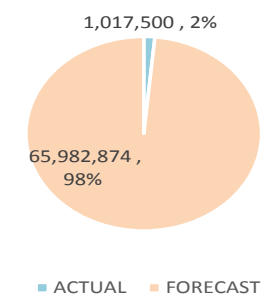
Income from sites Actual & Forecast - Preston



KEY FINANCIAL RISKS

- The agreement to fund NWPRP to total of £189.45m has created the need for mitigation measures to ensure the model remains in balance, these can be increased income from new sources or sites or reduction in existing expenditure allocations or a combination of both, until this mitigation is agreed there remains a risk of **£75.150** to the model.
- Viability of sites – Partners are committed to maximising the value of developer contributions per site – this is constrained by the commercial viability.
- Delays to housing developments – the City Deal IDF is over a 10 year period with 5 year run on to collect monies – housing delays past year 10 could negatively impact the model and funds available to spend. As could phasing of larger sites.
- Changes to government Policy affecting income levels to the model. Currently NHB changes announced with further announcements expected on CIL and Business rates retention.
- Infrastructure budget allocations and cost estimates when schemes come forward for approval may differ, this needs managing within the programme to ensure the model remains in balance.

Income from Sites Actual & Forecast - South Ribble



The above graphs highlight the financial risk exposure to the model of unsecured income streams. The developer contributions are the income streams wholly reliant on planning permissions and housing numbers and represent the riskiest income streams within the model. Securing these, albeit payable in the future will help minimise the financial exposure risk in the model.



CITY DEAL

Preston, South Ribble & Lancashire

CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD

Private and Confidential: No

ITEM FOR INFORMATION / NOTING IN ADVANCE OF THE CITY DEAL MEETING SCHEDULED FOR 16TH AUGUST 2018

2017/18 End of Year Monitoring Report

(Appendices '1', '2', '3' and '4' refer)

Report Author: Sarah Parry, City Deal Programme Manager, Tel: 01772 530615, sarah.parry@lancashire.gov.uk

Executive Summary

This report provides the City Deal Executive and Stewardship Board with an overview of how the Programme has performed during 2017-18 (Year 4). The report brings together both quantitative and qualitative information relating to the Core/Supporting Outputs and key projects/development sites in the Business and Delivery Plan. This information is summarised in the dashboard attached at Appendix '1', which will be used as part of the annual return to Government.

Performance can be summarised as follows:

Housing outputs – Total completions to date are 3702 units. This is ahead of revised targets set by Keppie Massie in 2016. Planning submissions and consents are broadly on track, in part, supported by unallocated sites coming forward.

Commercial sites – There has been a strong performance in commercial site completions to date and the momentum is continuing with this years' targets being exceeded. Demand for land remains high at key employment sites, which will help meet future targets that are forecast to increase significantly in forthcoming years. See Appendix '2' – employment sites dashboard.

Employment and skills – Work continues with partners to deliver a range of activities with schools and businesses aimed at encouraging the recruitment of apprentices within the construction sector – a number of case studies are included in Appendix '3'.

Public and Private sector investment – A total of £44.9m of public and private sector investment has been made in transport infrastructure during 2017/18.

Infrastructure update – Broughton Bypass and Pope Lane roundabout completed in Year 4 and work started on the Penwortham Bypass. Significant work was undertaken during year 4 to secure statutory approvals for the Preston Western Distributor.

Recommendation



The City Deal Executive and Stewardship Board is requested to note the overall performance of the Programme in 2017/18 and endorse the proposed Annual Return to Government as set out in the report.

Background and Advice

1.0 Background and Advice

- 1.1 The Stewardship Board previously agreed that two sets of monitoring outputs be prepared annually:
- 1.2 Firstly, the Core Output data set agreed with Government, including housing units (consented and completed), commercial floorspace (consented and completed), private sector investment and jobs accommodated. It was agreed that this data set should form the substantive part of the Annual Monitoring Return to Government, and;
- 1.3 Secondly, a Supporting Output data set to include metrics to track planning consents, development activity on specific sites (including Homes England sites), and outputs to monitor progress with transport and community schemes. It was agreed that this data set should be presented annually to the Stewardship Board and Executive for consideration by the local partners.
- 1.4 This report sets out Year 4 performance and performance to date against both sets of outputs

2.0 Housing Outputs

- 2.1 Overall, since the start of the Deal period, housing completions stand at **3702** with **965** completions recorded in year 4 2017/18. A reconciliation exercise has taken place and adjustments to previously reported figures have shown that more completions have actually taken place than previously reported. **3702** completions exceeds the Keppie Massie target of **2996** but is lower than the original City Deal target of **4176**. Housing performance is strong, although it should be noted that not all units counted for Government reporting will generate income for the finance model. This will be explored more fully following the housing site review being undertaken by Hive.
- 2.2 From the planning perspective, a total of **13,010** housing units cumulatively have been submitted for planning up to year 4. In year 4, the overall submissions totalled **2836** exceeding the annual target of **1405**.
- 2.3 Planning consents in year 4 were **2094** against a target of **1740**. In total **12529** units across the City Deal area have been consented with outline or full planning permission.



A breakdown of the housing targets and outputs is set out in Table 1 below

Table 1 Housing – core and supporting outputs

Core and supporting outputs	17/18 Target	17/18 Actual	Total to date	All Years Cumulative Variance
Total number of Housing units completed	980	965	3702	+706
Total number of housing units submitted for planning	1405	2836	13010	n/a
Total number of Housing units consented for planning *	1740	2094	12529	n/a
sites at which construction is actively taking place	-	32		n/a

* Includes Outline and Full Planning consent

Targets relate to Keppie Massie trajectory 2016

Following a recent reconciliation exercise the total completions to date includes adjusted figures to those previously reported.



Focussing upon the key Homes England sites, progress has been made against the following key milestones in 2017/18:

Table 2 – Supporting outputs for Homes England sites:

Supporting output	14/15 Target	14/15 Actual	15/16 Target	15/16 Actual	16/17 Target	16/17 Actual	17/18 Target	17/18 Actual	All Years Cumulative Variance
Number of Homes England sites submitted for planning permission	1 outline	1 outline	1 outline	0	2 outline	1 outline	0 housing 2 commercial (full)	0 housing 2 commercial (full)	+1
Number of Homes England sites granted planning permission	3 outline	3 outline	0	0	1 outline	1 outline	0 housing 3 commercial (full)	0 housing 2 commercial (full)	+2
Number of Homes England sites where construction is actively taking place ⁱ	3	3	3	3	8	5	7 housing 1 commercial	6 housing 1 commercial	N/A**
Total number of housing completions on Homes England sites	60	44	70	34	114	127	147	155	-31***

Source: Homes England

When referring to Homes England sites, for the purpose of this section of the table (construction actively taking place), each phase has been counted as a separate site. For example for Cottam Hall, Cottam Site K, Phase 2 and Phase 3 are being treated as three sites.

** A cumulative figure is not appropriate as the amount of sites actively under construction carries forward year on year.

*** This figure represents the cumulative variance; however the targets within the Business Delivery Plan change annually based on current /past delivery. It should be noted that in the earlier years of the Deal there was some under achievement compared to that of the targets however the past two years targets have been exceeded portraying strong build out rates as a number of outlets are now on site.



CITY DEAL

Preston, South Ribble & Lancashire

3.0 Performance on Homes England Sites:

- 3.1 Residential development is currently underway at 6 Homes England City Deal sites and developers are building out at pace. In 2017/18, 155 housing units completed against a forecast of 147. Two housing sites performed particularly well, with Croston Road South completing 46 new homes and Whittingham Phase 1 completing 39 new homes throughout the year. One key residential site in South Ribble (Walton Park Link Road) achieved start on site within 2017/18 and will go on to deliver 280 new homes. Morris Homes had their Reserved Matters application approved at Cottam Hall Phase 3, which will result in them starting on site in 2018/19 on a development that will deliver 119 new homes.
- 3.2 There are two Homes England sites in the City Deal which are complex and present delivery challenges, these being Pickering's Farm and Whittingham Hospital. However progress has been made to overcome these challenges and, in both cases, steering groups have been established and multidisciplinary consultant teams have been appointed to further de-risk the site and focus on resolving these delivery issues in order to move the sites forward.

4.0 How we are working to progress housing delivery:

- 4.1 The Development Sites Delivery Group continue to take a strategic role in overseeing the sites and are working with Hive consultants to explore next steps in understanding performance to date, identifying blockages to future performance and in particular working on solutions to ensure site delivery is optimised. The findings and recommendations of this work are expected to be presented to the City Deal Executive in August.
- 4.2 Partners are engaged in a review of the local plan and City Deal will continue to form a part of officer discussions and the agenda of the Central Lancashire Joint Advisory Committee.

5.0 Notable progress has been made on the following named sites:

- 5.1 **Haydock Grange – Hoyles Lane** - Phase 2, for 245 units has recently received reserved matters permission and the developer is anticipating to start on site early in 2019.
- 5.2 **North of Eastway and Cottam Hall Phase 2** - Story Homes are progressing well at both of their sites, with a total number of 37 and 36 units completed within the year.
- 5.3 **Altcar Lane**- the approved masterplan provides for 600 dwellings split into two parts. Redrow have the greater part of the site and have Outline approval for 400 dwellings. A reserved matters application is currently under consideration for 232 dwellings. The southern part of the site is in the ownership of Homes England who have Outline Approval for 200 dwellings and a Reserved Matters application is



expected in the next two months. As this part of the site is part of the accelerated construction programme with Homes England, a start on site is expected shortly after the determination of the Reserved Matters application

5.4 Croston Road (southern end) - Progressing at pace with Miller Homes building out their ermission for 175 units abutting Schleswig Way.

5.5 Wesley Street Mill – Reserved matters consent secured (196 dwellings) and work started on site in April 2018.

5.6 Moss Side Test Track - The Masterplan for Moss Side Test Track was approved in July 2017 for a mixed use scheme which included up to 950 dwellings. A hybrid planning application reflecting the Masterplan, was submitted in November 2017. It is anticipated that the application for 197 units in full and 753 in outline will be determined in September 2018.

5.7 The following sites have not progressed as anticipated:

5.8 Small allocated sites – in Preston a number of allocated sites, with the potential of around 225 units collectively have been pushed back in the housing trajectories by around 3 years or have been removed from the 5 year housing land supply completely.

5.9 Pickering's Farm - Work to prepare a masterplan has awaited collaboration arrangements between the site's two principal developer interests, Homes England and Taylor Wimpey. The early stages of the Master plan preparation have however commenced with the formation of a working group, and a number of meetings have taken place.

5.10 Brindle Road – Planning applications refused – Persimmon (261 units) and Bellway (193 units). Bellway have appealed this refusal and the application will be heard at a Public Inquiry (August 2018).

5.11 Heatherleigh/Croston Road - Parts of this site face challenges with land in multiple ownership but progress is being made between the interested parties to resolve this. Homes England have now increased their land ownership in the northern section of the site which will assist delivery.

5.12 Land to the north and south of the Cawsey (Bovis and Morris) was delayed because of the Planning Appeal for an access through the Sumpter Horse which in turn delayed negotiations for the completion of the Cross Borough Link Road. The appeal was successful for the developer and permission was given for access off Leyland Road. Negotiations however are still ongoing to access the site from the link road which is the preferred planning option. The site is being marketed by Bovis but there doesn't appear to be a prospective purchaser at this stage. Morris are now commencing on site and it is envisaged once the legal agreements are finalised the link road will commence in the near future.



