



CITY DEAL

Preston, South Ribble & Lancashire

City Deal Executive and Stewardship Board – 30th September 2016

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Implementation Update

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Purpose of the Report

This report is presented in 3 parts:-

- 1 Year 3, Quarter 1 Project Monitoring Report relating to the period April – June 2016
- 2 Year 3, Quarter 1 Finance Monitoring Report relating to the period April – June 2016
- 3 Report of the Planning and Housing Delivery Group

1. Year 3 Quarter 1 – Project Monitoring Report (April-June 2016)

1.1 Current Position

1.2 The project monitoring spreadsheet attached, sets out in detail, the progress made during quarter 1 2016/17. The spreadsheet reflects the position of the schemes as at 30th June 2016 and overall, shows that good progress was made during that period.

1.3 Key milestones achieved include; submission of the planning applications for the PWD and E/W Link Road, Completion of the consultation on the Penwortham Bypass, good progress made with the works to the A582 including Pope Lane roundabout and commencement of the works on site at New Hall Lane. The planning application in respect of the Preston Bus Station Car Park was submitted according to the programme and the detailed design for Bamber Bridge was also completed during Q1.

- 1.4 The E&SB will note that of the 45 schemes included in the Plan for this year, 29 are progressing as planned with no issues identified and 16 have been highlighted red/amber, either because they have not met the milestones in Q1 or will not meet the milestones going forward.
- 1.5 Scheme issues highlighted in the report are:-

Highways and Transport/Priority Corridors

- i. **Preston Western Distributor** – Planning application has been submitted as planned. Outline business case has not been submitted and is now expected to be submitted during Q3 due to increased work required to produce a robust cost estimate, suitable for the business case.
- ii. **Broughton Bypass** – The project completion will be delayed but the extent of the delay has not yet been confirmed. Intensive work with the contractor is being undertaken to explore any options for mitigation (this is the subject of a detailed report under Part II of this agenda).
- iii. **Cuerden Strategic Road Infrastructure** – Commercial discussions are still underway which impacts on delivery of the highway infrastructure. Concept design will now be undertaken in Q2 which may affect the timescales for design approval.
- iv. **Croston Road Spine Road** – This scheme did not start on site during Q1 as originally planned due to commercial discussions which have now been resolved. The revised start on site date is September 2016 which consequently results in a delayed completion date of Q1 17/18.
- v. **Moss Side Test Track Road Infrastructure** – This scheme will not reach concept design stage until the master planning exercise has concluded. This scheme will need to be reprogrammed once the master planning has commenced.
- vi. **Preston Bus Station Refurbishment and Redevelopment of Concourse** – This was ragged Amber in the monitoring report as the timescale to submit the planning application was considered to be challenging but, it was submitted within the programme timescales in Sept 2016.
- vii. **Fishergate Winckley Square THI – Cannon Street** – There is a funding shortfall on this scheme which is discussed in more detail later in this report.
- viii. **South of Lostock Lane Corridor Works** – Consultation not achieved in Q1 due to a redirection of SRBC resources onto Bamber Bridge corridor works. The South of Lostock Lane Corridor works will be re-programmed.
- ix. **Hutton/Higher Penwortham Corridor Works** – Consultation has taken place as part of the Penwortham Bypass consultation. However, detailed design work programmed for Q2 is proposed to be deferred as it is recommended that the corridor works follow the completion of the Bypass.

Community Infrastructure

- x. **Grimsargh Green** – Commencement of works slipped to Q4 as 106 agreement not yet in place. Completion of contract documents and awarding of contract to take place in Q3.
- xi. **East Cliff Cycle Hub** – Construction underway, but completion now anticipated in Q2.

- xii. **East Cliff Cycle Link and Bridge** – There is a funding shortfall for the Cycle link element of this scheme which is discussed in more detail later in this report. In terms of the Bridge, the planning application was delayed due to confirmation of sale of East Cliff which will affect future milestones. The project has been separated out into two schemes and costings and delivery milestones clarified in the updated Infrastructure Delivery Plan.
- xiii. **Landmark Features – Lorry Pop** – Scheme cancelled due to viability issues. Landowner does not wish to proceed.
- xiv. **Landmark Features – Iron Horse** – Scheme delayed as originally being managed as joint procurement exercise with the Lorry Pop. This will now be reprogrammed.

1.6 Recommendation

The E&SB is asked to note the Q1 Monitoring Report for the period April-June 2016.

2. Year 3, Quarter 1 Finance Monitoring Report (April – June 2016)

2.1 Introduction

2.2 The City Deal infrastructure delivery model ("the model") is a finance model showing the finance activity to date and expected within the City Deal. The model is split into two sections - resources being income to be received into the model from the various income streams and delivery programmes being expenditure paid or forecast to be paid on the infrastructure schemes. The City Deal is an accelerated delivery model based on the understanding that while the timing of resources coming into the model will be behind expenditure on schemes, requiring cash flow support from the County Council, there is a commitment of the partners to keep the model balanced.

2.3 It is recognised that the model is dynamic and that changes to the inputs and outputs of the model will occur over time. This is sustainable subject to maximum cash flow approvals being in place and not breached.

2.4 Position of the model as at 30th June 2016

2.5 The monitoring report for quarter 1 2016-17 is appended to this report. The model is currently showing a projected surplus over the city deal period of £1.761m compared to a position as reported in the Year end 31st March 2016 of surplus of £1.408m. This is a change of £0.353m.

2.6 All the changes relate in the main to forecasts in housing numbers within the model and assumptions of which houses will attract CIL, the contribution payable to parishes.

