



CITY DEAL

Preston, South Ribble & Lancashire

CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD

Private and Confidential: No

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Business and Delivery plan – Six Monthly Monitoring Report – 2017/18 and Implementation Update

(Appendices 1, 2, 3, 4 refer)

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Executive Summary

This report provides the City Deal Executive and Stewardship Board (CD E&SB) with an overview of how the Programme has performed during and up to 30 September 2017. 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 used to report to Government on progress towards agreed targets and notes progress up to September 2017 only with the exception of Employment and Skills which presents a full end of year report (academic year 2016/17).

The report provides an update on the following outputs and activities:

- Housing outputs
- Commercial floorspace outputs
- Jobs related to commercial floorspace/infrastructure/business support
- Employment and skills
- Public and private sector investment
- Infrastructure
- Risk Management

Accompanying the report are a series of themed dashboards providing an overview of performance and key issues across themes. The dashboards can be found in the following appendices.

- Appendix 1 – City Deal Overview – key outputs and performance
- Appendix 2 – City Deal housing and employment sites update
- Appendix 3 – Employment and Skills Case Studies
- Appendix 4 – Infrastructure Delivery



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Recommendation

The City Deal Executive and Stewardship Board is requested to:

- (i) Note the overall performance of the Programme up to September 2017; and
- (ii) Endorse the proposed Monitoring Return to Government as set out in the report for the 6 month period April 2017-September 2017.

Background and Advice

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

Monitoring metrics have been agreed between Government and the City Deal Executive and Stewardship Board (E&SB) in order to monitor progress and manage risk. The primary purpose of this report is to set out progress against the core and supporting metrics agreed and reported in the tables below. As well as providing an indication of overall direction of travel the report also describes some of the activities being undertaken to identify and address issues and risks to overall delivery.

Housing Outputs – see Appendices 1 and 2

Housing Unit Completions

Overall, since the start of the Deal period there have been **3048** housing completions against a target of **2561**. During the first six months of year 4 (2017/18) **434** completions have been achieved slightly below a 6 month forecast of **503**.

Housing Units Submitted and Consented for Planning

Inclusive of year 0 (2013/14) a total of **11289** housing units have been submitted for planning. The total number of planning consents to date is **11582**.

It's worth noting that there is a small historic surplus of planning consents over submissions for planning permission within the City Deal period. This is a result of submissions on City Deal sites prior to the start of the City Deal programme that were determined after commencement of City Deal.

Planning targets for Preston in particular in the last six months were particularly low as a result of a significant number of units having been consented early on in the City Deal. In this monitoring period only a very small number were predicted to be submitted for planning and likewise consented. Both planning submissions and consents have exceeded targets for this period mainly as a result of significant new



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applications in Preston (e.g. Land South of Tom Benson Way and land north of Durton Lane).

Sites where construction is actively taking place continues to grow with **32** sites currently active. Some of the city deal sites have commenced construction earlier than originally anticipated with a number of new sites coming forward.

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

Table 1 Housing – performance measures

Measure	Six month - target 17/18	Six month actual	Variance (against 6 month target)	All Years Cumulative Variance
Total number of Housing units completed	503	434	-69	+487*
Total number of housing units submitted for planning **	390	1115	+725	-554
Total number of Housing units consented for planning *	400	1147	+747	-39

* Cumulative variance is calculated against revised Keppie Massie targets 2016 –adjusted 2017.

** Includes Outline and Full Planning consent only

Notable progress has been made on the following named sites:

- The masterplan for Moss Side Test Track was approved by planning in July 2017 with an outline application anticipated by the end of the year.
- All NW Preston sites are progressing well, Haydock Grange is progressing particularly quickly and Eastway is also performing well, although start on site was only recently.
- In South Ribble the Altcar Lane site (Redrow site) has gained outline planning permission and reserved matters submissions are expected in the near future.
- The southern end of the Croston Road site is progressing at pace and the HCA is looking at options to facilitate the delivery of the spine road on the northern section of the site.
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The following sites have not progressed as anticipated:

There are a number of sites where overall progress towards delivery is either slower than anticipated or issues have been identified that need to be addressed in order for the sites to move forward. These are summarised in the Housing and employment



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dashboard appendix 2 – fig 2 – Housing and employment sites – sites identified as amber or red - issues and responses. The more significant sites, those expected to yield the greatest housing numbers continue to be monitored closely by the Development Sites Delivery Group (DSDG) in order to progress delivery at the earliest opportunity.