CITY DEAL

Preston, South Ribble & Lancashire

6.0 Key Risks and issues in relation to housing outputs:

- 6.1 A comparison of target and actual housing outputs over the last year suggests strong performance, although this performance is characterised by a reliance on non-City Deal sites. Both districts have performed well against their target completions. Notably, North West Preston sites delivered more than one-third of all the year's housing completions. Elsewhere, a sizeable proportion of completions (one-third) were delivered on windfall sites. As noted above, several of South Ribble's larger sites in particular have not progressed as anticipated.
- 6.2 Houses submitted or consented for planning during the year show a similar trend in windfalls being brought forward and some larger City Deal sites not progressing as expected. Housing units submitted for planning have far exceeded targets in both districts, although performance for consents is mixed, with 1,000 units over target consented in Preston compensating for a shortfall in South Ribble. Generally, windfalls make up a notable amount of submissions and consents during the year.
- 6.3 Whilst the numbers of housing units submitted and consented during the year bodes well for future housing delivery performance, the numbers being delivered on windfall sites presents an immediate and ongoing challenge to the City Deal financial position where those sites do not bring an income to the fund. This may also challenge the housing market's ability and their pace in bringing City Deal housing sites forward, with similar financial consequences.

7.0 Commercial Floorspace Outputs

7.1 Completions

- 7.2 Overall in year 4 there has been a relatively strong performance of completions against targets with **9,635 sq m** of commercial floorspace completions compared with the target of **2,640 sq m**.
- 7.3 This is largely due to the continuing progress of build out of industrial units at Red Scar, Preston East and South Rings, plus the completion of a new leisure destination at the Preston Guildhall Theatre.
- 7.4 Cumulatively completions are also on target against trajectories with **55,592 sq m** of commercial floorspace completions compared with the target of **53,546 sq m**.
- 7.5 The accelerated build out at Red Scar and South Rings, albeit of a relatively limited scale and for generally smaller units, has compensated for slower than anticipated development activity at other Preston East sites.
- 7.6 Demand for development land, however, remains high at key employment sites and especially for freehold land. There is further ongoing construction at Preston East with expected completion of an additional car showroom in 2018 and next



CITY DEAL

Preston, South Ribble & Lancashire

phase development at Vision, Red Scar, along with other Preston East sites with mixed tenure expected to come forward. Farington Hall Estate, Leyland is also expected to be brought forward next year responding to market demand. Speculative build out is likely to continue to focus on smaller units in the short term with larger Design & Build units mainly enquiry led by strategic and local relocations.

7.7 From year 5 onwards completion targets ramp up in scale as scheduled large site delivery is anticipated. These next phase completions at Preston East and the City Centre are scheduled to begin in years 6 and 7, with development progress underway. Firmed up milestones will be developed in years 5 and 6 in order to confirm that delivery will proceed as per City Deal schedule. There will be delays, however, with the delivery of the Cuerden Strategic Site.

7.8 In addition, consideration is being given to how occupation rates might be monitored going forward, thus giving a more accurate picture of commercial activity.

8.0 Submissions/Consents

8.1 With regard to planning submissions in year 4, **40,116 sq m** of commercial floorspace was **submitted** for planning compared with the target of **37,400 sq m** and **200,152 sq m** of commercial floorspace was **consented** for planning compared with the target of **233,067 sq m**. Delays with the consent of Moss Side Test Track accounted for this underperformance.

8.2 There are some commercial floorspace consents on mixed-use sites (Whittingham Hospital and Cottam Hall) that won't come to fruition due to changes to the site focus, however these relate to a relatively small area in the context of total City Deal sites.

8.3 A breakdown of the commercial sites targets and outputs is outlined in Table 3 below.

8.4 Following the adoption of revised baseline commercial completion targets (Keppie Massie report), planning submissions and consents are now monitored in year and on a site by site basis. The Dashboard attached at Appendix '2' shows that 15 out of 34 live projects are performing in line with anticipated completion targets. A further 15 projects have mitigation actions in place to support delivery.



Table 3: commercial floor space – core and supporting outputs

Core and supporting outputs	17/18 Trajectory (sq m)	17/18 Actual (sq m)	17/18 variance	All Years Cumulative Variance
Commercial floorspace completed (sq m)	2,640	9,635	+6,995	+2,046
Commercial floorspace consented for planning (sq m)	233,067	200,152	-32,915	n/a
Commercial floorspace submitted for planning	37,400	40,116	+2,716	n/a

9.0 How we are working to progress employment sites:

- The current employment completions have performed well and on some existing employment sites, for example at Red Scar, Preston East and South Rings, Bamber Bridge, build out has been brought forward in response to market demand, albeit in the case of South Rings unit types have been modified from the original office use to hybrid units that better suit current market conditions.
- Commercial floorspace completions will continue to be concentrated on these established sites at Red Scar and South Rings in the immediate term.
- Whilst development activity is subject to market demand and commercial opportunities, partners are working in a number of areas to ensure that future targets are met, including:
 - Releasing land – progress is being maintained on releasing land, in particular on LCC and Homes England sites in Preston East, and Farington Hall Estate in South Ribble where there has been recent developer interest following ongoing land disposal.
 - Developing the city centre – a range of activities are being undertaken to develop and implement city-wide schemes, for example completing complementary public realm schemes, progressing 'Opportunity Area' masterplans (Stoneygate) and producing marketing collateral (Harris Quarter).
 - Marketing - implementation of a Marketing & Communications Plan continues to generate investor interest. Recent activities include the launch of the Invest Central Lancashire proposition focussing upon our 'Game changing' sites, integration within Lancashire-wide marketing activity (for example Invest Lancashire), the development of



CITY DEAL

Preston, South Ribble & Lancashire

complementary site specific marketing strategies (for example Samlesbury Aerospace Enterprise Zone) and regular Developer & Investor events.

- Enquiry handling – protocols are being developed in order that enquiries received, for example following the launch of Invest Central Lancashire, are co-ordinated and all relevant support and resources are made available.
- Accelerating delivery - a programmed approach continues to bring forward housing sites, aided by the intervention of the Development Sites Delivery Group, including mixed-use sites where there is a commercial element. These will benefit development of employment land, for example, at Moss Side Test Track and Pickerings Farm in South Ribble.

10.0 Project activity continues to expedite specific site development matters including;

- **Bluebell Way** - The sales process for this site has been extended due to increased market interest and the requirement to extract best value. A formal tender process will be employed to fix a disposal date and conclude a sale.
- **Altus, Preston City Centre** – this site continues to be strongly marketed through City Deal and is a key scheme featured in the Invest Central Lancashire proposition launch. Preston City Council are developing a business case to attract an anchor tenant.
- **Cuerden Strategic Site (Lancashire Central)** - has been subject to recent press releases in relation to its anchor tenant, IKEA, who have expressed a wish to withdraw their plans. Lancashire County Council will continue to work hard with their partners to ensure they reach the best possible outcome for the site.
- **Pickerings Farm** - A masterplan is being prepared that will inform potential commercial uses.

11.0 Notable progress has been made on the following named sites:

- **Eastway** – Planning consent has been obtained for 5,596 sq m warehouse and health care centre.
- **Preston East Employment Area** – build out is continuing and plans are being put in place to progress the due diligence and marketing strategy for Preston East Employment Expansion Land that will release land supply to meet anticipated future demand.
- **The Guild Hall Theatre** - has completed the refurbishment of its new leisure destination (LeVel), whilst the new Market Hall has been completed.
- **Engineering Innovation Centre (EIC)** - progress is being maintained on the construction of this centre with further phases including the £60m Student Centre undergoing preparation.



- **Queen's Shopping Park (Horrockses)** - progress is being maintained with Phase 2 completed and planning applications consented for additional phases.
- **South Rings Phase 2** - hybrid units have been partly completed ahead of schedule with strong pre-sales occupied.
- **Moss Side Test Track** – A masterplan has been adopted and planning application submitted, included within which is a range of commercial space.

12.0 The following sites have not progressed as anticipated:

- **Cottam Hall** – it is not expected to contain a commercial element.
- **Cottam Brickworks** – the site is not progressing as expected, and will be subject to review at the Development Site Delivery Group.
- **Whittingham Hospital** – there is no commercial use in the current masterplan due to a lack of market demand.
- **College House** – there has been little activity from the landowner to bring the site forward.
- **Cop Lane, Penwortham** – Tesco have recently pulled out of the site but which has now been re-marketed and is attracting strong market interest.

13.0 Jobs related to commercial floorspace

13.1 There have been a total of 1,670 jobs in Year 4 associated with City Deal commercial floorspace completions, infrastructure construction, new letting and acquisitions of existing commercial floorspace and BOOST business support activities.

13.2 This excludes employment associated with the apprenticeships, for which data is not yet available due to academic years.

Table 4 below provides a breakdown of jobs targets and outputs.

Table 4: Jobs – outputs

Jobs outputs	17/18 Trajectory	17/18 Actual	All Years Cumulative Variance
Jobs accommodated - Via commercial floorspace completions*	61	224	+47
- Construction jobs connected to Capital Investment**	282	517	+400
- Jobs associated with existing floorspace	N/a	809	N/A



- Business activities	Support	N/a	120	N/A
-----------------------	---------	-----	-----	-----

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

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

In addition to the above, 187 businesses in Preston and South Ribble have been supported specifically through the BOOST project, and 120 associated jobs created, see Table 5 below.

Table 5: Business support and associated jobs

Output	2017/18
New businesses supported through BOOST	187
Jobs created through BOOST business support	120

Source: BOOST

14.0 Skills and Employment

14.1 The outputs in relation to skills and employment were reported to this Board in November 2017 (please refer to the Table below). The outputs for skills and employment will be updated in November 2018 following the end of the academic year which is the time frame for reporting on these metrics.

14.2 Partners have continued to deliver a wide range of activities in the City Deal area directly with schools and businesses and have also been proactive in recruiting apprentices within the construction sector. A selection of these initiatives are illustrated in the case studies provided in Appendix '3' and include 'Bridge the Gap'. STEMFirst commissioned by the Lancashire Enterprise Partnership has developed a secondary school STEM Challenge titled 'Bridge the Gap' to highlight the local opportunities in South Ribble for Science, Technology, Engineering and Maths jobs in the area of construction / civil engineering / structural design and building services and to raise awareness of City Deal.

STEMFirst designed a box of resources for students in Key Stage 3, which was delivered by consultants and STEM partners to Secondary schools in South Ribble to help students learn more about STEM Skills, undertake hands on challenges and explore local opportunities for future careers. STEMFirst initially delivered a pilot programme which involved 82 pupils and since then partners have delivered the programme in schools with 963 pupils involved. Feedback has been collected for the delivered sessions with extremely positive feedback from pupils, teachers and STEM Ambassadors/Teachers with 95% of students saying they knew more about STEM careers pathways and 85% knew more about City Deal.

14.3 The Central Lancashire Construction Skills Hub continues to be a key partner in delivering activity. Examples of recent activity include meet the buyer events and



CITY DEAL

Preston, South Ribble & Lancashire

networking events that focus on keeping partners informed about issues pertinent to construction in the City Deal area.

14.4 The City Deal Skills and Employment Steering group meets regularly with the key aim of steering the activities which aim to maximise the impact of City Deal investment for the benefit of local residents and businesses, not only in terms of individuals equipped with the skills required to benefit from the ensuing employment opportunities, but also in terms of ensuring SMEs are equipped to benefit from associated procurement opportunities. The steering group will aim to develop a more co-ordinated approach to skills delivery in the City Deal area. The Steering Group is currently focused on developing a marketing prospectus relating to employment and skills and ensuring a coordinated approach to partner activity in the City Deal area.

