



CITY DEAL

Preston, South Ribble & Lancashire

CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD

Private and Confidential: NO (Except Appendix 'A' which is attached separately)

Date: 14th March 2023

City Deal – Delivery and Performance Update Report
(Appendices 'A' to 'D' refer)

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Executive Summary

This report provides the City Deal Executive and Stewardship Board with an overview of City Deal programme level performance and project delivery. The report demonstrates that good progress continues to be made on the major live schemes, with PWD entering the final stages of its contract.

The core metrics remain consistent at the mid year stage, with a more comprehensive report on housing completions and future forecasts expected for the end of year report, when the full housing counts are completed.

It remains the case, that achievement of the full housing and commercial targets rely on an extension to the current timeframe, which is subject to agreement by the parties.

Since circulating this report in February, the City Deal Employment and Skills data has become available and added into the report, in order to complete the monitoring information for the reporting period.

Recommendation

The City Deal Executive and Stewardship Board are asked to note the report.

1. Background and Advice

1.1 This report is intended to provide an overview for the City Deal Executive and Stewardship Board on project activity and programme performance. The report draws together in one place, the following updates:-

- Preston Western Distributor Scheme Update and Social Value Outputs
- Wider Economic and Social Value Update
- Homes England Monitoring Report
- City Deal Infrastructure Projects Monitoring Report



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- Six Monthly Performance – City Deal Core Outputs
- City Deal Employment and Skills Monitoring Report

2. Preston Western Distributor (PWD) Update – Appendix 'A'

- 2.1 As previously reported, the Preston Western Distributor Scheme continues to make good progress and despite some significant challenges to the programme and cost forecasting, the scheme remains on target to complete on programme and within the approved £207.4m City Deal budget allocation.
- 2.2 The scheme is now reaching its final stages with the final earthworks season completed and works concentrating on the finishing elements including surfacing, street lighting, traffic signal installation and landscape planting.
- 2.3 The strong collaborative working that has been established between the client and contractor on this project has enabled the programme to maintain this positive position with active engagement to mitigate delays and keep costs down, being evident across the spectrum of activity in the programme.
- 2.4 Attached at appendix 'A' is a full and confidential report on the Scheme, setting out detailed cost forecasts for the Board's information.

PWD – Social Value Update – Appendix 'B'

- 2.5 Despite challenges posed in recent years through the pandemic and beyond, the project has delivered a wide range of social value outputs. The full contractors report is attached (Appendix 'B') and provides a detailed breakdown of performance to date.
- 2.6 In summary, at the end of year 3, the project had generated the following outputs:
- £75m of cumulative spend has been with suppliers within 25 miles of the project.
 - 58% local labour utilisation on site
 - A total of ten apprentices have worked on the project
 - T-Level curriculum support and work placements for 11 Preston College students
 - School engagement activities delivered at Our Lady's Catholic High School
 - £30,250 in donations to local residents and organisations
 - £40,189 in charitable fundraising in total across the project
 - The project has provided opportunities for 18 ex-military members of the team
 - The project has created employment opportunities for 3 individuals categorised as not in education, employment or training (NEET)



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- 2.7 If you would like to discuss the content of the Social Value report relating to PWD, please contact Leigh McLaughlin at the Lancashire Skills and Employment Hub, leigh.mclaughlin@lancashirelep.co.uk.

3. Economic and Social Value Update

- 3.1 Set out below is a progress update on project level Social Value delivery in relation to D'Urton Lane development, Harris Museum, Art Gallery and Library Project and the Preston City Centre Animate Scheme.