- Ongoing delays associated with Pickerings Farm and Whittingham Hospital risk the ongoing success of housing delivery across HCA land. Measures are being put in place to address the delays and expedite progress where possible.
- Viability remains a concern at Whittingham Hospital due to the level of abnormal costs associated with a new spine road, foul sewer connection and the provision of a new sports facility.
- Vernon Carus - Bovis are actively marketing this site and as such it is unlikely that discharge of permissions will take place as originally anticipated in order to secure delivery as planned.
- The development of the entire Heatherleigh/Croston road site has experienced issues with individual landowners not wanting to bring their land forward at this time.

Table 2 – Performance on HCA sites between 1 April and 30 Sept 2017:

Measure	Six month target	Six month actual	Variance	All years cumulative (actual)	All Years Cumulative Variance
	Target	Actual			
Number of HCA sites submitted for planning permission **	1	1	0	8	-1
Number of HCA sites granted planning permission **	1*	0	-1	10	-3
Number of HCA sites where construction is actively taking place	7	6	-1	6	-1
Total number of housing completions on HCA sites	85	83	-2	297	+21

Source: HCA

(* Cottam Hall Ph3 (**)) includes reserved matters

Particular progress has been made on the following HCA sites in the last six months. **Land at Eastway** (commercial was sold to HBS Healthcare Ltd in May on a conditional basis. A planning application was submitted in September.



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Walton Park Link Road – The deal between Morris Homes and National Grid is now unconditional. Morris Homes started on site in September.

Altcar Lane – A good response from the marketing exercise with 11 EOIs being received, 6 responses to the sifting briefs and 4 shortlisted parties.

Commercial Floorspace Outputs - see Appendices 1 and 2

Overall in the first 6 months of year 4, there has been a strong performance of completions against targets with **2,601 sq m** of commercial floorspace completed compared with the target of **418 sq m**. This is due to the build out of the next phase of industrial units at Red Scar, Preston as a result of strong first phase lettings. Cumulatively, completions are also on target against trajectories with **48,558 sq m** of commercial floorspace completions compared with the target of **35,756 sq m**, buoyed by speculative build at South Rings and Preston East as market demand for smaller units remains strong.

With regard to planning submissions in the last six months, **9,116 sq m** of commercial floorspace was **submitted** for planning compared with the target of **1,400 sq m** and **188,642 sq m** of commercial floorspace was **consented**, meeting the 6 month target.

Planning consents remain on track for the period with the approval of the Cuerden Strategic site and Preston East Sector D site. The significant cumulative variance in relation to planning consents shown in the table below is as a result of milestones shifting backwards in relation to large sites in Preston East. The uplift in Planning submissions were buoyed by the next phase of Queen's Retail Park, Horrocks coming forward earlier than anticipated.

A breakdown of the commercial sites targets and outputs is outlined in table 3 below:

Table 3: commercial floor space – core and supporting outputs

Core and supporting outputs	17/18 (Q1-2) Trajectory (sq m)	17/18 (Q1-2) Actual (sq m)	17/18 (Q1-2) variance	All Years Cumulative Variance
Commercial floorspace consented for planning (sq m)	188,642	188,642	0	-155,702
Commercial floorspace completed (sq m)	418	2,601	+2,183	+12,802
Commercial floorspace submitted for planning (sq m)	1,400	9,116	+7,716	-38,954



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Notable progress has been made on the following named sites:

- Red Scar – Phase 2 completed following strong occupation of Phase 1
- Preston East (Sector D) – commenced on site
- UCLAN Campus (Engineering Innovation College) – commenced on site
- South Rings employment site – commenced on site
- Horrocks Development – Phase 2 completed

The following sites have not progressed as anticipated:

- Employment land at mixed-use sites have been delayed including Cottam Brickworks and Whittingham Hospital
- Preston City Centre developments are subject to market demand in progressing planning applications (Altus development & College House at Winckley Square)

How we are working to progress employment sites:

Partners are working on a number of activities to ensure that future targets are met, which include:

- Delivery of Cuerden Strategic Site planning conditions and site infrastructure.
- Implementation of a Marketing & Communications Plan to generate investor interest, including; the representation of City Deal at MIPIM UK, the proposed launch of the Invest Central Lancashire proposition, and regular Developer & Investor events.
- A programmed approach to bringing forward housing sites, aided by the intervention of the Development Sites Delivery Group, including mixed-use sites where there is a commercial element.
- Additional planning capacity provided through the successful HCA Capacity Fund bid including the appointment of a Preston Housing Zone Programme Manager.