14.5 Interviews have taken place for a City Deal Skills and Employment Coordinator and an offer of employment has been made. This role will support the embedding of employment and skills across the City Deal area and will liaise with developers and occupiers, relevant groups and leads within the City Deal Skills and Employment Governance structure, the Local Planning Authority and other relevant partners. The role will also support developers and occupiers in preparing detailed Employment & Skills Plans in liaison with key partners.

15.0 Public and Private Sector Investment

15.1 In 2017/8 a total of £44.9m of public and private sector investment has been invested in transport infrastructure which has resulted in the achievement of the infrastructure and the construction jobs referred to in Table 4. In addition £55m Pension fund investment has been made to date

Table 6: Public and private sector investment – core outputs

Core outputs	17/18 Trajectory	17/18 Actual	All Years Cumulative
Public Sector Investment (to support Infrastructure programme)	13.996m	31.327m	104.292m
Private Sector Investment (to support infrastructure programme)	£28.842	13.639m	19.374m
Pension Fund Investment	-	-	£55m *



15.2 The timing of receipts means that income is not split evenly into quarters or through the year. Due to delays in the delivery of housing, public sector investment has been used to fund the infrastructure delivery programme temporarily until the private sector income is realised off the back of development being delivered.

16.0 Infrastructure Delivery

16.1 Key achievements in 2017/18 include:

- **Broughton Bypass** – completed and opened in October 2017
- **Pope Lane Roundabout** – this scheme completed in 2017 with a new junction established.
- **Preston Bus Station and car park improvements** – completion in summer 2018
- **Preston Western Distributor (PWD)** Outline business case submitted and approved, CPO confirmed.
- **Penwortham Bypass** – work started on this scheme in 2017 and is progressing as planned.
- **Bamber Bridge Improvements** – construction is well underway on this scheme.
- **City Transport Plan/Walking and cycling strategy and corridors masterplanning exercise** – a commission has been agreed to align these strategies into a prioritised delivery plan.
- **South Ribble Campus Strategy** – work on this completed in 2017.

17.0 Risk Analysis/Management (Appendix '4')

Attached to this report is the current programme level risk analysis which is supported and informed by lower level operational risk logs managed by project managers. The programme level risk analysis is updated 6 monthly in keeping with Government reporting requirements.

List of Background Papers

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

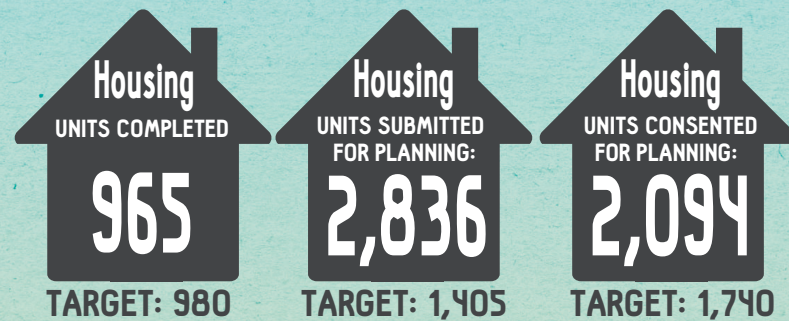
APPENDIX 1

Year 4 performance dashboard 2017/18



CITY DEAL
Preston, South Ribble & Lancashire

HOUSING

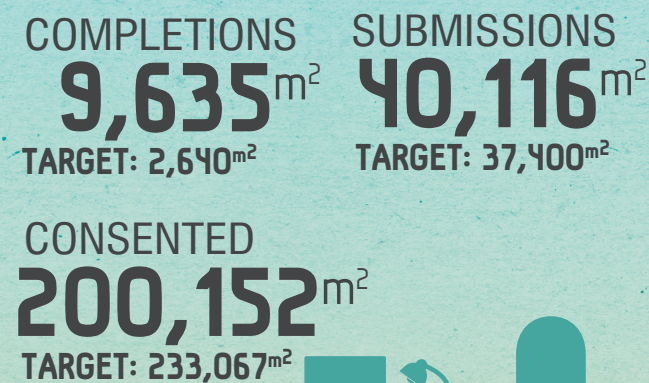


32 SITES CURRENTLY UNDER CONSTRUCTION

PUBLIC AND PRIVATE
SECTOR INVESTMENT

Combined total
£44.9m

COMMERCIAL FLOOR SPACE



NOTABLE PROGRESS:

Moss Side Test Track – Planning application has been submitted, included within, which is a range of commercial land use.

Farington Hall Estate – Disposal process on-going and site activity anticipated in 2019 ahead of City Deal targets.

South Rings Business Units – Completion of hybrid business units ahead of scheduled City Deal targets with strong sales/lettings. Further units currently under construction.

Samlesbury Enterprise Zone – Academy for Knowledge & Skills (ASK) and Defence Logistics Facility built out. Spine Road linking to A59 to A677 complete and due to open imminently. Ongoing enquiry handling and next phase site delivery strategy under preparation.

Preston East Employment Sites – Ongoing build out of small industrial units and car retail showrooms at 'Vision' at Red Scar and other Preston East sites (eg. Sector D site). Preparation for marketing and disposal of Homes England 'Expansion Land' to begin next year.

UCLan Campus – Engineering Innovation Centre on site and due for completion January 2019. Preparation being made for start on site of Student Centre in 2019/20.

Horrockses (Queen's Retail Park) – Ongoing build out with new food & beverage units and refurbished retail warehouse. Planning application has been consented for additional retail units.

Guild Hall Theatre – New leisure destination completed (LeVel).

Prince's Central Building – Business case being developed for new Health Hub.

New Market Hall – completed

Eastway – planning consent obtained for 5,596sq m warehouse and health care centre.



INFRASTRUCTURE UPDATE

Preston Western Distributor – Outline business case submitted and approved, CPO confirmed.

Penwortham Bypass – work started on this scheme in December 2017 and is progressing as planned

Bamber Bridge Improvements – construction well underway

Fishergate Central Gateway Phase 3 – work well underway.

COMPLETED SCHEMES

Broughton Bypass – the bypass was completed and opened in October 2017.

South Ribble Campus Strategy – work completed in 2017

Preston Bus Station and Car Park Improvements – work completed summer 2018

Pope Lane Roundabout – work on the new junction was completed in 2017.

GENERAL ACTIVITY

Work on the city deal review commenced in April 2018. A full review of the City Deal housing-sites commenced in March 2018. Invest Central Lancashire Prospectus launched February 2018

CITY
DEAL
SO FAR

Commercial floorspace
55,592m²

Houses
3,702

Jobs **13,159**

JOBS

224

JOBS associated with commercial floorspace completions

517

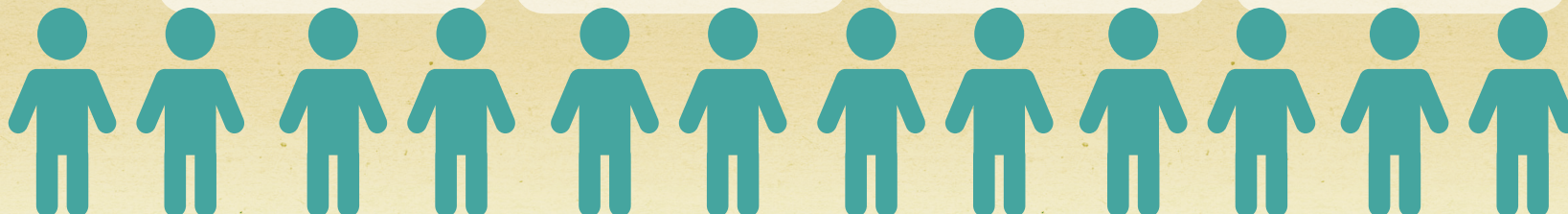
JOBS associated with infrastructure projects

809

JOBS associated with employment at existing commercial premises

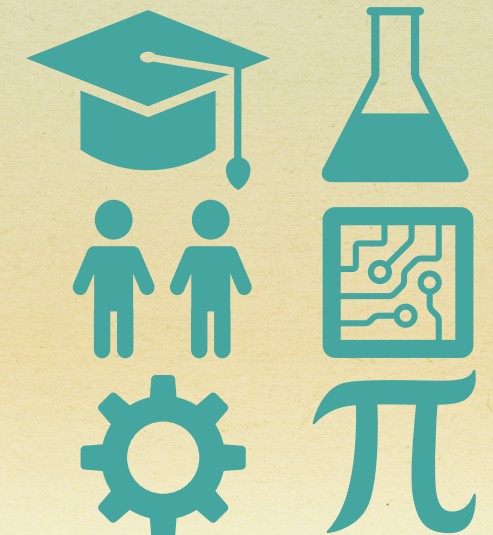
120

JOBS created through business support activities



SKILLS AND EMPLOYMENT

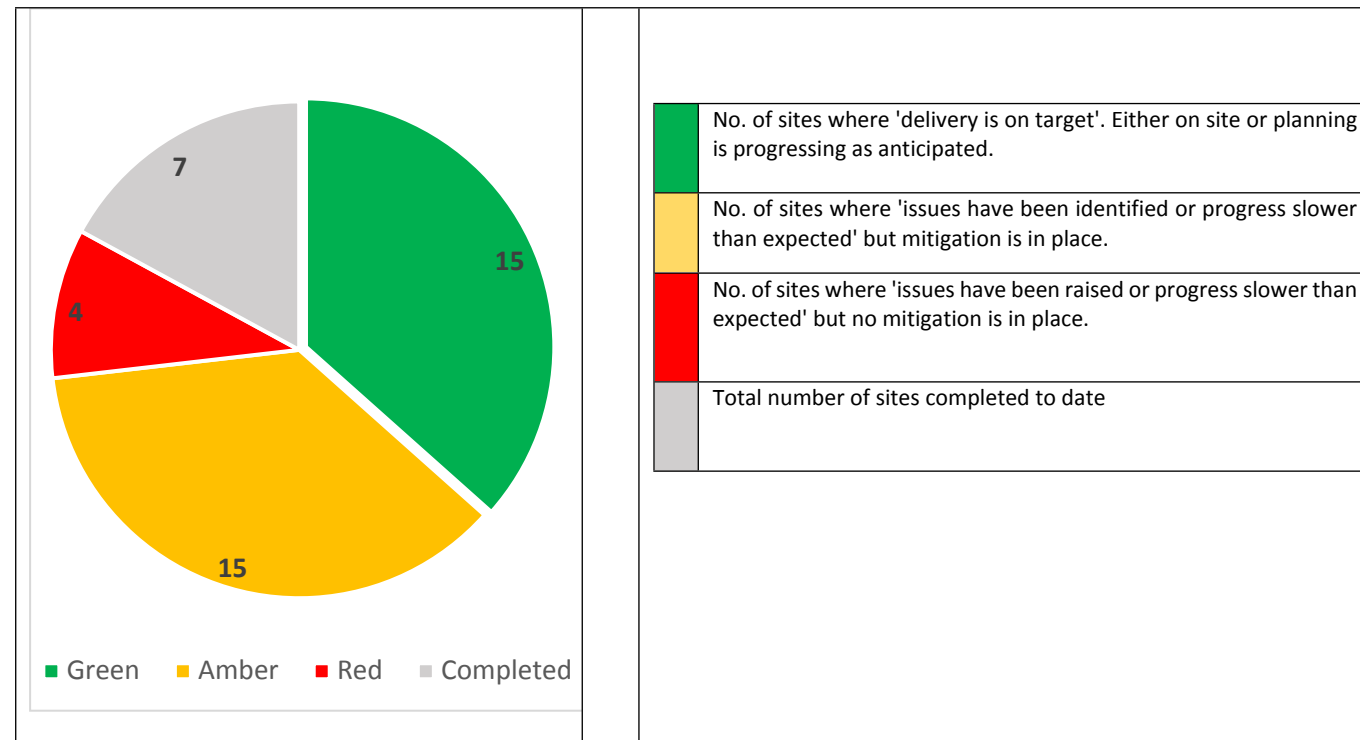
The City Deal 'Bridge the Gap' activity has been developed and rolled out in schools with STEM (Science Technology Engineering and Maths) Ambassadors. Feedback has been very positive with **97% of pupils indicating that they know more about STEM career pathways as a result of the activity and 85% more about City Deal.**



City Deal employment site performance summary: April 2017 – March 2018

Appendix 2

Fig. 1 – Employment delivery progress up to March 2018



Commercial floorspace (sq m) completed between 1 April – 30 March 2018:
9,635 sq m against a target of 2,640 sq m.