D'Urton Lane Development Social Value Programme

- 3.2 The Skills Hub continues to work with Wilmott Dixon and L&Q/Trafford Housing Trust, to deliver the social value programme for the D'Urton Lane development. The programme will deliver 250 new 2, 3 and 4-bedroom homes in Preston
- 3.3 To date the project has generated a wide range of positive social value outcomes for the local community including:
- 13 new jobs created across steel fixing, joinery, labouring, gatekeeping, cleaning, document control, engineering, trainee management, groundworks and Social Value
 - 4 Kickstart positions created for Preston based NEETs
 - 141 apprentice/ trainee weeks across Quantity Surveying, Groundworks and Brickwork
 - 17 work experience weeks for Veterans, Graduates, Colleges Students & NEETs
 - 22 Construction Careers Information, Advice & Guidance sessions provided to 298 young local people, including sessions with Preston Muslim High School for Girls.
 - 2 Social Enterprises contracted as part of the project Supply Chain (Recycling Lives and Footprints)
- 3.4 The project team are working with an extensive range of local partners to realise their social value offering including Preston's College, Inspira, Preston City Council, DWP, Calico, Procure Plus and Preston Muslim High School for Girls.
- 3.5 One challenge that the team has faced is around their pledge to support a university project through the scheme. Whilst one offer was made to a student, they did not take the offer forward. The team are seeking to reengage Uclan in early 2023.
- 3.6 The team have also supported Intact Community Centre through Sensory Garden works and donations at Christmas time to support a Christmas festival.



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Re-Imagining the Harris

- 3.7 The Harris Museum, Art Gallery and Library is currently closed for refurbishment and development works until 2024. The project will protect the building for future generations, whilst improving services and accessibility.
- 3.8 As part of the procurement for this project, Preston City Council included a social value criterion as part of the tender for the external project team. This approach supports Preston City's Council strategic aim to embed community wealth building in its work – the Preston Model. Conlon Construction Ltd were appointed as the main contractor for the project and have developed a social value programme to accompany the works.
- 3.9 Social Value delivery partners include UCLan, Preston's College, Creativity Works (Preston), Community Gateway Association (Preston Vocational College), Preston Partnership, and PCC Communities Team.
- 3.10 A summary of social value commitments put in place include:
- Secondary school level engagement via Career events
 - Undergraduate career insights events
 - Supporting built heritage and architecture Masters courses
 - Work experience opportunities
 - Internship opportunities for T-Level Students
 - Recruitment of an Apprenticeship opportunity targeting a resident
 - Promoting subcontract opportunities to Preston and Lancashire companies
 - Public workshops on heritage conservation of historic buildings
 - Tree planting
 - Fundraising activity
- 3.11 Future, detailed updates on progress have been requested and will be made available to track the impact of the scheme.

Animate – Cinema and Leisure Complex

- 3.12 Earlier in January 2023, works began on the £45m Animate leisure and entertainment complex scheme located in Preston City Centre.
- 3.13 Eric Wright Construction have been appointed to deliver the scheme on behalf of development partners Preston City Council and Maple Grove Developments.
- 3.14 The construction phase of the scheme will help to generate up to 200 FTE jobs, and provide opportunities for apprenticeships, work placements, and training.
- 3.15 A dedicated Animate Community Benefit Framework has been agreed to deliver social value to local residents and businesses. This approach seeks to



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use local labour and supply chain, provide training, employment, volunteering opportunities and placements within local colleges, to promote environmental sustainability and to ensure that all workers are treated equally and fairly. The scheme will also provide more than 140 long term jobs when it opens to the public following a two-year construction phase.

- 3.16 Future updates will be provided to track progress of the schemes' social value programme and fed back to the Board.

4. City Deal – Performance Monitoring Reports

Homes England - Quarters 2 & 3 2022/23 Monitoring Report – Appendix 'C'

- 4.1 The Homes England (HE) report attached at Appendix 'C', confirms that development has progressed well across HE sites between July 22 and December 22.
- 4.2 During this period 148 homes have completed (including 41 affordable homes) across the HE sites, bringing the cumulative total number of HE completions since the start of the Deal to 1,465 out of a potential c.4000 units.
- 4.3 On the finance side, over £24.5m has now been paid to Lancashire County Council in grant funding since the start of the Deal with around £12.3m remaining to be paid before the grant cap of £37.5m is reached.
- 4.4 The full report is attached and includes a detailed breakdown of affordable homes provision across the portfolio of sites.

Infrastructure Project Monitoring Update to December 2022 (Quarter 3) – Appendix D

- 4.5 The infrastructure monitoring schedule through to December 2022 (Quarter 3) is attached at appendix D, which sets out progress on the live projects in the programme and provides a Red/Amber/Green (RAG) status for each of the schemes. Table 1 below provides a brief snapshot of the current status of all of the schemes in the programme for quick reference.

