

Update for LEP – Performance Committee

Preston, South Ribble and Lancashire City Deal

Achievements in the last two months

At the June E&SB representatives from UCLAN attended their first meeting as observers. The Environment Agency also attended and provided a presentation on Flood Risk.

A summary of key performance of City Deal up to 2015/16 (Year 2) was signed off by the Executive and Stewardship Board at its meeting in June. In headline terms:

- 1,599 homes have been completed (target achieved)
- £9.161m of private sector investment has been secured
- Planning permission for a further 8,765 homes is in place
- 9,665 sq m of commercial floorspace has been created
- 753 jobs have been created

June / July 2016 Achievements

- planning application for Preston Western Distributor - submitted May 16
- consultation on Penwortham Bypass - concluded July 16
- Miller Homes start on HCA Croston Road South - 175 new homes – May 16
- Story Homes start on HCA Cottam Hall (Phase 2) - 283 new homes – June 16
- HCA Agreement to sign Collaboration Agreement with Taylor Wimpey for Pickering's Farm – August 16

The 15/16 finance report received by E&SB in June showed a projected surplus at the end of the CD period of £1.408m. For 15/16 actual net resources in year were £4.825m compared to forecast net resources of £4.290m. To August 16, HCA have paid £14M in grant and £1.93M in loan. The E&SB approved a process (to be managed by the Infrastructure Delivery Steering Group) to ensure final costs are approved and schemes are fully funded prior to implementation. The E&SB agreed future monitoring arrangements with housing and employment sites performance reported 6 monthly (aligned with Government's monitoring against the core and supporting outputs) and performance on the infrastructure programme reported quarterly. The E&SB adopted a new scheme approval process, ensuring robust arrangements are in place for any new (funded) schemes coming forward in the future.

Current challenges / Issues requiring a planned approach to their management.

At the request of the E&SB, programme critical delivery issues are now reported separately to the E&SB, in addition to being flagged in the quarterly monitoring reports. At the June E&SB issues relating to Pickering's Farm, Croston Road and Broughton Bypass were discussed and actions agreed to minimise the risk to the programme. The E&SB will receive progress updates on these and other programme critical delivery issues as a standing item. In relation to the major highway infrastructure projects, Broughton Bypass is under construction with the completion date under review due to previously unknown ground conditions requiring changes to the scheme design.

Jim Carter chairs a Resources Review group, which to date has focussed on City Deal income, including the financial impact of potential changes to New Homes Bonus, estimated to be between £9.3M and £32M, as well as the projected build out rate for housing. Government are yet to announce the outcome of the NHB consultation and while informal discussions with Government colleagues have taken place the timing and nature of the formal negotiations with Government needs to be carefully considered. The next phase of the Resources Review group is focussing on City Deal costs.

The E&SB agreed, as part of its annual progress review, to work with the Performance Committee to provide assurance with regard to the delivery of major City Deal highways infrastructure. It be important that assurance is also provided on both the broader costs and income of the City Deal initiative and the ongoing Resources Review work can usefully inform this and will discussed at the Performance Committee on the 2nd September.