

Preston, South Ribble and Lancashire City Deal – Stewardship Board

Minutes of the Meeting held on Wednesday 3 February 2021 at 2.30pm via Zoom

Present

Karl Tupling (Chair)
Angie Ridgwell
Gary Hall
Adrian Philips
Mark Rawstron

In Attendance

County Councillor Geoff Driver CBE, Leader, Lancashire County Council
Councillor Matthew Brown, Leader, Preston City Council
Councillor Paul Foster, Leader, South Ribble Borough Council
County Councillor Michael Green, Cabinet Member for Economic Development, Environment and Planning, Lancashire County Council (nominated City Deal observer)
Councillor Peter Moss, Deputy Leader, Preston City Council (nominated City Deal observer)
Councillor Mick Titherington, Deputy Leader, South Ribble Borough Council
Chris Hayward, Director of Development and Housing, Preston City Council
Homairah Sheth, Project Officer, Lancashire County Council
Joanne Ainsworth, Principal Accountant, Lancashire County Council
Joanne Hudson, Project Manager, Lancashire County Council
Laura Sales, Director of Corporate Services, Lancashire County Council
Laura Tilston, Homes England
Marcus Hudson, Planning Manager, Lancashire County Council
Martin Hill, Skills & Employment Coordinator, Lancashire Skills Hub
Nicola Elsworth, Head of Planning and Enabling, Homes England
Phil Green, Director of Growth, Environment and Planning, Lancashire County Council
Phil Wilson, Central Lancashire Master Plan Delivery Manager, Lancashire County Council
Sarah Parry, City Deal Programme Manager, Lancashire County Council
Stephen Young, Executive Director of Growth Environment Transport and Community Services, Lancashire County Council
Steve Burns, Head of Service - Strategic Development, Lancashire County Council
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council
Hannah Race, Business Support Officer, Lancashire County Council

1. Welcome and Apologies for Absence

The Chair welcomed everyone to the meeting.

No apologies of absence were received.

2. Minutes of the City Deal Executive meeting held on 6 October 2020

Resolved: That the minutes of the City Deal Executive meeting held on 6 October 2020 were approved as an accurate record and signed by the Chair.

3. Minutes of the City Deal Stewardship Board meeting held on 6 October 2020

Resolved: That the minutes of the City Deal Stewardship Board meeting held on 6 October 2020 were approved as an accurate record and signed by the Chair.

4. Matters Arising

There were no matters arising.

5. Declarations of Interest

No declarations of interest were made.

Stewardship Board Items

6. Homes England Quarterly Monitoring Progress Update Report – Q3 2020/21

Nicola Elsworth, Head of Planning and Enabling, Homes England presented a report which updated the City Deal Stewardship Board members about progress with Homes England sites during Quarter 3 of 2020/21.

Updates were provided on the progress made across the Homes England portfolio. It was noted that the Covid-19 pandemic had continued to impact the delivery of development across all Homes England sites. Although, despite a second national 'lockdown' taking effect during Quarter 3, construction at most sites had continued.

A financial update was provided, which highlighted that £1.2m had been paid into the City Deal Infrastructure Delivery Fund in December 2020 and further payments amounting to £2.7m were forecast to be made by the end of the financial year.

Resolved: That the City Deal Stewardship Board noted the contents of the report and the progress made by Homes England during Quarter 3 of 2020/21.

Joint Stewardship Board and Executive Items

7. City Deal Employment & Skills Monitoring Report

Martin Hill, City Deal Skills and Employment Coordinator, Lancashire Skills Hub presented a report which provided an update on a range of City Deal employment and skills metrics for the 2019/20 academic year.

The following points were highlighted:

- The number of apprenticeship starts across all subjects had declined compared to those reported in the 2018/19 academic year, with a 21% fall in apprenticeship starts across the whole of Lancashire.
- Redundancy and furlough figures resulting from the Covid-19 pandemic were expected in the following academic year's statistics, so the full effect of the pandemic was not yet apparent.
- To respond to the Covid-19 pandemic the Skills Hub had launched a Skills for Work microsite, a Lancashire Redundancy Task Force had been established in partnership with national organisations, and the Careers Hub was continuing careers engagement with schools virtually with the help of a new platform, Starting Lancashire.
- Work continued with the Construction Skills Fund to provide employment and skills for local people, with the number of starts and engagements in Lancashire exceeding that of other regions in the North West.

Resolved: That the City Deal Executive and Stewardship Board noted the report and the Employment and Skills Case study Dashboard, as presented.

8. Infrastructure Delivery Quarterly Monitoring Reports – Quarter 3 October-December 2020

Sarah Parry, City Deal Programme Manager, presented a report which provided a progress update on the City Deal infrastructure projects during Quarter 3 of 2020/21.

