

Preston, South Ribble and Lancashire City Deal – Lead Contact Sarah Parry

The £450m Preston, South Ribble and Lancashire City Deal was agreed with HM Government in 2013 and is 10 year infrastructure delivery programme, driving forward local growth by enabling the City Deal area to maximise the area's economic assets and opportunities. City Deal partners include; Lancashire Enterprise Partnership, Central Government, Lancashire County Council, Preston City Council, South Ribble Borough Council and the Homes and Communities Agency. The City Deal will generate; more than 20,000 net new private sector jobs, including 5,000 in the Lancashire Enterprise Zone; nearly £1 billion GVA; 17,420 new homes; and £2.3 billion in leveraged commercial investment.

Performance

High level Milestones:

- Planning Application for A582 Widening Scheme submitted in February 2020
- DfT approval for the A582 Widening Scheme to progress to the next stage of development under the Major Road Network (MRN) and Large Local Majors (LLM) Programme – Outline Business Case now in preparation to apply for £50m of MRN funding.
- Planning Application for The Lanes Development (formerly known as Pickerings Farm) submitted.
- Penwortham Bypass Complete and conditional corridor works underway
- Harris Quarter Cinema Scheme – former indoor market and car park demolished leaving a ready to go development site.
- £40m of Transforming Cities Funding Awarded to support a range of public transport schemes in Preston, including the new Cottam Parkway Railway Station.
- Eastcliff – Planning consented for new Eastcliff Hotel Scheme and new bridge connecting Avenham and Miller Parks with Preston Train Station now complete.
- Preston Western Distributor – construction on site, progressing in accordance with programme
- Housing Completions – 5500 completions and 14000 consents by January 2020 (cumulative since start of programme).

Metrics:

Core Metrics	Actuals (as at 30th Sep 19)	Target
Total number of Housing units completed	5474	17,420
Number of Housing units - Planning Consented	13,966 (11,144 on City Deal sites)	-
Commercial floorspace completed (sqm)	78,511	-
Jobs created or safeguarded (includes jobs associated; with new commercial floorspace, to capital investment, with lettings at existing premises and jobs created through BOOST.	15,268	20,000
Public Sector Investment (£m)	109	342
Private Sector investment (£m)	21	82
Construction of Broughton Bypass	Complete	-
Construction of Preston Western Distributor	Under Construction	-
Construction of Penwortham Bypass	Complete	-

Widening of A582 South Ribble Western Distributor	At planning, design and land assembly stage - Junctions complete. Widening of phase 1 - Golden Way section complete.	-
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Outstanding Issues

City Deal Review – Agreement on revised Terms for the City Deal has not yet been reached. Detailed proposals paper taken to CD Executive in December 2019, following which Preston City Council and South Ribble Council secured in principle approval (subject to Local Plan Review) in January 2020 to increase the number of new homes and related income into the programme. However, significant concerns remain in relation to changes in national income streams i.e. New Homes Bonus and until such time as this has been addressed with Government, the Executive Board has put in place a pause on all non-committed spend in the programme. Only those schemes where there is a contractual, health and safety or planning obligation to fulfil, have been approved for further funding at this point. As critical funding milestones approach on all schemes, the Board will review this decision taking into consideration the risk of extending the pause and the latest financial forecast.

A letter was sent to the Minister for Housing, Communities and Local Government and the Minister for Northern Powerhouse in February 2020 and the three CEO's were due to meet in April to review the situation. This meeting was cancelled due to the Covid 19 outbreak. Meeting rescheduled to take place in June where CEO's will review any urgent funding decisions that are impacted by the pause on spend.

The anticipated Homes England Small Sites Fund was withdrawn in February 2020, which the partners had spent many months preparing a bid, due to it holding the potential to secure £25-50m of funding. Pre-Covid indications were that a more strategic, flexible single pot fund; the Strategic Housing Infrastructure Fund would be launched some time in 2020, but it is understood that this has been put on hold at this point due to Covid 19, and will be reviewed in the coming months.

Risks

Risks to the programme as a result of Covid 19 are potentially significant. Core outputs in this programme relate to housing and jobs, which are likely to be hugely impacted by a downturn in the housing and employment markets. It is too early to provide revised forecasts at this stage, but further work will be undertaken in the coming months to understand the level of risk. In the meantime, consideration is being given as to what support/opportunities there might be for the City Deal as part of a Covid 19 recovery plan.