Fig 2 - Summary of employment sites progressing well

Details	RAG
South Ribble	
Moss Side Test Track – Planning application has been submitted, included within which is a range of commercial land use.	
Farington Hall Estate – Disposal process on-going to developer and site activity anticipated in 2019 ahead of City Deal targets.	
South Rings Business Units – Completion of hybrid business units ahead of scheduled City Deal targets with strong sales/lettings. Further units currently under construction.	
Samlesbury Enterprise Zone – Academy for Knowledge & Skills (ASK) and Defence Logistics Facility built out. Spine Road linking to A59 to A677 complete and due to open imminently. Ongoing enquiry handling and next phase site delivery strategy under preparation.	
Preston	
Preston East Employment Sites – Ongoing build out of small industrial units and car retail showrooms at 'Vision' at Red Scar and other Preston East sites (eg. Sector D site). Preparation for marketing and disposal of Homes England 'Expansion Land' to begin next year.	
UCLan campus – Engineering Innovation Centre on site and due for completion January 2019. Preparation being made for start on site of Student Centre in 2019/20.	
Horrockses (Queen's Retail Park) – Ongoing build out with new food & beverage units and refurbished retail warehouse. Planning application has been consented for additional retail units.	
Guild Hall Theatre – New leisure destination completed (LeVel).	
Prince's Central Building – Business case being developed for new Health Hub.	

Fig 3 - Summary of employment site identified as amber or red (issues and responses)

Site details and issues identified that could affect delivery
Preston
Eastway (warehouse) - Housebuilder focus has been on other sites. Occupier interest and reserved matters represents good recent progress. Homes England progressing matters.
Eastway (health care centre) - Housebuilder focus has been on other sites. Occupier interest and reserved matters represents good recent progress. Homes England progressing matters.
Cottam Hall (retail units) - Retail/Commercial element not likely to come forward due to viability issues. May come forward for community use. Site progress being monitored via DSDG.
Bluebell Way – Disposal process re-started due to strong developer interest. Timeframes agreed and longstop date in place for disposal. Other sites in Preston East being built out in the meantime.
Preston East (expansion land) – Homes England resource issues led to a delay in progressing the sales and marketing plan. New milestones agreed. No delays expected in site coming forward.
Preston CBD (office) – Cost/value challenges remain in office market. Potential anchor tenant engagement ongoing. Site is a key element in City Deal marketing activity to raise occupier interest.
Preston Cinema scheme – Revised timescales reflect a completed site in 2020/21. Project development activity continues. Site is a key element in City Deal marketing activity.
Cottam Hall (supermarket) – Retail/Commercial element not likely to come forward due to viability issues. Site progress being monitored by DSDG in respect of housing element.
Cottam Hall (retail units) – Retail/Commercial element not likely to come forward due to viability issues. Site progress being monitored by DSDG in respect of housing element.
Whittingham Hospital (retail units) - Retail/Commercial element not likely to come forward due to viability issues. Site progress being monitored by DSDG in respect of housing element.
Winckley Square (College House) – Lack of landlord interest in developing the site despite attempts to engage. The property remains an underutilised asset in a regenerated Winckley Square.
South Ribble
Cop Lane (supermarket) – Challenging retail climate led Tesco to pull out of the scheme. Disposal process underway (to be concluded over the summer). Early indications of strong market interest.
Pickerings Farm (local centre) – Planning submission expected Q3 2018/19. Site progress monitored by DSDG/Pickerings Farm Steering Group
Cuerden – IKEA withdrawing from site has affected progress. Future development options being explored.
South Rings (retail warehouses) – Whilst planning permission has been secured the challenging retail climate has resulted in no further developments. The site is not expected to come forward in the short-term.

The Development Sites Delivery Group (DSDG) continue to monitor risks that are significant to City Deal and work with partners and developers to formulate appropriate

Appendix 3 - City Deal employment and Skills Case studies

PRESTON'S COLLEGE

Construct at Preston

Preston's College hosted the Construct at Preston event in March 2018. At the event pupils from six high schools were able to try tasks in different trade disciplines in the construction industry.

The schools competed in a number of interactive challenges that linked to different trades in the construction industry and provided pupils the opportunity to learn about different trades and careers within the construction industry. The challenges acted as a tool to introduce young people to the industry by teaching them various tricks of the trades through a practical, hands-on experience.

Corpus Christi's Year 10 team won the competition with Ashton Community Science College second and Longridge High School third.

Mark Taylor, head of school for Construction & the Built Environment at Preston's College, concluded: "The event was aimed at introducing young people into the construction industry by providing experience of various professional and trade pathways available."

The Central Lancashire Construction Hub coordinated the event in partnership with the Lancashire Enterprise Partnership (LEP) and the three local authorities of central Lancashire.



Apprenticeships

Professionals and Trainees

Stephanie Shone

Graduate Planner – Planning and Environment Service



Before I joined the Professional Apprenticeship and Trainee Programme I acquired a Bachelors degree in Geography and a Masters in Environment, Culture and Society, both from Lancaster University.

I applied for this post because I have always had an interest in sustainable development, the maintenance of countryside and green space, and the impact this can have on communities and their wellbeing. It was important to me that my future career incorporated the need to preserve the countryside for future generations, whilst balancing the need to develop economically and socially.

"The practical experience allows you to assist in the social, economic and physical development of the community whilst providing a valuable insight in to local authority work."

I am currently working as part of the City Deal Delivery Team. This involves assisting with the planning processes concerning the implementation of numerous multi-million pound infrastructural projects in the South Ribble area. I can gain experience with many aspects involved in the formation of planning strategies, as well as their approval and implementation. I hope this will provide me with hands on, practical experience that will be beneficial in my future career progression.

I am undertaking a Masters of Civic Design in Town and Regional Planning. This is a brilliant opportunity and with the RTPI accreditation becoming increasingly recognised by employers, this will prove indispensable in future career progression in the planning industry.

www.lancashire.gov.uk

Lancashire
County
Council



APPENDIX 4 - CITY DEAL STRATEGIC RISK REGISTER

VERSION.	1	Date	25.7.18
Produced By	Sarah Parry City Deal Programme Manager	Reported to	E&SB August 2018

RISK TITLE&TYPE	Risk Description	Mitigations/Controls	REVIEW COMMENTS/UPDATES
COST ESTIMATION RISK	The risk that the cost estimates set out in the City Deal (CD) may be inaccurate.	<p>(i) Estimates of individual schemes and budget allocations in the BaDP are now subject to annual review.</p> <p>(i) At the outset of the development stage, an optimism bias factor of 44% has been included in the major road schemes, in line with DfT guidelines. This therefore reduces the risk of the cost estimates, and in turn cost outturns, being higher than original budget allocations.</p>	<p>Review by independent cost consultants is now being embedded into working practice on major road schemes.</p> <p>The industry standard/expectation for design costs as a percentage of overall scheme costs, is being used as a benchmark when pricing design work.</p> <p>A review of the budget allocations in the Business and Delivery Plan is underway, to ensure that up to date (high level) scheme estimates are reflected in the financial model.</p>
COST OVERUN RISK (FINANCIAL)	<p>(i) The risk that for infrastructure schemes and public transport corridor schemes, once land acquisition commences/compulsory purchase is concluded, unanticipated factors affecting land and compensation costs lead to an increase against estimates negatively impacting upon the infrastructure delivery fund</p> <p>(ii) The risk that once construction commences, unanticipated abnormal factors and/or changes to design could lead to an increase against tendered prices.</p>	<p>(i) Partners will seek to be indemnified through relevant legal agreements against compensation claims.</p> <p>(ii) This risk will be managed through LCC's robust capital cost control processes to ensure that risks are identified, costed and managed effectively, that contingencies are put in place for unknown factors, and thereafter projects and their associated costs are managed within approved budgets and tendered prices. Any under utilised resources will not be released until all identified cost pressures have been addressed.</p>	<p>(i) Estimates are made and factored into scheme costs in relation to Part 1 land claims.</p> <p>(ii) Going forward, mitigation for unanticipated abnormal factors has been partly accommodated in the above review where new benchmarks will be used for pricing design work.</p>
QUANTITY OF RESOURCE RISK (FINANCIAL, LEGAL, POLITICAL, REGULATORY)	(i) The risk that the level of resources available from the different funding sources may be less than set out in the CD proposal.	(i) This risk is being managed by using prudent estimates of resources available, such as New Homes Bonus, CIL and Business Rates Retention. The financial values of HE land receipts are based on the HE own assessments. Private sector contributions will be collected through robust and legally binding arrangements.	<p>Government policy changes to funding streams remains a residual risk and work is underway through the City Deal Review to analyse and mitigate.</p> <p>Other capital funding sources will be accessed where appropriate, including funding bids for highways schemes.</p>

RISK TITLE&TYPE	Risk Description	Mitigations/Controls	REVIEW COMMENTS/UPDATES
	(ii) The risk that there is a lack of skill and/or capacity to deliver the project, internally amongst the four partners.	(ii) Expert resources are prioritised to the project by each partner.	(ii)The independent Review of City Deal is also considering the level of resources, skills and expertise required to deliver the Programme going forward.
	(iii) The risk that the Neighbourhood Planning regulations in relation to CIL destabilise the project.	(iii) Close collaboration and partnership working with the Parish and Town Councils and Neighbourhood forums are to be established early in the project.	(ii) This has not yet happened in any systematic way and needs attention.
PHASING SHIFTS RISK (FINANCIAL)	(i) The risk that the developments may not come forward in line with the timescales set out in the CD proposal.	(i) This risk has been mitigated through phasing of income in line with the statutory position of timescales when income streams, particularly New Homes Bonus and Business Rates, are payable. Legal agreements to capture private sector contributions will also ensure that private sector contributions are phased in line with the CD Infrastructure Delivery Programme.	An independent review of housing delivery has been carried out early in the CD programme (2016), this is subject to annual review by local planning authorities.
		(i) In addition in recognition of the fact that the cash flow profile for the Infrastructure Delivery Programme is not even, Lancashire County Council will financially stand behind the CD to allow both the baseline cash-flow and some degree of slippage to be effectively managed	A further independent review of housing development sites is currently underway, which will provide an updated forecast of housing delivery and enable the financial model to be re-profiled in line with income projections.
		(i) Close monitoring of both incoming resources and expenditure allows sufficient advance warning of issues for further mitigating action, such as adjustments to programme phasing, to be undertaken without destabilising the overall programme.	A Development Sites Delivery Group (DSDG) has been established to provide oversight of housing delivery and issues emerging that might impact on delivery rates and the financial model.
		(i) Assumptions made in the original delivery model are also continuously tested to give an updated forecast of likely development timescales.	DSDG also consider the implementation of programme and site specific interventions to expedite delivery, as referred to in the above review.
	(ii) The risk that licences and consents from third parties aren't secured.	(ii) Effective forward planning and early engagement with statutory bodies	(ii) Project managers engage with statutory bodies in the early design stages of the projects to minimise this risk.
		(iii) Work is underway to look at opportunities for streamlining the planning process to ensure CD applications can be dealt with efficiently to make sure that delivery and output timescales are met.	(iii) This mitigation has not been actioned other than through a recommendation for the inclusion of a standardised statement to be incorporated in the planning officers report on applications for City Deal sites. DSDG will be tasked with looking at the potential for streamlining processes in the next 12 months.
DELAY IN ROAD PLANNING (POLITICAL, REGULATORY, TECHNICAL)	(i) The risk that road schemes may be subject to both local and national planning processes thereby increasing delivery timescales. (ii) The risk that road schemes may be delayed through local planning processes.	(i) This risk is likely to be wholly mitigated through proposed amendments to the Planning Act which will remove the need for local major schemes, which connect into the Strategic Road Network, to use the Development Control Order Process.	(i), (ii) and (iii) Based on the latest advice, it is unlikely that the major infrastructure schemes in the City Deal programme will go through the Development Control Order process. The focus is therefore on ensuring that the planning application and CPO orders are timely and robust.
		(ii)The road schemes are set out in the Central Lancashire Highways and Transport Masterplan, adopted in March 2013, and in Local Plan Reviews and therefore have already been subject to	