Table 1

Scheme name	Stage	Status
Current City Deal Projects		
Preston Western Distributor (PWD)/East West Link Road	On site	Green
Cottam Parkway	Design	Amber
Bamber Bridge – Health & Safety Works	On site	Amber
Projects awaiting approval to proceed to next stage, pending City Deal mid-term review		



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PWD to Samlesbury – New Hall Lane Local Centre	Awaiting final resurfacing	
Guild Wheel Upgrade Link – P1 Bluebell Way	Pre-Planning	
Harris Museum/Library	On Site	
Animate	On Site	
A582 Dualling	Review of scheme expenditure	
Lancashire Central Off-Site Road Infrastructure	Design	
Bamber Bridge Local Centre	Awaiting final Resurfacing works	
Future Pipeline Projects		
Moss Side Test Track road infrastructure	Planning	N/A
The Lanes Link Road	Planning	N/A
North West Preston Linear Park	Pre-planning	N/A
<p>Preston Education:</p> <p><u>Primary</u></p> <ul style="list-style-type: none"> - 1 FE from 2023/24(temp then perm) at Preston North, West and Rural - 1 FE New School from 2025/26 at Preston North, West and Rural - 1 FE from 2023/24(temp then perm) at Goosnargh & Grimsargh & Longridge - 1 FE New School from 2025/26 at Goosnargh & Grimsargh & Longridge <p><u>Secondary</u></p> <ul style="list-style-type: none"> - Preston - 40 place expansion for 2023/24 - Preston - 4FE New School from 2025 	Pre-planning	N/A
<p>South Ribble Education:</p> <p>A 2023 - 25 School Place Planning Strategy was adopted by Cabinet in October 2022. The programme includes the additional provision for:</p> <p><u>Secondary</u></p> <ul style="list-style-type: none"> - South Ribble - 112 additional places via expansion from 2023/24 	Pre-planning	N/A
<p>South Ribble priority corridors and local centres:</p> <ul style="list-style-type: none"> • Hutton to Higher Penwortham Public Realm Improvements 	Pre-planning	N/A



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<ul style="list-style-type: none"> • North of Lostock Lane • South of Lostock Lane 		
Preston priority corridors and local centres: <ul style="list-style-type: none"> • Broughton/Fulwood (South of M55) • NW Preston/Cottam/Ingol/City Centre • Warton to PWD – Corridor • Longridge/Grimsargh/Ribbleton/City Centre • PWD to Samlesbury – Corridor 	Pre-planning	N/A

4.6 Overall, good progress continues to be made on the major live schemes, including the PWD (detailed earlier in this report). There are a number of schemes remaining paused in the programme, pending agreement on a revised City Deal Agreement, and these are ragged red in the table to reflect this pause.

Year 9 – Six Monthly Performance Report (to 30th September 2022) – Core Outputs

4.7 Overall performance against the City Deal core metrics, is set out in the table below.

4.8 Whilst a number of the outputs are highlighted as amber (when assessed against the original 10 (plus 5 year run on) year timescale agreed at the outset of the Deal), it reflects the reliance on an extended term in order to achieve the full target.

4.9 The jobs created/safeguarded outputs are buoyed by the inclusion of letting/sales at existing premises, but it is expected that as the portfolio of new commercial development comes to fruition in the next phase of the programme, that the jobs relating to new commercial floorspace will rise significantly.

	Core Metrics	Actuals To Date	Target By 28/29	RAG
1	Total number of Housing units completed – by 28/29	9,629	17,420	Amber
2	Number of Housing units – Planning Consented	21,670 ¹	17,420	Green
3	Commercial floorspace completed (sqm)	254,963	441,657	Amber
4	Jobs created or safeguarded	20,877 ²	20,000	Amber
5	Public Sector Investment (£m)	£202	£342	Amber
6	Private Sector investment (£m)	£42	£82	Amber
7	Construction of Broughton Bypass	Complete	-	Green

¹ Includes all sites (not restricted to sites on the CD Schedule) and both outline and full planning permissions.