Project activity continues to expedite specific site development matters including;

- Retail end uses at Whittingham Hospital is being considered for removal as part of a planning variation.
- The extended sales process for Bluebell Way has resulted in positive engagement with a new interested party and LCC/HCA are progressing the contract.
- College House – Following the carrying out of essential repairs by the landlord, Preston City Council have only limited powers to encourage the property to be developed. Consideration will be given to possible Winckley Square Townscape Heritage Initiative grant funding should opportunities arise and a business case can be made.
- The Altus site in Preston City Centre continues to be strongly marketed through City Deal and is featured in the Invest Central Lancashire proposition launch.



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Jobs related to commercial floorspace

There have been a total of 60 jobs in Year 4 1st 6 months associated with City Deal commercial floorspace completions compared with a target of 10 jobs.

This excludes employment associated with the apprenticeships, for which data is not yet available due to academic years, and lettings at existing commercial premises which is collected on an annual basis.

Other complementary employment includes;

- 80 jobs associated with infrastructure projects.
- 95 jobs created through business support activities.

The main risks and mitigation are largely linked to the delivery of the commercial sites, which are currently progressing well.

Outputs will continue to be focussed on these established sites, whilst the development of mixed-use sites and other large employment sites will support the next phase of jobs outputs.

As additional mitigation, and specific to skills and employment, the Central Lancashire Authorities have consulted on a Supplementary Planning Document (SPD) on Employment and Skills which is aimed at promoting the Social Value agenda, and which has now been adopted. The Cuerden Strategic Site will be an early project to implement this SPD and for which a funded Skills Coordinator will be appointed.

The table below provides a breakdown of jobs targets and outputs.

Table 4: Jobs – outputs

Jobs outputs	17/18 (Q1-2) Trajectory	17/18 (Q1-2) Actual	All Years Cumulative Variance
Jobs accommodated	10	60	+297
- Via commercial floorspace completions*			
- Construction jobs connected to Capital Investment**	n/a	80	n/a
- Jobs associated with existing floorspace	n/a	-	n/a
- BOOST Business Lancashire	n/a	95	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



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Employment and Skills – see Appendix 3

In most cases the outputs in relation to skills and employment are progressing as expected, please refer to Table 5 below.

- Apprenticeships have increased in 2016/17 (see rows 1 and 2) against a backdrop of major apprenticeship reforms, in particular the introduction of the apprenticeship levy and the new apprenticeship qualifications called apprenticeship standards.
- The number of graduates accessing graduate jobs has increased both overall and into construction and engineering jobs (rows 3 and 4).
- Graduate placements and internships have decreased slightly (row 5) and UCLan are utilising their Masterplan partnerships for example with Conlon Construction to address this.
- The number of new Higher Education students choosing Science, Technology, Engineering and Maths (STEM) subjects and construction undergraduate degree subjects at UCLan has increased year on year (row 6).
- Jobseeker's Allowance (JSA) and Universal Credit (UC) claimants have increased against a back drop of static unemployment. Under Universal Credit a broader span of claimants are required to look for work than under Jobseeker's Allowance. As Universal Credit Full Service is rolled out in particular areas, the number of people recorded as being on the Claimant Count is therefore likely to rise.
- The number of interventions/ activities promoting City Deal and construction career opportunities with the City Deal area has increased and this is despite of there being no direct involvement of the City Deal in having a stand at the 2017 Lancashire Science Festival as there was in 2016. Instead partners have delivered a wide range of activities directly with schools and a selection of these are illustrated in the case studies provided with this report. Table 5 below provides a breakdown of the skills and employment targets and outputs.