RISK TITLE&TYPE	Risk Description	Mitigations/Controls	REVIEW COMMENTS/UPDATES
	(iii) The risk that road schemes may be delayed due to inability to assemble land (iv) The risk that the scheme may be delayed by Highway Act procedures.	extensive consultation and are material to determining planning applications. (iii) This will be mitigated through early commencement of the compulsory purchase order processes and land acquisitions.	
PLANNING APPROVAL RISKS (REGULATORY, POLITICAL)	(i) Changes to or lack of Planning Framework to support City Deal objectives.	(i) & (ii) The City Deal area is supported by a Central Lancashire Core Strategy (2010-2026) that provides an over-arching development and planning framework, with a Local Plan for each of Preston and South Ribble offering more detailed policy on sites. The Community Infrastructure levy is now in place.	The challenge to a District's five year housing land supply position could risk non City Deal housing sites being progressed over City Deal allocated housing sites.
	(ii) The risk of planning appeals	An up to date Local Plan coverage provides a robust basis to defend challenges and appeals.	The Central Lancashire Local Plan Review which is underway from summer 2018 will roll forward the Core Strategy and will plan for part of the City Deal period.
	(iii) The risk that sites don't get developed because Masterplans are not in place.	Early engagement between local planning authority and applicant/landowner/developer to initiate site masterplanning. Early involvement of infrastructure and service providers into master plan preparation. Incorporation of site masterplans into supplementary planning documents where applicable/necessary.	(iii) North West Preston development sites are covered by a Masterplan approved in February 2014, and introduced as a supplementary planning document in 2017, which provides a comprehensive framework to guide the development process. Under Local Plan policy, site masterplans are to be prepared for a number of large sites.
	(iv) Planning permissions not being consented and/or progressed through the planning system sufficiently quickly	(iv) Planning consents are already in place for over half of the target number of housing units. (iv) Milestones are in place for all housing and commercial sites in order to help monitor progress through the planning system and resolve any planning related matters.	Consultation on the Altcar Lane masterplan has been completed, two outline applications were subsequently approved for a total of 600 dwellings and a Reserved Matters application on part of the site for 232 dwellings has been submitted. A masterplan for Moss Side Test Track has been published and a planning submitted.
	(v) Lack of Planning officer Capacity	£200k has been granted from Homes England to provide additional capacity. Some of that funding will be used to create a shared post between Preston and South Ribble which will focus on finding solutions to blockages to ensure sites come forward swiftly. Furthermore the Government is due to increase Planning Fees by 20% in July 2017. This will be invested in the development management services.	Masterplanning exercises are underway for Pickering's Farm and Whittingham Hospital. A masterplan has been prepared and development is being brought forward at the Croston Road/Heatherleigh site. The Development Sites Delivery Group has a focus on identifying issues in the development process and identifying solutions in order to progress all large housing sites. An issues log is now in place for all key sites with responses and actions being formulated. Effective project management of site delivery is being overseen by large site Steering Groups, for example

RISK TITLE&TYPE	Risk Description	Mitigations/Controls	REVIEW COMMENTS/UPDATES
			<p>Pickerings Farm. Project progress is reported to DSDG.</p> <p>Housing Zone status has also been established for sites in Preston City Centre that cover c750 units, and will enable progress.</p> <p>A Stoneygate Masterplan is also being developed and which will support site development and delivery in this city centre area.</p> <p>Capacity funding has been used to appoint consultants to undertake an in depth review of housing performance and provide an updated forecast going forward.</p> <p>Further consideration needs to be given to ensure that the most value is gained from the capacity funding and DSDG will be looking at this.</p>
	(vi) The risk of failure to provide sufficient and appropriate infrastructure	(vi) A North West Preston Infrastructure Group has been established with the major house builders and land-owners to co-ordinate development and resolve land equalization matters.	
HOMES ENGLAND SITE DELIVERY	The risk that the Homes England sites are not delivered in line with the Homes England Business & Disposal Plan.	Homes England has undertaken a detailed in-house resource capacity review and have streamlined their site disposal processes. Homes England are continuing to work with agents to ensure the dynamics of the local housing market are factored into disposal activity.	<p>City Deal Investor and Developer Forums held to ensure house developers and other investors are aware of City Deal site disposal opportunities.</p> <p>A programme of investor Awareness activity is programmed as part of the City Deal Marketing & Communications Strategy.</p>
		Direct commissioning will also be considered in order to maximise delivery on the sites.	
		Homes England sites are being de-risked via a package of measures eg. title due diligence, securing planning, full engagement with agents and legal team in all land transactions. Regular soft market testing is carried out to understand market trends ie. the current position and future forecasts, and respond accordingly.	
Housing and commercial construction and skills capacity	The risk that construction skills are not sufficient to match the requirements of individual/overall scheme targets.	A LEP Skills Hub has been established in order to understand skills and employment priorities, and introduce interventions to support industry to recruit and retain a skilled and productive workforce. The City Deal Skills and Employment Group will take City Deal-specific elements forward.	<p>A Skills Action Plan has been produced that details 9 areas of activity to support the broad skills aims. Metrics have been developed to establish targets and monitor programme effectiveness.</p> <p>A Construction Hub has also been established with one of its aims to build capacity within the local construction sector, including technical development.</p> <p>Ongoing funding opportunities are being explored to further develop and enhance the current offer, including the recent Construction Skills Fund.</p>

RISK TITLE&TYPE	Risk Description	Mitigations/Controls	REVIEW COMMENTS/UPDATES
COMMERCIAL DELIVERY RISK (POLITICAL, FINANCIAL)	(i) The risk that the private sector may not come forward with investment proposals for housing and employment sites.	(i), (ii) & (iii) These risks have been mitigated, in part, through the proven private sector confidence and investment appetite in the CD area. Preston and South Ribble Councils will work towards the adoption of their respective LDF's to secure the allocation of the City Deal sites. This will provide a strong policy position against which to resist unallocated sites coming forward.	<p>The Council's are currently preparing for a Local Plan Review which will identify development land over the longer term and present potential opportunities for City Deal.</p> <p>Developer interest remains high, with high delivery rates in parts of the City Deal area. The risk of saturation is a concern and the DSDG will be monitoring the phasing of delivery going forward to mitigate this risk.</p> <p>A number of sites outside of the agreed list of sites have and continue to come forward. Some of those have been captured towards the additional housing requirement set out in the Deal, but the partnership is currently looking at the financial impact of sites that are not being captured in this way.</p> <p>There is ongoing agent feedback, via project updates, to understand where market failure exists. This is most evident for commercial sites in some retail/leisure markets where viability issues remain. The market is responding by altering land use to reflect market demand ie including additional residential elements on smaller mixed-use sites, whilst the public sector is able in some cases to support sites in securing/developing business cases for anchor tenants.</p> <p>There are signs of market recovery in that there is speculative build at Red Scar and South Rings, whilst other sites are coming forward ahead of anticipated start date, and there are some notable city centre retail and leisure developments. Demand for employment land is highest for freehold sites and smaller industrial units. The focus for larger footprint units is on a Design and Build basis for strategic re-locations.</p> <p>A number of high profile events to promote the Invest Central Lancashire proposition have been delivered in partnership with Place North West, with a follow-up being proposed in 2018/19.</p> <p>The City Deal offer has also been promoted as part of the Lancashire Enterprise Partnership's presence at MIPIM</p>
	(ii) The risk that landowners may not sell due to market viability issues.	As above.	
	(iii) The risk that sites outside the agreed list of City Deal development sites come forward and undermine the City Deal Programme.	As above.	
	(iv) Planning support	Enterprise Zone is covered by a Local Development Order, and a number of Prior Notice for Developments have been completed to allow construction on the ASK Training facility and Defence Logistics facility. Cuerden employment site has an approved Masterplan and planning consent, and SRBC's Site Allocations Plan was also approved in July 2015. Other strategic sites are developing masterplans including Pickerings Farm and Moss Side Test Track, in addition to the one already secured at NW Preston. Stoneygate Masterplan is also being prepared to support development and delivery in the city centre.	
	(v) Low commercial values.	As speculative build remains relatively low, stock continues to be reduced which is supportive of the recovery of rental values with an anticipated increase in demand. A City Deal Marketing & Communications Strategy, co-ordinated with LEP-wide strategic marketing activity, is supporting the increase in investor, developer and occupier demand, whilst market adjustment is occurring where some retail plots on smaller mixed-use sites are being considered for housing. Consultant support is also being provided to aid landlord negotiations and moderate site aspirations in order to encourage quicker delivery.	
	(vi) Supply phasing.	<p>Partner working groups, partnerships and alliances have been formed to share market intelligence and support the phasing of development activity to help co-ordinate sustainable development, particularly on the major employment sites.</p> <p>An outline development study has been produced with commercial land owners at Preston North East with the purpose of</p>	

RISK TITLE&TYPE	Risk Description	Mitigations/Controls	REVIEW COMMENTS/UPDATES
		<p>understanding constraints, aligning developer interests and identifying potential land uses to support incremental development.</p> <p>An understanding of the hierarchy of development sites exists with public sector land holding to help co-ordinate the handling of enquiries and control the supply of land on the market.</p>	<p>London and MIPIM Cannes.</p> <p>It should be noted that ultimately, commercial delivery will be influenced by national and international economic conditions, however a targeted Comms Strategy will be implemented cognizant of the current market position, scheme priorities and the City Deal housing review.</p>
	Investor awareness.	A City Deal Communications Strategy is being implemented to raise the profile of the City Deal area, and its impact on the Lancashire economy, on a local, regional and national level.	
Commercial Delivery Risk (Developers)	<p>VARIOUS DELIVERY RISKS IDENTIFIED BY HOUSEBUILDERS</p> <p>Developers can no longer benefit from pre-CIL permissions so all developments are liable to CIL.</p> <p>Site specific issues on key strategic sites</p> <p>Extensive range of sites available in the wider Central Lancashire market area which is allowing developers to be selective in the phasing of their developments</p> <p>Developers desire to regulate the flow of new housing so as not to saturate the market</p> <p>Uncertainty over the Government CIL review, housing white paper and delivery of Affordable Housing</p> <p>On-going uncertainty as to the economic effect of Brexit.</p> <p>Availability of materials and significant skills/labour shortages</p> <p>In some cases sites already under construction are reaching the less marketable areas of the site and therefore completions are slower</p>	<p>Feedback from housebuilders across the City deal area has identified a variety of potential delivery risks. It is proposed that DSDG will further evaluate and formulate appropriate responses (MITIGATIONS) to these risks as appropriate.</p>	<p>An independent review of housing delivery has been carried out early in the CD programme (2016), this is subject to annual review by local planning authorities.</p> <p>A further independent review of housing development sites is currently underway, which as well as identifying current risks and opportunities, will provide an updated forecast of housing delivery and enable the financial model to be re-profiled in line with income projections.</p> <p>This will recommend a series of programme and project-specific interventions to expedite site delivery.</p>
CONSULTATION & MARKETING RISK	(i) The risk that the project is not communicated adequately to all stakeholders.	(i) & (ii) Early communication and establishment of working forums with key stakeholder groups, supported by a robust marketing and communications plan put in place for each project.	A Comms Strategy will continue to be delivered and will respond to the market demand/market failure, business Plan priorities and sites requiring strategic support as identified in the current City Deal review.