² Including 13,025 jobs associated with new sales and lettings at existing premises. The RAG rating reflects the fact that the original agreement was to create 20,000 net new private sector jobs.



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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, land assembly stage. Junctions complete. Widening of phase 1 – Golden Way section complete.	-	

Employment and Skills Monitoring Report 2021/22

4.10 The Employment and Skills Monitoring information set out below, covers a range of City Deal employment and skills metrics for the 2021/2022 academic year.

4.11 The metrics were set at the start of the programme and provide indicative measures for the wider impact of the City Deal investment in the Central Lancashire area utilising data from a range of sources including National Online Manpower Information System (NOMIS), Higher Education Statistics Agency (HESA) and Education & Skills Funding Agency (ESFA).

4.12 Data from HESA for the 2021/22 academic year is not currently available and several of the data series have also been discontinued. Where data is not available the most recent position is displayed.

Summary of updated measures

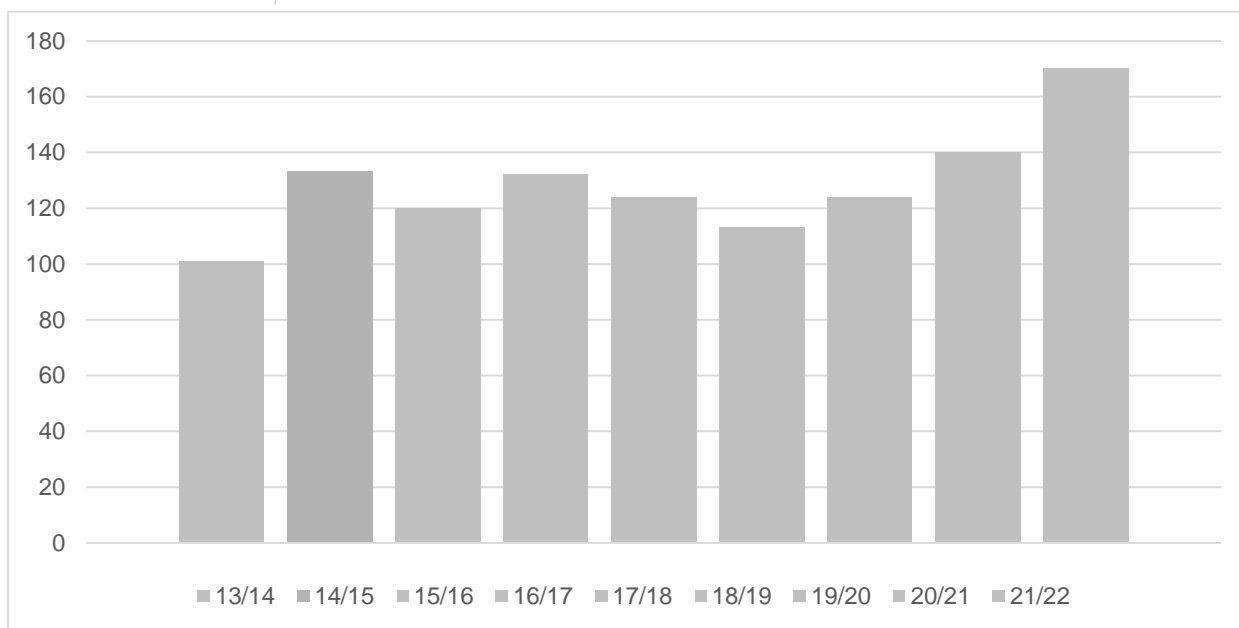
4.13 Apprenticeship starts for 16-24 year olds in Construction

Output	Baseline:	Yr.1	Yr.2	Yr.3	Yr.4	Yr.5*	Yr.6	Yr.7	Yr.8	Yr.9
	Academic Year 2012/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Apprenticeships starts in construction 16-24 year olds residents of Preston and South Ribble who have started an apprenticeship in the construction sector. Additional numbers year on year. Source: Preston's College, Runshaw College and T2000 / ESFA DataCube	N/A	101	133	120	132	124	113	124	140	170
Please note: data for previous years has been reissued using ESFA DataCube										



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4.14 Apprenticeship starts for this group experienced an increase from the previous year, growing from 140 to 170 as displayed in the chart above. This represents the highest point in the time series. It also demonstrates strong recovery in demand for Apprenticeships in this sector following the pandemic.

