



CITY DEAL

Preston, South Ribble & Lancashire

Preston, South Ribble and Lancashire City Deal Executive

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

Present

Jim Carter (Chair)

County Councillor Michael Green Councillor P Rankin
Councillor Peter Mullineaux

In Attendance

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

Observers

Councillor Phil Smith, South Ribble Borough Council

1. Welcome and Apologies for Absence

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

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

Ribble Borough Council Chief Executive substitute.

- Malcolm McVicar

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

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

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

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

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

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

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

4. Matters Arising

None

5. Declarations of Interest

None

6. Presentation from Cardinal Newman College regarding College Growth

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

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

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

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

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

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

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

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

Preston

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

South Ribble

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

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

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

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

8. Implementation Update

a. 2016/17 - End of Year Review

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

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

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

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

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

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

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

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

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

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

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

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

c. City Deal Business and Delivery Plan 2017-20

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

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

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

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

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

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

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

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

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

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

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

Resolved: The City Deal Executive and Stewardship Board approved:

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

9. Community Infrastructure Plan

a. Principles of the Community Infrastructure Plan

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

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

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

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

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

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

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

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

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

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

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

Resolved: The City Deal Executive and Stewardship Board approved:

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

b. Park and Ride, Eastway, Preston

It was noted that this item had been withdrawn.

10. Any Other Business

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

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

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

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

11. Date of Next Meeting

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

Part II

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

12. Infrastructure Delivery

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

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

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

b. Broughton Bypass

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

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

13. Chairmans' Report to the Lancashire Enterprise Partnership Board

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