RISK TITLE&TYPE	Risk Description	Mitigations/Controls	REVIEW COMMENTS/UPDATES
	(ii) The risk that the potential of City Deal is not marketed sufficiently to attract people to live and work in the area.		The Comms Strategy should also link to the broader Lancashire proposition marketing activity being delivered by the LEP/Marketing Lancashire.
	(iii) The reputational risk to all partner authorities if the Deal fails to deliver the intentions and aspirations set out in the Agreement.	iii) Robust partnership working in place supported by strong governance arrangements and an effective marketing and communications plan.	The current marketing and communications strategy will be reviewed in 2018/19 to ensure that it aligns with the LEP's wider investment proposition and marketing strategy.
		(vi) A strong focus is on promoting central Lancashire regionally and nationally, to attract inward investment and appeal to a business audience.	
SOCIAL VAUE RISK (REPUTATIONAL, POLITICAL)	The risk that Social Value may not be realized.	The implementation of Employment & Skills Plans in line with the planning, economic and social value priorities will help to reduce this risk.	City Deal Employment and Skills co-ordinator post, currently being appointed to that will drive forward the employment and skills plans.
New Homes Bonus CIL/NNDR Policy Change Risk (POLITICAL, FINANCIAL)	The risk that Government may change its policy regarding the New Homes Bonus/CIL/NNDR thereby reducing the resources available to deliver the CD Delivery Infrastructure Programme.	The City Deal agreement contains a provision that allows the parties to review the Deal with Government in the event of national policy changes that have a direct financial impact on the Deal.	A piece of work has been done to identify the impact of proposed changes in national policy on the City Deal. A City Deal Review is underway which will identify options for mitigating the impact which may include Government, the LEP and CD local authorities. Potential impact of Starter Homes and Direct Commissioning also being factored into negotiations with Government as part of the Review.
Political Administration Change Risk (POLITICAL)	(i) The risk that local political administration changes may impact upon the CD proposals.	(i) & (ii) This risk has been mitigated by the respective Cabinets for each of the 3 CD local authorities endorsing the CD. City Deal governance arrangements provide the mechanism for managing this.	Senior personnel changes have happened in the last two years and work is underway to bring new senior leaders and CEO's up to date through the City Deal Review work.
	(ii) The risk of being unable to secure partner agreement and co-operation throughout the life of the CD programme.	As above	



CITY DEAL

Preston, South Ribble & Lancashire

CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD

Private and Confidential: No

ITEM FOR INFORMATION / NOTING IN ADVANCE OF THE CITY DEAL MEETING SCHEDULED FOR 16TH AUGUST 2018

2018/19 Quarter 1 Finance Update

(Appendix A refers)

Report Author: Joanne Ainsworth, Finance Advisor, Lancashire County Council,
01772 532358, email joanne.ainsworth@lancashire.gov.uk

Executive Summary

This report provides an update on the City Deal Infrastructure Delivery fund during Quarter 1; April to June 2018 and sets out the latest position going forward.

The current position of the Infrastructure Delivery Fund is a **deficit position of £73.098m** awaiting resolution of the mitigation for increased budgetary support to North West Preston Roads Programme which requires £75.150m budget pressure to be addressed.

Key Risks to the model.

- Agreement to fund North West Preston Roads programme has created a pressure in the model of **£75.150m** which will require mitigation by agreement of the partners, work is ongoing as part of the wider review.
- Budget pressures around the A582 dualling are emerging which are not yet included in the model due to the level of uncertainty of scheme and final costs.
- Other developer contributions of £16.863m still need to be secured with a further circa £15m currently secured being at risk following the need for revision to planning application on the Whittingham Hospital site.
- Developer contributions will fall due outside the 15 year run on period if sites currently forecast to start as one site are phased.
- The total risk of reductions to income are therefore **circa £41m**.

Recommendation

The City Deal Executive and Stewardship Board is asked to:

- (i) Note the Quarter 1 Finance Update
- (ii) Note the key risks and issues going forward and consider mitigation needed to ensure the model remains balanced over the lifetime.



Background and Advice

1. YEAR 5, QUARTER 1 FINANCE MONITORING REPORT (attached)

1.1 Background

- 1.2 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 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 an understanding and commitment of the partners to keep the model balanced.

- 1.3 It is recognised that the model is dynamic and that changes to the income and expenditure in the model will occur over time. This is sustainable subject to maximum agreed cumulative cash flow limit of £107m being in place and not being breached.

1.4 Key risks to the model

Resources

- 1.5 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 and the availability of Business Rates retention being available to local partners to pay into the model.
- 1.6 The total of developer contributions in the current model is £110.452m after building in increased rates and the modelling of those sites / units which will attract Community Infrastructure Levy and other contributions and allowance for the deductions for parish council deductions and local admin fees. Following latest housing return figures, £19.217m (net) 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 the county council will have to cash flow the City Deal over and the resulting finance charges incurred. Within this assumption is the current start date for each site which triggers the full Community Infrastructure Levy payment for the site within 2 years. Some sites are not currently profiled to be delivered in phases which is unrealistic given the large number of units



CITY DEAL

Preston, South Ribble & Lancashire

on these sites and as such there is a risk that phasing will increase the amount of Community Infrastructure Levy payable in the run on period and increasing the cash flow risk within the model.

- 1.7 While there is more certainty with regard to the Community Infrastructure Levy element of developer contributions, within this total figure of £110.452m there is also £51.366m which relates to “other developer contributions”, previously referred to as Community Infrastructure Levy Plus, and which includes monies payable through, for example, section 106/ 278 agreements. It should be noted that to date £34.503m of these have already been secured under agreements leaving an amount of £16.863 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 section 106 / section 278 monies and the linking to delivery of schemes is addressed below and is the subject of ongoing work. There is also the risk that a renegotiation of a planning application for a key site (Whittingham Hospital) which is reporting a secured section 106 agreement will not realise as much income to the model once the new application is prepared. Information is outstanding to fully understand the effect on the model of the suggested new application but the impact is believed to be circa £15m of the already agreed section 106 that would be at risk.

- 1.8 There are also changes to government policies proposed relating to Community Infrastructure Levy, New Homes Bonus 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 New Homes Bonus changes have been confirmed. In short the changes are from 2018/19 for New Homes Bonus 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 New Homes Bonus reduction, the model would continue to be adversely impacted.

Expenditure

- 1.9 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.

The Executive and Stewardship Board has agreed to fund the delivery of the North West Preston Roads Programme including Preston Western Distributor. Whilst the agreement to fund was made, the compensating changes to the model to ensure income and expenditure remain aligned was deferred to form part of the 5 year review process due to complete summer 2018. The current Infrastructure Delivery Fund position reflects the revised Preston Western Distributor cost estimates and uses a balancing mitigating adjustments line of



CITY DEAL

Preston, South Ribble & Lancashire

£75.150m to ensure the model remains balanced and within the maximum allowed cash flow position whilst awaiting the outcome of the 5 year review. This funding position will need to be addressed by the time the North West Preston Roads Programme need full business case approval in 2018/19.

1.10 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.

1.11 It should be noted that the expenditure lines are indicative budgets 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. There is no guarantee that all allocations can be fulfilled if the income to the model is not forthcoming or if other schemes have a greater priority.

1.12 Position of the model as at 30th June 2018

1.13 The monitoring table in year for Quarter 1 2018/19 is appended to this report.

1.14 The model is currently showing a projected deficit over the City Deal period of £73.098m this requires the mitigation for North West Preston Roads Programme of £75.150 to be implemented as without this the Infrastructure Delivery Fund is outside of the agreed cash flow funding limits.

1.15 There are no changes to the overall model forecast this quarter.

1.16 There is a currently an agreement to fund North West Preston Roads Programme which if unmitigated represents a risk that the model breaches the maximum allowed cash flow and / or the model forecasts a deficit position. This risk will need to be mitigated by measures agreed by the executive and a line for mitigation measures required is included in the model.

1.18 Key issues as at 30th June 2018

1.19 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 section 106 payments.

1.20 The partners 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, and to identify additional housing sites within the area. 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.



CITY DEAL

Preston, South Ribble & Lancashire

- 1.21 There are currently two reviews underway – the first a review of housing sites by HIVE will inform future housing profiles and will impact on the model in terms of income and timing as well as phasing of key large sites. These will potentially reduce the level of income or increase the timescale income is received over – both will impact on the financial risk within the model.
- 1.22 The main 5 year City Deal review being carried out by SDG is underway with emerging findings relating to technical improvements in the working of the model itself and the need for partners to consider new income approaches, while managing and prioritising current and future expenditure, to ensure the sustainability and resilience of the underpinning financial model.