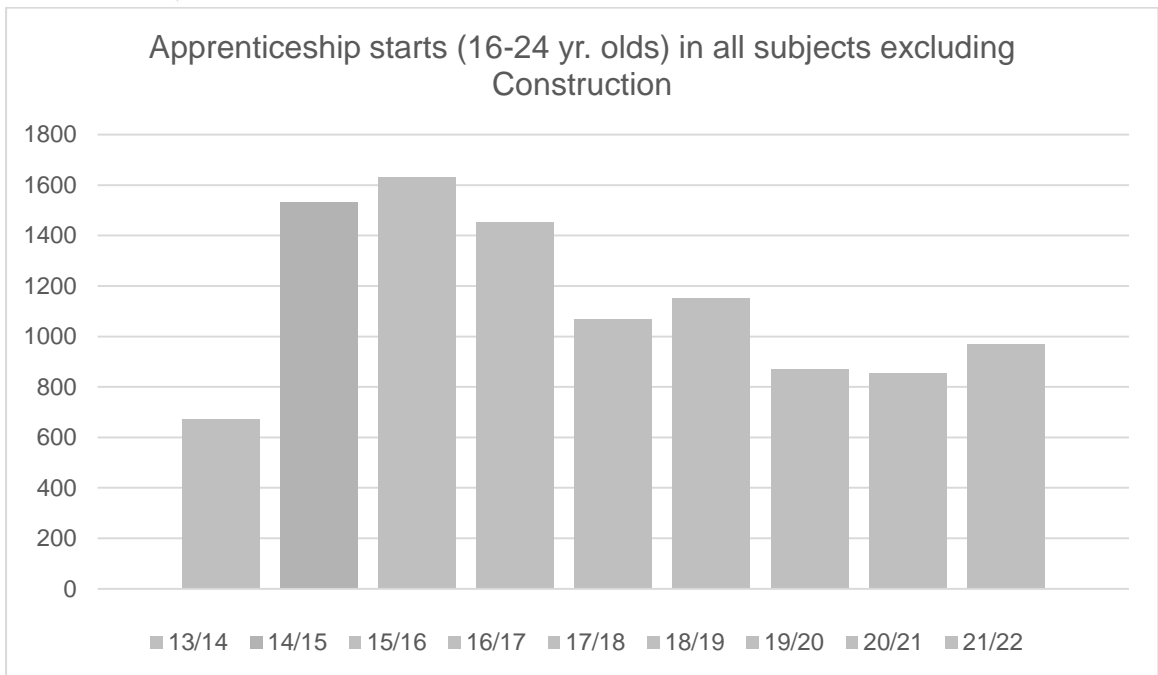
4.15 Apprenticeship starts in all subjects for 16-24 year olds (excluding Construction)

Output	Baseline:	Yr.1	Yr.2	Yr.3	Yr.4	Yr.5*	Yr.6	Yr.7	Yr.8	Yr.9
	Academic Year 2012/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
<p>*refers to academic year</p> <p>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	1,531	1,630	1,453	1,068	1,150	872	853	970
Please note: data for previous years has been reissued using ESFA DataCube										



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4.15 Apprenticeship starts across all subjects amongst the 16–24-year-old group have increased year-on-year from the 2020/21 position, from 853 to 970. This is the highest level since 2018/19, however the position is lower than that seen at the highest level, in 2015/16, where numbers were 1,630.

4.17 The decrease in Apprenticeship starts across all subjects amongst 16–24-year-olds from 2015/16 group mirrors a national decrease in Apprenticeship numbers following Government reforms, aimed at driving up the quality of Apprenticeship provision. It also reflects a shift to a higher proportion of starts for Apprentices from age groups over the age of 24.

4.18 Apprenticeship starts for 16–24-year-olds in all subjects excluding construction, still stands at a higher level, when compared with the year one reference data (970 in comparison with 672).