Table 5: Skills and Employment metrics

Output	Baseline: Academic Year 2012/13	Actual Year 1* 2013/14	Actual Year 2 * 2014/15	Actual Year 3 * 2015/16	Actual Year 4 * 2016/17
*refers to academic year					
1. Apprenticeships starts in construction	N/A	101	121	124	155
16-24 year olds residents of Preston and South Ribble who have started an apprenticeship in the construction sector. Additional numbers year on year.					



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Output	Baseline: Academic Year 2012/13	Actual Year 1* 2013/14	Actual Year 2 * 2014/15	Actual Year 3 * 2015/16	Actual Year 4 * 2016/17
*refers to academic year					
Source: Preston's College, Runshaw College and T2000 ESFA data					
<p>2. Apprenticeship starts in all subjects</p> <p>16-24 year old residents of Preston and South Ribble who have started an apprenticeship (excluding construction). Additional numbers year on year.</p> <p>Source: Preston's College, Runshaw College and Training 2000 ESFA data</p>	N/A	672	684	710	875
<p>3. HE leavers getting graduate jobs in construction and engineering</p> <p>Destinations of leavers in higher education (DLHE) into construction and engineering graduate jobs. Additional numbers beyond the 2012/13 baseline</p> <p>Source: DLHE Data</p>	85	116	69	78	2015/16 is the latest data available
<p>4. HE leavers getting graduate jobs in all sectors</p> <p>Destinations of leavers in higher education (DLHE) into all graduate jobs. Additional numbers beyond the 2012/13 baseline</p> <p>Source: DLHE Data</p>	4,223	4,332	4,118	4,151	2015/16 is the latest data available
<p>5. Graduate placements and internships across all sectors</p> <p>Additional numbers beyond the 2012/2013 baseline</p> <p>Source: UCLAN</p>	323	476	566	537	2015/16 is the latest data available
<p>6. New students choosing STEM and construction undergraduate degree subjects at UCLan</p> <p>Source: UCLAN</p>	1,359	1,431	1,988	2,146	2015/16 is the latest data available
<p>7. Job Seekers Allowance (JSA) and Universal Credit (UC) claimants</p> <p>A reduction in the overall numbers of active job seekers, who are receiving JSA and UC claimants in Preston and South Ribble.</p> <p>Source: NOMIS</p>	April 2013 – not available	April 2014 – 3,705	April 2015 – 2,855	April 2016 - 2900	April 2017 - 3175



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Output	Baseline: Academic Year 2012/13	Actual Year 1* 2013/14	Actual Year 2 * 2014/15	Actual Year 3 * 2015/16	Actual Year 4 * 2016/17
*refers to academic year					
8. Number of interventions/ activities promoting City Deal and construction career opportunities with: A. Young People, B. Teachers/IAG practitioners, C. Parents, and D. Education Institutions Source: Preston's College, Future U, STEMFirst and UCLAN	Not available	Not available	Not available	A 660 B 150 C 100 D 70	A 760 B 161 C 262 D 105

Details of supporting activities and a range of case studies are presented in the accompanying Skills and Employment dashboard at Appendix 4.

Table 6: Business support and associated jobs

Output	2016/17
New businesses supported through BOOST	95
Jobs created through BOOST business support	95

Source: BOOST

Private Sector Investment

In 2017/18 Q1 and Q2 a combined total of £6.99m of public and private sector investment has been secured for infrastructure projects. Whilst the six month actual is much lower than the trajectory this is due to timings for receipt of payments. For example s106's, HCA payments etc. are affected by payment conditions that are difficult to predict part year.

Table 7: Public and private sector investment – core outputs

Core outputs	17/18 Trajectory	17/18 Actual (six months)
Public Sector Investment (to support Infrastructure programme)	£17.883m	£ 2.590m
Private Sector Investment (to support infrastructure programme)	£6.698m	£4.400m
Pension Fund Investment	-	-

*after Parish and District deductions from Cil



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** refers to investment made, planned or under development

Infrastructure delivery – see appendix 4

The E&SB will note that of the 48 infrastructure schemes included in the Plan for 2016/17, 28 are progressing as planned with no issues identified or else have no milestones in the current year. A further 11 have been highlighted red/amber, either because they have not met the milestones in Q4 or will not meet the milestones going forward. 9 schemes are now complete.