List of Background Papers

Paper	Date	Contact/Tel
-------	------	-------------

None

Reason for inclusion in Part II, if appropriate

N/A

Appendix A

In year Monitoring Report Quarter 1 2018/19

		<u>2018/19</u>	<u>Qtr 1</u>	<u>Qtr 2</u>	<u>Qtr 3</u>	<u>Qtr 4</u>	<u>Total</u>	<u>% of budget to date</u>	<u>2018/19</u>
		<u>Budget</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>		<u>Forecast</u>
<u>Resources</u>		£m	£m	£m	£m	£m	£m		£m
LCC		£ 10.511					£ -	0%	£ 10.511
Central Govt		£ 23.804	£ 2.488				£ 2.488	10%	£ 23.804
Developer Contributions (net)		£ 12.105	£ 0.011				£ 0.011	0%	£ 12.105
PCC		£ 3.491					£ -	0%	£ 3.491
SRBC		£ 3.799	£ 0.729				£ 0.729	19%	£ 3.799
all partners		£ 0.056					£ -	0%	£ 0.056
		£ 53.765	£ 3.228	£ -	£ -	£ -	£ 3.228	6%	£ 53.765
		<u>2018/19</u>	<u>Qtr 1</u>	<u>Qtr 2</u>	<u>Qtr 3</u>	<u>Qtr 4</u>	<u>Total</u>	<u>% of budget to date</u>	<u>2018/19</u>
		<u>Budget</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>		<u>Forecast</u>
<u>Expenditure</u>		£m	£m	£m	£m	£m	£m		£m
North West Preston									
NW Preston Green Infrastructure		£ 1.239	£ 0.037				£ 0.037	3%	£ 1.239
Further Community Infrastructure		£ 0.857					£ -	0%	£ 0.857
Market Quarter		£ 0.002	£ 0.010				£ 0.010	520%	£ 0.002
East-West Spine Road		£ 0.500	£ 0.034				£ 0.034	7%	£ 0.500
Preston Western Distributor M55 to A583, M55 Junction 2 & Land Assembly		£ 1.905	£ 1.080				£ 1.080	57%	£ 1.905
Quaker Lodge commission		£ -					£ -	#DIV/0!	£ -
Cottam Parkway		£ -	£ 0.000				£ 0.000	#DIV/0!	£ -
Whittingham / Broughton / Preston East									
A6 Broughton Congestion Reduction		£ 5.880	£ 0.242				£ 0.242	4%	£ 5.880
M55 Junction 1 Roundabout		£ -					£ -	#DIV/0!	£ -
M6 Junction 32		£ -					£ -	#DIV/0!	£ -
Preston City Centre									
Preston Bus Station		£ 7.854	£ 0.722				£ 0.722	9%	£ 7.854
Fishergate Central Gateway		£ 2.389	£ 0.731				£ 0.731	31%	£ 2.389
South Ribble									
Pickerings Farm Link Road		£ 4.448					£ -	0%	£ 4.448
Moss Side Test Track Road Infrastructure		£ 2.050					£ -	0%	£ 2.050
Land Between Heatherleigh and Moss Lane Spine Road		£ -					£ -		£ -
Cuerden Strategic Site Road Infrastructure		£ 4.848					£ -	0%	£ 4.848
Community/ Green Infrastructure		£ 1.271	£ 0.006				£ 0.006	0%	£ 1.271
A582 South Ribble Western Distributor/ B2523 Flensburg Way		£ 1.000	£ 0.069				£ 0.069	7%	£ 1.000
Completion Penwortham Bypass		£ 7.500	£ 1.959				£ 1.959	26%	£ 7.500
New Ribble Bridge - Preliminary Works & Route Protection		£ 1.659	£ 0.001				£ 0.001	0%	£ 1.659
South Ribble Other		£ -					£ -		£ -
Education Infrastructure - Preston		£ 1.420					£ -	0%	£ 1.420
Education Infrastructure - South Ribble		£ 2.830					£ -	0%	£ 2.830
Community Provision - Preston CC		£ 0.803					£ -	0%	£ 0.803
Community Provision - South Ribble BC		£ 0.492					£ -	0%	£ 0.492
Public Transport Corridors & Local Centres- Preston		£ 3.095	£ 0.039				£ 0.039	1%	£ 3.095
Public Transport Corridors & Local Centres- South Ribble		£ 4.894	£ 0.259				£ 0.259	5%	£ 4.894
Masterplan costs		£ 0.025					£ -	0%	£ 0.025
CL Transport Modelling costs		£ 0.030					£ -	0%	£ 0.030
Revenue costs to be included in City Deal		£ 0.006	£ 0.025				£ 0.025	423%	£ 0.006
City Deal funding for programme staff		£ 0.164					£ -	0%	£ 0.164
Communications and Marketing		£ 0.038					£ -	0%	£ 0.038
Construction inflation provision		£ 2.247					£ -	0%	£ 2.247
		£ 59.446	£ 5.212	£ -	£ -	£ -	£ 5.212	9%	£ 59.446



CITY DEAL

Preston, South Ribble & Lancashire

CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD

Private and Confidential: No

ITEM FOR INFORMATION / NOTING IN ADVANCE OF THE CITY DEAL MEETING SCHEDULED FOR 16TH AUGUST 2018

Implementation Update – April – June 2018 (Quarter 1 2018/19)
(Appendices '1' and '2' refer)

Report Author: Sarah Parry, Programme Manager - City Deal, Lancashire County Council, Tel: 01772 530615, sarah.parry@lancashire.gov.uk

Executive Summary

This report provides a progress update on delivering the infrastructure schemes during Quarter 1; April-June 2018 (dashboard attached as Appendix '1') and sets out the latest position going forward (refreshed milestones attached at Appendix '2').

The report confirms that to date, overall good progress is being maintained on the large schemes such as Penwortham Bypass, Preston Western Distributor and Broughton Corridor Improvements. The smaller schemes in the programme, have to some extent, experienced difficulties due to resourcing issues, in both the County and District authorities and the need to focus on the strategic schemes at this point in the programme.

The implementation issues highlighted later in the report relate mainly to financial risks associated with the Whittingham Hospital site and the A582 Dualling Scheme. Delivery and funding issues associated with the Pickerings Farm site are also captured in the report.

Recommendation

That the City Deal Executive and Stewardship Board note the Quarter 1 Implementation Update for the period April-June 2018 and endorse the proposed infrastructure delivery milestones for 2018-2021.



Background and Advice

1. QUARTER 1 – PROJECT MONITORING REPORT (Apr-Jun 2018)

1.1 Current Position

1.2 A quarter 1 performance dashboard is attached at Appendix '1' and provides "at a glance" information on the delivery of the infrastructure schemes to date. It can be noted from the dashboard that there were only 3 schemes with specific milestones in the period April-June 2018, relating to:-

- Cottam Parkway – Milestone not achieved - Grip 3 business case being prepared by Network Rail, this was not achieved – completion of work now expected in December 2018
- Broughton/Fulwood (North of M55) Corridor – milestone achieved – Contract awarded
- Cycle path along the Lancaster Towpath and Tom Benson Way – milestone not achieved – design not yet complete, due to other schemes in the programme needing to be prioritised.

1.3 The City Deal Executive and Stewardship Board will note that of the 47 infrastructure schemes included in the 3 Year Business and Delivery Plan for 2017-20; 13 are now complete, 9 are in the early design and cost approval stages and so do not yet have delivery milestones confirmed; 11 are progressing as planned (Green); and 14 are behind programme/have encountered issues that could impede on the programme (amber). The majority of schemes highlighted as amber can be attributed to capacity issues, associated with the challenges of delivering multiple smaller projects, whilst also dedicating adequate resources to ensuring that the strategic schemes in the programme continue to be delivered at an accelerated rate. This issue of resourcing and capacity is felt across the partner authorities and is being considered as part of the City Deal Review which is currently underway.

1.4 Some of the more strategic projects have moved forward considerably achieving key milestones in the Programme. These are described in the project update section on the dashboard and include:-

- **Preston Western Distributor and East West Link Road** – The date for the public inquiry is now confirmed for 20th November 2018. Work has commenced on the eastern most section of the east west link road, which will connect to the existing network at Lightfoot Lane. This 200m section will initially serve a development of 200 homes.
- **Broughton/Fulwood Corridor (North of M55)** – contract awarded and work started on site in July 2018.
- **Penwortham Bypass** – on site, progressing well.



2. **DELIVERY MILESTONES – 2018-2021 (Appendix '2')**

As is usual at the end of the year, project managers are asked to review their project plans and update milestones to reflect a more accurate project position against which to monitor against going forward. Ordinarily, these would be captured as part of the annual Business and Delivery Plan update, but due to the need to allow the City Deal and Housing Site Reviews to conclude and present proposals for a refreshed finance model and housing delivery forecast, the Business and Delivery Plan will not be developed until later in the year.

However, in order to effectively manage and monitor the infrastructure programme in the meantime, refreshed delivery milestones have been prepared for the infrastructure schemes and are attached at Appendix '2'. Any shifts in the programme from the previous year are captured as part of this process and are highlighted in the dashboard at Appendix '1'.

3. **UPDATE ON IMPLEMENTATION ISSUES**

3.1 **Current Position**

3.2 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	Value/cost to the Programme	Update/Latest Position
A582 Dualling	To be determined	Funding pressure – further analysis and detailed work to confirm the position being undertaken by officers – Future report to City Deal Executive and Stewardship Board.
Pickerings Farm Link Road Link Road cannot be progressed to designstage until bridge options have been determined and funding issues resolved. Arrangements will need to be in place prior to detailed	1350 Units £5.5m CIL potential	Discussions are ongoing with Network Rail regarding a new bridge over the West Coast Main Line 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. The design for Bee Lane bridge has now been completed which will inform the masterplanning process. Housing Infrastructure Fund bid to support the delivery of the bridge as part of a wider Cross Borough Link road was unsuccessful.



CITY DEAL

Preston, South Ribble & Lancashire

masterplanning being completed.		<p>Negotiations with Taylor Wimpey are nearly complete regarding the collaboration agreement. Homes England have secured approval from the Director of Land to support the terms which involves a future acquisition of land by Homes England from Taylor Wimpey and internal approval has been sought for the Collaboration Agreement.</p> <p>Homes England has instructed consultants on the masterplan and planning application process. The first stage consultation events have commenced (July 2018) with the community. The Masterplan detail/endorsement will then follow and inform the outline planning application.</p> <p>The Steering group meets regularly to ensure timescales are on track.</p>
<p>Whittingham Hospital Site This site requires redesign of future phases in order to deliver the site and deliver additional new homes.</p>	<p>650 Units (+circa 120 further units if application approved) £23m (section 106) £5.4m has been received to date from this site.</p>	<p>The redesign of the scheme will result in the level of section106 contribution being significantly lower than the section106 originally agreed, presenting a risk to the finance model. This is mainly due to high level of investment into the site to date to ensure the site can be delivered.</p> <p>A consultant team has been appointed by Homes England to resolve the planning and technical issues, ensuring future phases can be successfully marketed/disposed.</p> <p>Consultation events on the masterplan/site matters took place in July 2018. This will help guide the formation of an agreed masterplan, the planning application and disposal strategy.</p> <p>Regular meetings between Homes England and Preston City Council take place to ensure this site is on track. Lancashire County Council is seeking more involvement in this working group in order to manage any planning, highway and/or financial risks that arise as a result of the re-planning of the site.</p>



CITY DEAL

Preston, South Ribble & Lancashire

List of Background Papers

Paper

Date

Contact/Tel

None

Reason for inclusion in Part II, if appropriate

N/A

Infrastructure Delivery – Year 5 - Quarter 1 – April – June 2018

This dashboard provides an overview of how the CD Infrastructure Projects have performed during Q1 Apr-June 2018

City Deal infrastructure delivery – Overview of progress against milestones for Quarter 1 – 2018/19

Scheme name	Q1 Apr-June	Project RAG	Stage
City Deal Zone 1: North West Preston			
Preston Western Distributor (PWD)	No milestones		CPO
East West Link Road (EWLR)	No milestones		CPO
Cottam Parkway	Grip3 complete		Business case
Broughton/Fulwood (North of M55)	Contract awarded		Contract awarded
Guild Wheel Upgrade Link – P1 Bluebell Way	No milestones		contract
Guild Wheel Upgrade Link – P2 Watery Lane	No milestones		Design
Lancaster Canal Towpath and Tom Benson Way	Design developed		Design
City Deal Zone 2: North East Preston			
Grimsargh Green	No milestones		Design
City Deal Zone 3: Preston City Centre			
Fishergate Central Gateway – Ph3	No milestones		On site
PWD to Samlesbury – New Hall Lane Local Centre (local centre)	No milestones		On site
City Transport Plan	No milestones		underway
Preston bus station – Youth zone	No milestones		planning
Preston Bus Station – concrete repairs/car park	No milestones		On site
Preston Bus Station – refurb of concourse	No milestones		On site
Preston bus Station – on site highways works	No milestones		On site
Expanded City Cultural Development programme	No milestones		underway
City Deal Zone 4: Penwortham & Lostock hall			
Penwortham bypass	No milestones		On site
A582 south Ribble Western Distributor dualling (SRWD)	No milestones		planning
Pickerings Farm Link Road	No milestones		planning
Hutton/Higher Penwortham/City Centre	No milestones		planning
City Deal Zone 5: Leyland and Cuerden			
Cuerden Strategic Site – road infrastructure	Under review		Under review
Moss Side Test Track – road infrastructure	Awaiting milestones		Planning
City Deal Zone 6: Bamber Bridge			
Bamber Bridge/City Centre	No milestones		On site
None Zone specific			
Corridors and local centres master planning	No milestones		underway
Cycling and walking delivery plan	No milestones		underway