4.19 Job Seekers Allowance (JSA) and Universal Credit (UC) claimants

Output	Baseline:	Yr.1	Yr.2	Yr.3	Yr.4	Yr.5*	Yr.6	Yr.7	Yr.8	Yr.9
	Academic Year 2012/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
*refers to academic year										
Job Seekers Allowance (JSA) and Universal Credit (UC) claimants	Apr-13	Apr-14	Apr-15	Apr-16	Apr-17	Apr-18	Apr-19	Apr-20	Apr-21	Apr-22



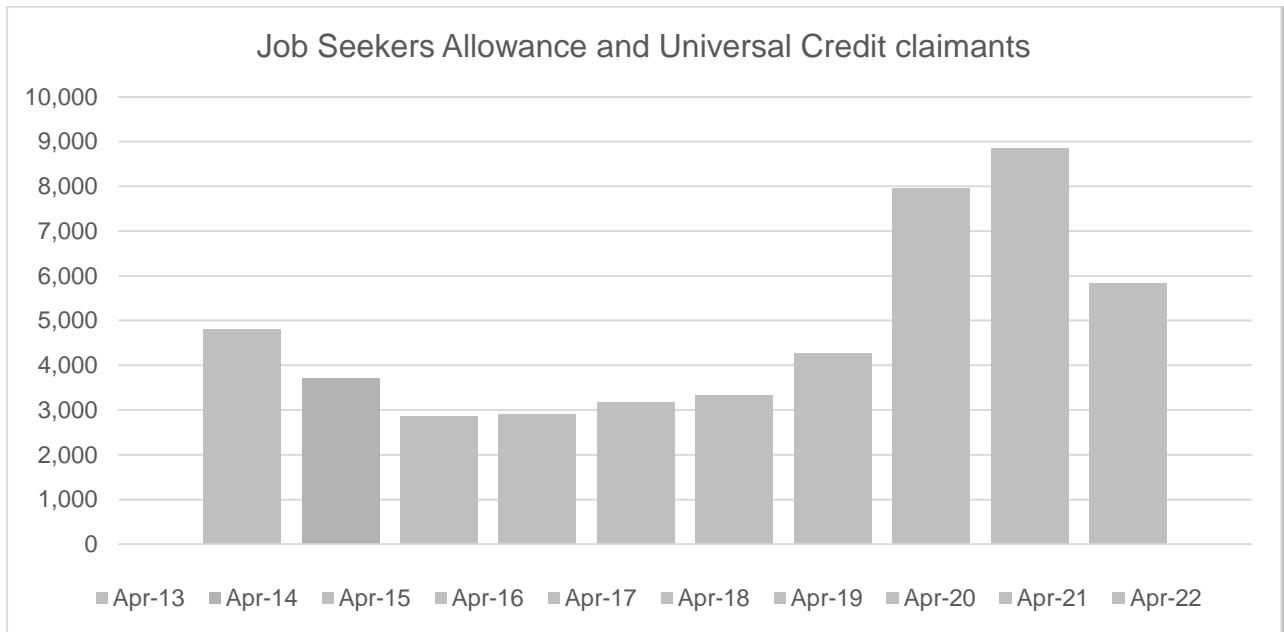
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A reduction in the overall numbers of active job seekers, who are receiving JSA and UC claimants in Preston and South Ribble.

Source: DWP Stat-Xplore
*Source: Nomis

4,803	3,705	2,855	2,900	3,175	3,325	4,275*	7,955*	8,853*	5,830*
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4.20 Data for Job Seekers Allowance (JSA) and Universal Credit (UC) claimants is provided for the April 2022 reference period, standing at 5,830, which is higher than the baseline position of 4,803 in April 13.

4.21 However, the April 22 position represents a year-on-year decrease in the claimant count across the City Deal area from 8,853 in April 2021. This reflects the recovery in the labour market since the Covid-19 pandemic. The most recent data available for this measure is for January 2023 (not listed on the table) and stands at a similar level (5,805 claimants).

4.22 The combined claimant count for South Ribble and Preston was 5,830, representing 2.4% and 4.4% respectively for April 2022. This compares with a claimant count rate of 4.2% in Lancashire (LEP area geography) and 4.4% in the North West for the same period.