The programme at June 2017 has been firmed up significantly with much greater certainty around schemes and future milestones. The business plan has been updated to reflect this. Notable achievements during the last six months include the completion and opening of the Broughton Bypass and the progression of the work associated with the design and delivery of the Broughton corridor works.

The planning applications for Preston Western Distributor (PWD) and Penwortham Bypass have both been approved with Penwortham due to commence on site by the end of the year. The Cuerden Strategic site has been through planning with a resolution to approve, subject to the completion of s106. The approval of planning permission for Penwortham bypass sets a programme for the delivery of the local centre works and this programme is now reflected in the business plan.

Work at Pope Lane roundabout is nearing completion, as are the local centre improvement works on New Hall Lane. Bamber Bridge Phase 1 is now complete as is the design for Phase 2 which is now proposing to start on site in Q4. The delay to start on site as a result of awaiting delivery of materials has resulted in completion of the scheme now anticipated in year 5, Q2. This is reflected in the business plan.

Preston bus station works are progressing well with the delivery of all bus bays now complete and work having commenced on the coach station. Two of the subways have now been infilled, with the third and final one to be completed by the end of quarter 4. The detailed design work for Fishergate Central Phase 3 is also expected to be complete by the end of the year.

Work on the City Transport Plan is progressing as is the masterplanning exercise for the remaining corridors. The outputs and final reports along with presentation to the steering group are expected in the New Year.

Appendix 4 – The City Deal Infrastructure update dashboard (Q2) provides a detailed RAG summary of performance for each scheme as well as highlighting movements in the programme, general performance and key issues.



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Implementation Issues

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

Scheme/Issue	Update/Latest Position
Preston Western Distributor	See detailed report included elsewhere on the E&SB Agenda
East/West Link Road	See detailed report included elsewhere on the E&SB Agenda
Pickerings Farm - Link Road cannot be progressed to design stage until bridge options have been determined and funding issues resolved. Arrangements will need to be in place prior to detailed masterplanning being completed.	This site remains in the pre-application stage. Based on the latest returns from the HCA and Taylor Wimpey, the proposed unit numbers have reduced from 1350 to 1200.

Risk Management

Whilst the City Deal Infrastructure Delivery Programme will deliver the critical infrastructure required to enable the full development of significant housing and commercial development schemes, the success of the programme (in so far as achieving its agreed core outputs) is subject to a series of cost, resource and timing risks associated with the infrastructure elements with other planning, commercial, policy and political risks associated with the whole programme but with particular relevance to the achievement of core outputs.

Any risks associated with the delivery of the key infrastructure is reported upon separately, and the completion dates for strategic highways are noted elsewhere.

The City Deal Programme area is a clearly defined city-area and as such is a tightly drawn geography subject to usual market forces and competition, with the result that development activity can and does vary from year to year.

That said, the core and supporting outputs, and partner market intelligence, act as a mechanism to anticipate where the City Deal Programme may experience problems



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in achieving housing completions, commercial development and job creation. The risks that are specific to this housing and commercial development activity are reported below, and updates are provided to indicate how these risks; i) are changing, ii) what impact they may have upon programme delivery and iii) how they are best being mitigated.

Planning risks

Risk	Mitigation/response	Update
<p>Changes to or lack of Planning Framework to support City Deal objectives</p>	<p>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.</p> <p>North West Preston development sites are covered by a Masterplan that was approved in February 2014, and which provides a comprehensive framework to guide the development process.</p> <p>A City Centre Action Plan covering a range of commercial sites has been prepared and submitted for examination Other site masterplans have also been prepared for a number of large sites.</p>	<p>Masterplans are being developed for Pickerings Farm and Moss Side Test Track</p> <p>The masterplan for North West Preston has now been adopted.</p>
<p>Planning permissions not being consented and/or progressed through the planning system sufficiently quickly</p>	<p>Planning consents are already in place for over a third of the housing planning permissions, and 10 year targets have been reviewed and updated which will enable an efficient and manageable processing of future planning submissions avoiding any unnecessary delays.</p> <p>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.</p> <p>The new Development Sites Delivery Group has a focus on identifying issues in the development process and identifying solutions in order to progress all large</p>	