Projects awaiting design and cost approval (not commenced):	Stage
Broughton/Fulwood (South of M55)	masterplanning
North West Preston/Cottam/Ingol/City Centre	masterplanning
Warton to Preston Distributor	masterplanning
Longridge/Grimsargh/Ribbleton/City Centre	masterplanning
PWD to Samlesbury – New Hall Lane Local Centre (corridor)	masterplanning
Stoneygate Masterplan	Awaiting Pid
South of Lostock Lane	masterplanning
North of Lostock Lane	masterplanning
East Cliff Cycle Link and Bridge	Awaiting Pid

Projects completed to date (completed this quarter *)
Fishergate winckley Sq – Ph 1 THI (Cannon Street)
Landmark Features – P3 Leyland Tractor
Fishergate central Gateway – Ph2
Fishergate Winckley Square – P2 Winckley Sq Gardens
East Cliff Cycle Hub
A582 Tank Roundabout
A6 Broughton Bypass
Preston bus Station – off site highways works
Landmark Features – P2 Iron Horse
A582 Pope Lane roundabout
Campus Strategy (formerly leisure dev plan/Central park dev plan)
St Catherine's Park – Phase 2
Ribble Crossing Feasibility Study

Milestone met/scheme is on track = GREEN

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

Milestone not met/risk to programme/delay = RED

Movements in the programme and issues arising since last update–

Cuerden Strategic Site Road Infrastructure – (under review) this scheme is currently under review

Preston City Transport Plan – (12 month delay) the production of this plan is now expected to be completed by December 2018. It was originally intended that this plan would be aligned with other delivery plans and work has taken place to this effect. However the complexities of drawing a number of technical plans together has resulted in the need to proceed with a separate City Transport plan.

Cycling and Walking Delivery plan and Corridors Master Planning – (12 month delay) The task to produce a single delivery plan for these plans remains a requirement - however resourcing issues and other priorities mean that the programme for anticipated outputs has been revised by a year to the end of March 2019 at the earliest.

New Hall Lane Local Centre – (12 month delay) This scheme has progressed well but there remains uncertainty around when the final section of this scheme can be completed. The remaining resurfacing works are expected to be scheduled with other works in the locality, but the extreme hot weather conditions are affecting the programme.

Grimsargh Green – (movement in the programme – 12 month delay) This scheme was originally programmed for completion in March 2018. This has now moved to March 2019 as a result of the scheme being linked closely with work on the parks strategy which is taking longer than expected. In addition there is a need to reach agreement with the parish council on future maintenance.

Guild Wheel Watery Lane – (movement in the programme – 10 month delay) Due to other priorities and spending deadlines, this scheme has been delayed. However, the scheme has been added to Preston City Council's Capital programme following a decision by Cabinet on 20th June 2018 when match funding was also agreed. In the previous programme start on site was anticipated in by June 2018, as a result of the above this has been moved back to March 2019.

Guild Wheel Bluebell Way – (10 month delay) This project has slipped as a consequence of the need to identify additional funding sources in order to deliver a comprehensive scheme for this important Guild Wheel link. The design is now anticipated to be developed by the end of December 2018.

Preston Bus Station – Youth Zone – (movement in the programme – TBD) A tender for an operator to run the facility was unsuccessful with no bids received. LCC cabinet will consider options in August about how to proceed with this project.

Fishergate Phase 3 – (movement in the programme – TBD) This scheme now includes the western apron which adjoins the youth zone area. However there remains uncertainty in the programme as work will be affected by the Youth Zone. There will be more certainty around the programme following the cabinet decision in August.

Broughton/Fulwood corridor (north of M55) – (movement in the programme – 3 month delay overall) There has been a movement in this programme involving a shift in the milestone for start on site which has moved from a forecast of June 2018 to July 2018. This was as a result of delays in the procurement process which took longer than anticipated.

A582 Dualling – Milestones for this scheme remain unchanged from the previous programme and work continues with design leading to a planning application submission by December 2019. Budget pressures are expected on this scheme and officers are currently working to establish latest cost estimates.

Lancaster Canal Towpath and Tom Benson Way – (movement in the programme- 3 month delay) A concept design was expected by June 2018. This has been delayed due to other priorities and resource issues.

Cottam Parkway – (movement in the programme – 6 month delay) The production of the Grip 3 business case is still underway, an options report now anticipated by November 2018 with project to complete by December 2018. This work is being undertaken by Network Rail and was originally expected to complete by June 2018.

Project updates this quarter –

Preston Western Distributor (PWD) and East West Link Road

The public inquiry date for the PWD is now confirmed for 20th November 2018 - negotiations are ongoing with objectors.

Work commenced on the eastern most section of the East West Link Road which will connect to the existing network at Lightfoot Lane. This 200m section will initially serve a development of 200 homes.

Hutton/Higher Penwortham/City Centre corridor – A joint project team of LCC and SRBC officers has been formed to deliver this scheme. A key milestone is the submission of scheme details to planning authority by the end of March 2019.

Bamber Bridge – Town Centre Improvements – this scheme remains on programme with completion scheduled for September 2018. All of the northern section from Browndedge Road is complete with the final stage, completing to the South up to the railway crossing.

Ribble Crossing – feasibility study - this study is now complete – a summary of recommendations and findings is being prepared.

Penwortham Bypass – On site. Work is progressing well and to programme

Expanded Cities cultural Development programme – The second year of this programme of activity has involved artist led community events in various locations including primary schools, cafes and a bus tour. The programme continues throughout 2018/19.

Broughton/Fulwood (corridor north of M55) - The construction contract has now been awarded and the contractor has confirmed a start of site date of 23rd July.

Pickering's Farm Link Road – no milestones this quarter, but planning submission expected by December 2018– no progress update available.

Moss Side Test Track Road Infrastructure – Discussions between the applicant and planning authority regarding several aspects of the planning application (including highways) are underway. The target is for decision in September. DSDG are actively supporting this process to ensure targets are met.

Preston Bus Station – concrete repairs/car park and refurb of concourse and on site highway works (coach station) - excluding the western apron. Completion expected by the end of September 2018.

Appendix 2

City Deal Infrastructure Delivery milestones – July 2018

DLEIVERY MILESTONES - CITY DEAL INFRASTRUCTURE																																					
	Year 2 15/16				Year 3 16/17				Year 4 17/18				Year 5 18/19				Year 6 19/20				Year 7 20/21				Year 8 21/22				Year 9 22/23								
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4									
City Deal Zone: North West Preston																																					
Preston Western Distributor	8				6				7			4,5,9a					9b,11	12	13																		
East West Link Road	8				6				7			4,5,9a					9b,11	12	13																		
Cottam Parkway															5a																						
Broughton/Fulwood (North of M55)									1	2,3	6,7,10	12	13				14																				
Broughton/Fulwood (South of M55)									Milestones to be developed following corridor Masterplanning process																												
NW Preston/Cottam/Ingol/City Centre									Milestones to be developed following corridor Masterplanning process																												
Warton to PWD - corridor									Milestones to be developed following corridor Masterplanning process																												
Guild Wheel Upgrade Link - P1 Bluebell Way											1,2		5,6	7,8	9	10	7,8	9																			
Guild Wheel Upgrade Link - P2 Watery Lane																																					
Lancaster Canal Towpath and Tom Benson Way													1	2		9			10																		
City Deal Zone 2: North East Preston																																					
Longridge/Grimsargh/Ribbleton/City Centre									Milestones to be developed following corridor Masterplanning process																												
Grimsargh Green											6,7,				8	9,10																					
City Deal Zone 3: Preston City Centre																																					
Preston Bus Station - Concrete Repairs & Car Park							13								14																						
Preston Bus Station - Concourse						6	7,13								14																						
Preston Bus Station - On Site Highways Work						6	7,13								14																						
Fishergate Central Gateway - P3												10	12,13								14																
PWD to Samlesbury - Corridor									Milestones to be developed following corridor Masterplanning process																												
PWD to Samlesbury - New Hall Lane Local Centre					13									TBC																							
Preston Bus Station - Youth Zone															9					10																	
East Cliff Cycle Bridge and Link																					tbc																
Expanded City Cultural Development Programme			5,6	7,8	9											10																					
City Transport Plan								1	2	3					4																						
Stoneygate masterplan																																					
City Deal Zone 4: Penwortham & Lostock Hall																																					
Penwortham Bypass			8						7	10,13									14																		
AS82 Dualling		3																6			7 9a		10			9b	12,13										
Pickerings Farm Link Road														6	7	8	10	13			14																
New Ribble Crossing																																					
Hutton/Higher Penwortham/City Centre																3,6	7		10	12,13				14													
North of Lostock Lane									Milestones to be developed following corridor Masterplanning process																												
City Deal Zone 5: Leyland & Cuerden																																					
Moss Side Test Track											7	10,12,13	6	TBC									14														
Cuerden Strategic Site Road Infrastructure																																					
South of Lostock Lane									Milestones to be developed following corridor Masterplanning process																												
City Deal Zone 6: Bamber Bridge																																					
Bamber Bridge - town centre improvements														14																							
City Deal Zone NA: None specific																																					
Cycling & Walking and masterplanning for public transport corridors Delivery Plan									3,4							5																					
Masterplanning for Public Transport Corridors and Local Centres								1	2	3						4																					
Position at 10 July - revised milestones																																					
MILESTONES																																					
Highways and Transport Hubs									Public Transport Corridor/Local Centre									Community Infrastructure (C)					City Transport Plan					City Deal Cycling and Walking Delivery Plan									
1: Concept design complete									1. Concept design complete									1: Design developed and completed					1.Tenders returns received					1. Agree brief									
2: Consultation									2. Consultation									2: Design approved (IDSG)					2. Study commissioned/baseline evidence					2. Consultants work commences									
3: Concept design approved									3. Concept design approved									3: Planning application submitted					3. Issues & Opportunities report/options identification/workshops					3. Complete initial draft									
4: Outline business case submitted									4. Outline business case submitted									4: Planning application determined					4. Final report					4. Consultation									
5: Outline business case approved									5. Outline business case approved									5: Funding/match funding approved					Masterplanning for corridors					5. Adopt final plan									
5a. GRIP 3 Approval									6. Planning application submitted									6: Member Decision										1 Preparation and scoping report									
6: Planning application submitted									7. Planning application determined									7: Contract documents complete					2. Draft masterplanning completed					2. Consultants work commences									
7: Planning application determined									8. Commencement of land and property negotiation									8: contract awarded										3. Consultation and draft masterplans produced									
8: commencement of land and property negotiation									9: CPO/SRO confirmed									9: Start on site					3. Adoption of final plan					4. Consultation									
9: CPO/SRO confirmed									10. Detailed design and contract documents complete (IDSG)									10: site complete										4. Adopt final plan									
9a: CPO made									11. Full business case approved																												
9b: CPO confirmed									12: Construction contract awarded																												
10: Detailed design and contract documents complete (IDSG)									13. Start on site																												
11. Full business case approved									14. Site complete																												
12: construction contract awarded																																					
13. Start on site																																					
14. Site complete																																					