It was highlighted that only those projects where there was a contractual, planning, or health and safety obligation to meet were being progressed. All other non-committed funding was paused, pending the outcome of the City Deal Review, as agreed by the City Deal Executive in March 2020. As a result, 7 schemes were paused but good progress continued on the other projects, including the Preston Western Distributor Road and the Lancaster Canal Towpath.

Resolved: That the City Deal Executive and Stewardship Board noted the report.

9. Affordable Housing Provision Update

Chris Hayward, Director of Development and Housing, Preston City Council presented a report which provided City Deal Members with further information on the delivery and role of affordable housing provision within the City Deal area.

The following points were highlighted:

- Of the total number of homes delivered in the City Deal area between 2013 and 2020, 19% were affordable homes. Whilst this appeared low, the detail behind the statistics demonstrated that the City Deal area performed favourably in respect of affordable housing provision when compared with the wider Lancashire picture.
- For the 2019/20 monitoring period, South Ribble and Preston had delivered the second and third (respectively) highest number of completed affordable housing across Lancashire.
- Increasing affordable housing requirements and delivery across the City Deal area could have an impact on CIL receipts if affordable housing was to replace market housing. City Deal income may fall as result of delivering more affordable housing.
- Whilst performance on affordable housing delivery is generally good, there are opportunities to improve, especially regarding the delivery of affordable rented housing.

It was noted that given the current government's approach to the local planning process and affordable housing, and the likelihood of a recession that would soon limit the private sector's capacity to deliver affordable housing, it may be necessary to consider innovative ways of funding affordable housing outside of the City Deal framework for the future.

Karl Tupling, Director of Emerging and Developing Markets, Homes England highlighted that £12bn had been confirmed to aid the delivery of affordable housing nationally and that an aim of the planning authority could be to secure Central Lancashire's share of that funding. To do so it may be necessary to attract more investor partners with access to the government's funding into Lancashire, to increase the capacity of existing investor partners, or for the local authorities to become investor partners themselves.

It was noted that Homes England was willing to support local authorities in that endeavour and that a conversation could be initiated with officers.

In addition, it was noted that both Preston City Council and South Ribble Borough Council had been involved in discussions with Homes England about delivering more affordable housing outside of the City Deal framework across Central Lancashire.

Resolved:

- i) That the City Deal Executive and Stewardship Board noted the report; and
- ii) That Karl Tupling, Homes England agreed to arrange further discussions with officers at Preston City Council, South Ribble Borough Council and Lancashire County Council regarding Affordable Housing.

Executive Committee Items

10. A582 South Ribble Western Distributor - Update

Marcus Hudson, Planning Manager, Lancashire County Council, presented a report which provided an update on the Department for Transport advice regarding the programme period for the Major Road Network and Large Local Major schemes.

It was highlighted that since the last meeting of the City Deal Executive Board in October 2020, the Department for Transport had reiterated its commitment to the A582 scheme and clarified its funding timescales. Changes to the Department for Transport's timescales had allowed for a review of the scheme's delivery programme, affecting several of the project's key milestones.

The following points were highlighted:

- The scheme's design and costing exercise would be extended to July 2021.
- Completion of the Outline Business Case would be extended to August 2021, and submission of the Compulsory Purchase Order would follow.
- The City Deal Executive and Stewardship Board would need to be in a position to approve the full cost of funding for the scheme at the point the Outline Business Case is submitted, which provided a timeframe for funding decisions to be made by the Board.

The Chair highlighted the need to ensure costings for the scheme were closely monitored and thereby ensure all proposed specifications comprising the scheme were to an appropriate standard, reflecting function rather than highest specification and cost.

Resolved: That the City Deal Executive noted the report.

11. Any Other Business

There was no other business to be considered.

12. Date of Next Meeting

It was noted that the next Combined City Deal Executive and Stewardship Board meeting was scheduled for Wednesday 17 March at 2.30pm, via Zoom.

13. Exclusion of the Press and Public

Resolved: That the press and public be excluded from the during consideration of the following items of business on the groups that there would be a likely disclosure of exempt information as define in the appropriate paragraph of Part 1 of Schedule 12A of the Local Government Act 1972, as indicated against the heading of each item. It is considered that in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Executive Committee Items

14. Re-imagining the Harris Project

Chris Hayward, Director of Development and Housing, Preston City Council presented a private and confidential report which detailed Preston City Council's request for re-confirmation of the £1m City Deal funding, which was committed to the 'Re-imagining of the Harris' project at the City Deal Executive meeting held on 16 August 2018.

There was a period of debate where each Local Authority expressed their position on funding commitments within the City Deal programme.