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Risk	Mitigation/response	Update
	<p>housing sites. An issues log is now in place for all key sites with responses and actions being formulated.</p>	
<p>Lack of planning officer capacity</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>As per above, capacity issues have been identified, in particular in specialist areas, which are subject to consideration s part of the City Deal review.</p>	<p>A Preston Housing Zone Programme Manager has been appointed</p>
<p>Failure to provide sufficient and appropriate infrastructure</p>	<p>A North West Preston Infrastructure Group has been established with the major house builders and land-owners to co-ordinate development and resolve land equalisation matters.</p>	
<p>Future housing numbers GL Hearn Strategic Housing market assessment and OAN – issue around how this relates to City Deal Trajectory</p>	<p>Officers are preparing and City Deal/LEP response to the GL Hearn work, this was submitted to government on 9 November.</p>	<p>New risk</p>



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Commercial risks

Risk	Mitigation	Update
Planning support	<p>Enterprise Zone is covered by a Local Development Order, and a number of Prior Notice for Developments have been completed to allow construction start on the Training facility and Logistics facility with this facility due for completion in 2016/17.</p> <p>Cuerden employment site has an approved Masterplan and SRBC's Site Allocations Plan was also approved in July 2015.</p>	<p>Cuerden Strategic Site planning approval is in place (subject to s106)</p>
Low commercial values	<p>As speculative build remains 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, will also support the increase in investor, developer and occupier demand.</p>	<p>Developers are responding to low office values by developing lower construction cost hybrid units (ie. South Rings Business Park).</p> <p>Speculative industrial unit development continues at Red Scar and South Rings which is a positive sign of market recovery.</p>
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 understanding constraints, aligning Developer interests and identifying potential land uses to support incremental</p>	



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Risk	Mitigation	Update
	<p>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>	
Investor awareness	<p>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. A number of high profile events to promote the Invest Central Lancashire proposition will be delivered in partnership with Place North West. The City Deal offer was also promoted as part of the Lancashire Enterprise Partnership's presence at MIPIM London and MIPIM Cannes.</p>	<p>City Deal will be represented at MIPIM London in October.</p> <p>The Invest Central Lancs proposition is being finalised in readiness for launch.</p>

Delivery risks

Risk	Mitigation	Update
HCA site delivery	<p>HCA has undertaken a detailed in-house resource capacity review and have streamlined their site disposal processes. HCA are continuing to work with agents to ensure the dynamics of the local housing market are factored into disposal activity.</p>	
Site take-up/market demand is slower than anticipated	<p>HCA 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 Carry out regular soft market testing to understand market trends ie. the current position and future forecasts, and respond accordingly.</p> <p>City Deal Investor and Developer Forums held to ensure house developers and other investors</p>	



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	<p>are aware of City Deal site disposal opportunities A programme of investor Awareness activity is programmed as part of the City Deal Marketing & Communications Strategy.</p> <p>Investor and Developer Forums continue to be scheduled, and a Lancashire Business View event was held recently at BartleHall.</p>	
<p>Housing and commercial construction and skills capacity</p>	<p>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> <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>Various delivery risks identified by housebuilders.</p> <ul style="list-style-type: none"> • This is the first year developers can no longer benefit from pre-CIL permissions so all developments are liable to CIL. • Site specific issues on key strategic sites 	<p>Feedback from house builders 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 to these risks as appropriate.</p>	



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| <ul style="list-style-type: none">• 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• Developers desire to regulate the flow of new housing so as not to saturate the market• Uncertainty over the Government CIL review, housing white paper and delivery of Affordable Housing• On-going uncertainty as to the economic effect of Brexit.• Availability of materials and significant skills/labour shortages• Access to finance• In some cases sites already under construction are reaching the less marketable areas of the site and therefore completions are slower | | |
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Policy & Political risks



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The housing market, particularly in relation to certain sectors of the market, will be more sensitive to developments and changes with Government policy which may have a bearing upon, for example, affordable housing, specific housing types and locations or the ability of different groups to enter the housing market.

The Resources Review Group will begin to examine some of these possible effects and how it may impact upon the housing build programme and sales.

Risk	Mitigation	Update:
New Homes Bonus/CIL/NNDR Policy change – risk of Government policy change may reduce resources	This risk will be managed through negotiation between 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 Resources Review.	Starter homes has been removed from mitigation action as is no longer a focus for HCA.
Political administration change	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.	