Summary of measures not updated in this report

4.23 *New students choosing STEM and construction undergraduate degree subjects at UCLan*

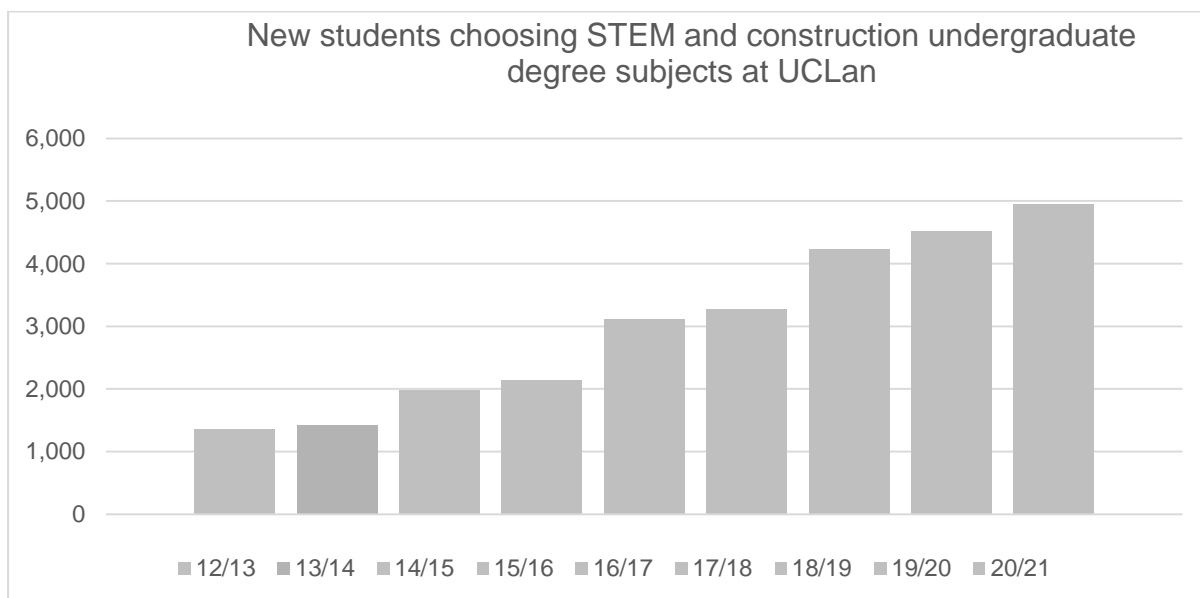


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4.24 Data for this measure for the reporting period has not yet been released for 2021/22. The latest position is reported below.

Output	Baseline:	Yr.1	Yr.2	Yr.3	Yr.4	Yr.5*	Yr.6	Yr.7	Yr.8	Yr.9
	Academic Year 2012/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
*refers to academic year										
New students choosing STEM and construction undergraduate degree subjects at UCLan	1,359	1,431	1,988	2,146	3,120	3,268	4,235*	4,510*	4,955*	Not Yet Released
Source: UCLAN *HESA data										



4.25 Data up to 2020/21 has show a year-on-year increase for this measure, equating to a 265% increase from the position in 2012/13.

4.26 The uplift in numbers does mirror national trends which have seen large increases in undergraduates choosing STEM subjects for their degree subjects. Increased numbers of STEM students can deliver benefits to the individual through increased earning potential, as well as wider societal and economic impacts such as increased competitiveness and addressing skills shortages required by employers.

Data excluded from reporting

4.27 Data for several of the measures previously reported is no longer available, and this has been the case for a number of years. As a result, the following data has been removed from the reporting tables:



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- HE leavers getting graduate jobs in construction and engineering – last reported 2016/17
- HE leavers getting graduate jobs in all sectors - last reported 2016/17
- Graduate placements and internships across all sectors - last reported 2017/18
- Number of interventions/ activities promoting City Deal and construction career opportunities with Young People, Teachers/IAG practitioners, Parents, and Education Institutions - last reported 2018/19

List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A except for Appendix 'A' which contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that in all the circumstances of the case the public Interest in maintaining the exemption outweighs the public interest in disclosing the information.