



CITY DEAL

Preston, South Ribble & Lancashire

City Deal Executive and Stewardship Board – 17th July 2015

General Update

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Executive Summary

The purpose of this report is to provide a short update for the City Deal Executive / Stewardship Board on the following areas of work:

- a. Employment and Skills Plan
- b. Appointment of a consultant to provide professional services in appraising commercial market viability and negotiation of financial contributions (CIL Negotiator)

Recommendation

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

a. Employment and Skills Plan

The February meeting of the City Deal Executive and Stewardship Board received an update on the preparation of the City Deal Skills and Employment Strategy. Further to that, the Brief was agreed and put out to the tender. Tenders were received and evaluated by a working group, comprising colleagues from the HCA, Preston City Council, South Ribble Borough Council and the LEP Skills Board. Following this evaluation process ekosgen have been approved. The estimated work programme is of a three month duration.

As agreed by the City Deal Programme Board, representatives from ekosgen will deliver a presentation to the City Deal Executive and Stewardship Board at the meeting in September when reports are provided on Year 2, Quarter 1 meeting in September.

A number of other related research pieces are also running concurrently, which will identify current skills provision and projected future gaps by sector. This work will inform the development of a Lancashire (LEP footprint) Employment and Skills Strategy to be developed by July, 2015. Also underway, is an Economic Impact Assessment, regards the skills providers (colleges, Higher Education, private providers) across Lancashire, alongside with a comprehensive desk top data analysis to underpin this.



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b. Appointment of consultant to provide professional services in appraising commercial market viability and negotiation of financial contributions (CIL Negotiator)

The City Deal Programme is funded through pooled local and national, private and public sector resources. The private sector contributes through the Community Infrastructure Levy (CIL) and other developer contributions. The infrastructure requirements to support new development (notwithstanding the other funding sources under the City Deal) means there will be a substantial and sustained call on developers across the area and lifetime of the City Deal for financial contributions. Reflecting this, the City Deal financial model contains an income stream to come from developer contributions, which will be secured and paid through CIL arrangements and Section 106 and Section 278 agreements.

This amount, approximately £90 million, is expected to comprise monies collected under CIL and other developer contributions secured for major development site infrastructure under s106 and s278 agreements or otherwise provided directly by the developer as part of the consented built scheme.

At its meeting in April 2014, the City Deal Executive endorsed the proposal to secure an additional resource and optimise the CIL and other developer contributions included in the Infrastructure Delivery Fund. It is recognised that the degree of specialist knowledge and negotiation skills are currently unavailable within the City Deal Project Team. It has been determined, the best approach is to establish a Framework Agreement for these services with a consultant, working closely with a range of disciplines including town planning, surveying and engineering, finance and legal officers within the authorities and externally.

This Framework Agreement will provide important skills and capacity to the City Deal partners including current industry experience, technical professional expertise and improve the prospect for ensuring a consistent approach and maximise the partners' negotiating position. The risk of conflicts of interest will be considered on a case by case basis. LCC has not guaranteed any volume of services to be delivered and has reserved the right to utilise non-framework service providers.

The Memorandum of Agreement will cover the following work areas:

- forming a comprehensive and detailed understanding of the type and extent of supporting infrastructure appropriate to built development projects.
- appraising and advising the authorities on commercial development market viability and feasibility.
- provision of residential and other commercial valuations
- advising Local Authority Officers on an appropriate, defensible, fair and equitable level of developer contribution to provide supporting infrastructure that meets the regulatory tests and achieves the optimum balance between achieving a sustainable and commercially viable development project.



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- coordinating the input of key officer support into negotiations.
- participating in negotiations and related discussions with applicants, developers and other interested parties at pre-application and planning application stages alongside Local Authority Officers.
- contributing to the preparation and presentation of evidence to support the authorities' position including at planning inquiries (appeals etc.)
- advising authorities on drawing up legal agreements to secure supporting infrastructure, funding and land.
- producing a document, initially, but not limited to North West Preston, which will consider the distribution of key infrastructure to ensure the viability and deliverability of the proposed development and set out a mechanism to ensure that in so far as is practicable, the infrastructure costs associated with the development are borne equally. The Councils are committed to working with developers to secure an equitable and fair distribution of identified infrastructure burdens and in NW Preston, this work will feed into the NW Preston Masterplan Supplementary Planning Document (SPD) and ensure that each parcel of land in different ownership can be delivered.

Following a soft market testing exercise in late summer 2014, an invitation to tender in early February, 2015 took place, followed by an evaluation exercise during March 2015. The preferred consultancy Keppie Massie was appointed, an establish firm of surveyors and property consultants whose services include the more traditional surveying and valuation fields, together with more specialist and diverse expertise in regeneration and strategic development. The firm demonstrated to the evaluation panel's satisfaction a thorough knowledge and extensive experience of the activities required as well as providing detailed recent examples in the local area.

The Framework Agreement commenced in May 2015 and runs until 30th April 2018, but may be extended for a further year, up to a maximum duration of four years. Updates on this important aspect of work will be brought to future meetings of the City Deal Executive / Stewardship Board.