The Board was unanimous in its view that the Harris Project was a critical scheme in the City Deal programme and one that they continued to support.

Resolved: That the City Deal Executive:

- i) Noted the report;
- ii) Reaffirmed its support to the 'Re-imagining the Harris' project and its commitment to the project's development, with the drawdown of funds being prioritised as part of the City Deal Review work.

15. Preston Western Distributor – Update

Phil Wilson, Central Lancashire Master Plan Delivery Manager, Lancashire County Council presented a private and confidential report which provided an update on the programme and financial position of the Preston Western Distributor Scheme.

It was highlighted that overall progress on the project was good, though unseasonal wet weather throughout 2020 had caused challenges to construction. Despite the challenges it was anticipated that the scheme would remain on programme for completion in 2023

Resolved: That the City Deal Executive noted the current programme and financial position of the Preston Western Distributor Scheme.

16. Preston Western Distributor – Social Value Update

Martin Hill, City Deal Skills and Employment Coordinator, Lancashire Skills Hub presented a private and confidential report which provided an update on the social value delivery of the Preston Western Distributor scheme.

It was requested that future reports were entitled 'Preston Western Distributor – Social and Economic Value Update'.

It was highlighted that, despite the challenging conditions presented by the Covid-19 pandemic, the project had generated very positive results during Year 1 and examples of the project's positive social engagements were given.

Councillor Matthew Brown, Leader of Preston City Council expressed a willingness to assess what more could be done to advance the project's social and economic value, and to engage local and cooperative businesses in the project's supply chain to ensure the project was supporting the local economy.

Resolved: That the City Deal Executive noted the report and the full Preston Western Distributor Road, Social Value Report Year 1, as presented.

17. North West Preston East West Link Road – Bulwark Development Access Inclusion

Phil Wilson, Central Lancashire Master Plan Delivery Manager at Lancashire County Council, presented a private and confidential report which detailed a proposal to include access to the housing development of Bulwark Ltd in the Preston Western Distributor Road contract works, at no cost to the City Deal, with the developer bearing all costs via a s.278/38 agreement

Resolved: That the City Deal Executive approved the inclusion of the access to the Bulwark developments in the Preston Western Distributor Road contract works, with costs recovered in full under the "Section 278 Agreement" referred to in the report, on the condition that there was no financial risk to the City Deal.

18. South Ribble Current Position on City Deal

Councillor Paul Foster, Leader of South Ribble Borough Council presented a private and confidential report which summarised the outcome of a meeting of the Members of South Ribble Borough Council, held on 25 November 2020, regarding its engagement in the City Deal.

A discussion took place regarding decisions taken previously by the Executive in relation to the original Heads of Terms for the City Deal.

It was proposed by the Section 151 Officer for City Deal that independent advice could be obtained on the interpretation of the City Deal Heads of Terms if required.

In addition, it was noted by all members that clarification of the process to achieve a full partnership agreement should be sought as soon as possible.

Resolved: That the City Deal Executive:

- i) Noted the position taken by South Ribble Borough Council as set out following its Council meeting in November 2020;
- ii) Requested that by the end of February 2021 Sarah Parry, City Deal Programme Manager work with officers at South Ribble Borough Council to 1) establish South Ribble Borough Council's interpretation of the existing Heads of Terms and 2) compile a list of previous decisions taken by the Executive that could have implications for the content of a full partnership agreement when compared to the original Heads of Terms; and
- iii) Agreed to meet informally following completion of ii) above, to discuss the outstanding issues and determine next steps.

19. City Deal Review Update

Sarah Parry, City Deal Programme Manager, presented a private and confidential report which provided an update following the last meeting, on progress with the City Deal Review.

Resolved: That the City Deal Executive noted the report and that as per the previous item, work regarding clarification of the City Deal Heads of Terms and decisions taken by the Executive will be undertaken in order to allow officers to prepare legal and financial advice.

Joint Stewardship Board and Executive Items

20. City Deal Finance Monitoring Report – Quarter 3 2020/21 (Oct-Dec 2020)

Joanne Ainsworth, Principal Accountant, Lancashire County Council presented a private and confidential report which provided a regular update on the City Deal Infrastructure Delivery Fund as at 30 December 2020.

It was highlighted that a range of forecasts and scenarios were being considered, which produced a range of financial implications for the City Deal.

It was noted that once clarity was provided regarding the City Deal Heads of Terms, further financial modelling would be undertaken and shared with the Board.

Resolved: That the City Deal Executive and Stewardship Board:

- i) Noted the December 2020 Finance Update; and
- ii) Noted the work ongoing and required in order to accurately forecast the infrastructure delivery funding model.