

Appendix 'B'

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

Background

The £450m Preston, South Ribble and Lancashire City Deal was agreed with HM Government in 2013 and is a 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 Homes England. The City Deal is intended to 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

Programme 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 well, currently forecasting a 7-10 day delay to completion.
- Housing Completions – 5500 completions and 14000 consents by January 2020 (cumulative since start of programme).

Key Performance Indicators – as at 30th September 2019

	KPI / Metrics	Actuals	Target	RAG
1	Total number of Housing units completed	5474	17,420	
2	Number of Housing units - Planning Consented	13,966 (11,144 on City Deal sites)	17,420	
3	Commercial floorspace completed (sqm)	78,511	441,657	
4	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	
5	Public Sector Investment (£m)	£109	£342	

6	Private Sector investment (£m)	£21	£82	
7	Construction of Broughton Bypass	Complete	-	
8	Construction of Preston Western Distributor	Under Construction	-	
9	Construction of Penwortham Bypass	Complete	-	
10	Widening of A582 South Ribble Western Distributor	At planning, design and land assembly stage - Junctions complete. Widening of phase 1 - Golden Way section complete.	-	

Please note: The KPIs represent the latest figures available (30 Sept 2019). This is as a result of District planning officers unable to undertake site visits to obtain the data due to the impact of Covid 19 (site visits reduced or restricted combined with officers redeployed to other essential duties). Ordinarily these KPIs are updated 6 monthly, in line with Government monitoring requirements.

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 schemes where there is a contractual, health and safety or planning obligation to fulfil, are exempt from that pause on spend.

At its meeting in July, the Board reviewed the actual current financial position and weighing up the risks of withholding further funding agreed to fund 1) the local contribution towards the New Cottam Parkway Railway Station (£1.6m), 2) work to progress the A582 Dualling Scheme to Outline Business Case Stage (£1.5m) and 3) urgent bus stop reinstatement and pavement repair works in Bamber Bridge, to ensure it was DDA compliant.

Significant funding commitments will be required in the Autumn to keep the programme on track and not lose the prospect of securing £50m of MRN funding for the A582. The partners agreed to meet urgently following the Board meeting to discuss funding options that the CEO's had collectively discussed in July. This joint meeting is now taking place in September.

LCC has also progressed discussions with MHCLG regarding changes to NHB and these discussions are now being taken forward at ministerial level.

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 now be announced in the Autumn Budget.

Risks

Risks to the programme as a result of Covid 19 are potentially significant.

Risk	Mitigation / Action
Impact on core outputs (reduction in housing outputs and jobs as a result of Covid 19)	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.
Programme Performance reduced as a consequence of COVID-19	Close review of programme to assess impact and identify solutions agreeable by all stakeholders
Project Delivery Delayed	Financial solutions to be agreed, close monitoring, change control where required.
Changes to the planning system arising from recently published planning white paper could impact on income into the deal from CIL and S106 payments.	The proposed nationally set housing targets will challenge the accelerated delivery targets set as part of City Deal and the national infrastructure levy which will replace CIL and S.106 payments will also be set nationally and be payable on occupation as opposed to start on site/build out rates, which will load further financial risk into the programme. A City Deal response to the consultation will be prepared and submitted by the closing date of 29 th October.