2.7 Key risks to the model

2.8 Resources

2.9 Whilst most of the income to the model is fixed in commitment or capped amounts (with the exclusion of changes to Government policy and how those

might affect the model which are being considered by the E&SB) the main risk to the model in terms of income is certainty of securing developer contributions in line with the expectations at the outset of the City Deal.

- 2.10** The total of these in the current model is £102.688m after building in increased rates and the modelling of those sites / units which will attract CIL and other contributions. £28.364 of this is now expected to come into the model in the “run-on” period of years 11-15 due to reported slippage in sites being brought forward for development. This also has an impact over the time that LCC will have to cash flow the City Deal over and the resulting finance charges incurred.
- 2.11** While there is more certainty with regard to the CIL element of developer contributions, within this total figure of £102.965m there is also £50.863 which relates to “other developer contributions”, sometimes referred to as CIL Plus, and which includes monies payable through, for example, section 106/ 278 agreements. While there is a commitment in the Heads of Terms for these amounts to be secured from developers there are a number of technical issues in relation to ensuring these amounts can be collected and transferred to the model. It should be noted that to date £32.830m of these have already been secured leaving an amount of £16.662m still to be sought. This represents a risk to the model remaining in balance as should these not be secured, expenditure and resource forecasts will not remain aligned. As part of the ongoing Resources Review Keppie Massie are testing all the assumptions relating to developer contributions within the model.
- 2.12 Expenditure**
- 2.13** To date, no scheme funding gaps have been confirmed. The scheme estimates set out in the model will continue to be refined and tested as schemes are subject to detailed design, preparation of cost estimates and tendering prior to implementation. The Infrastructure Delivery Steering Group has approved a process to ensure that final costs are approved and schemes are fully funded prior to implementation.

Recommendation

The E&SB is asked to note the Q1 Finance Monitoring Report for the period April-June 2016

3. Planning and Delivery Working Group Report

3.1 Background

- 3.2** Planning is often cited by Central Government and developers as slowing and / or stifling development. At the City Deal Technical Workshop held on Friday 20th November 2015 it was agreed that a small working group be formed to look at the role of Planning in achieving delivery of City Deal sites. The focus of the working group would be to identify issues and blockages that could be perceived to slow development down and identify, through an action plan, potential ways of addressing such issues.

3.3 The group is made up of representatives from South Ribble Borough Council, Preston City Council, Lancashire County Council and the Homes and Communities Agency.

3.4 **Discussion**

3.5 The working group has met a number of times and the draft action plan (attached as an appendix) has been considered by City Deal IDSG and Project Team. The discussion and the action plan can be broken down into the following areas:

3.6 *Planning's Role in Implementation and Project Management*

3.7 Leading on from the above it was felt that Planning could play a more important role in project managing sites coming forward. Many of the City Deal sites are large and very complex with multiple land owners and developers. Planning is often seen as just the process of dealing with and deciding upon the planning applications. It was felt that planning should have a wider role in development by focusing on implementation of sites and schemes also. An end to end development process working with the development industry was felt to be important. This includes a focus on identifying blockages and working towards solutions to those blockages.

3.8 The ethos of planning and the up-skilling of planners was felt to be important. It was therefore identified that project management training and approaches would be useful.

3.9 A Housing Sites Issues log has been created for South Ribble and for Preston. Each log divides the housing sites up into 3 groups those with 250 or more houses, 50-249 houses and sites of less than 50 houses. A note has been made of the planning permission stage reached for each site and a summary made of planning issues and other issues relevant to each site. This information includes the findings to date of the draft Keppie Massie Resources Review Analysis

3.10 *Monitoring*

3.11 City Deal monitoring is focused on the raw number of units built and key milestones. It was considered by the group that monitoring should be a much wider remit to gain a full understanding of what is happening and what the issues are on each site or project and the new monitoring system and milestones reflect this. For each major site detailed knowledge of where sites were up to tends to be mixed across different officers. The recording of information about sites beyond the key measures and milestones is essential to enable a full understanding of where the various elements of a site are up to. There are likely to be IT solutions to this to enable recording of progress alongside key outputs.

3.12 *Member Engagement*

3.13 During discussions it was highlighted that Councillors have varying degrees of understanding and awareness of the City Deal, whilst many of them will sit on planning committees deciding planning applications that are part of City Deal. Member involvement could be highlighted by introducing text into Planning Committee reports where developments are particularly important to the City Deal. It was also considered that the Central Lancashire Joint Advisory

Committee could play an important role in feeding information about progress on City Deal through to Members. Member training sessions or updates on City Deal would also be beneficial.

3.14 *Visibility of City Deal*

3.15 It was considered by the group that developers and landowners were still not sufficiently engaged in the City Deal process. A comprehensive programme of developer forums and events may therefore benefit the process as well as building up ongoing relationships with developers.

3.16 *Speeding Up Decisions*

3.17 Despite perceptions nationally and in the media it was felt by all that performance in determining major planning applications was very good. Despite this it was felt that whilst attention was on the major applications that this detracted from dealing with discharge of conditions and other smaller applications. In many instances these conditions were reliant on third parties who have their own resource issues. Similarly concerns were raised about the length of time to negotiate and ultimately approve S106 agreements. It was acknowledged, however, that in many cases the delays were on the part of the developer.

3.18 *Stakeholders*

3.19 Preston City Council and South Ribble Borough Council as planning authorities, are very reliant on other stakeholders for input into planning applications and discharging of conditions. Other bodies such as Lancashire County Council (for Highways and SUDS), Environment Agency, Natural England, Historic England, and Highways England have important roles to play. It was felt that such bodies needed to “buy in” to City Deal and ensure that their involvement is prioritised and resourced accordingly. This could be done through high level meetings and also through City Deal update meetings with them.

3.20 Highways has been identified as a particular problem area whereby input into pre application discussions is currently limited and developers are met with strong views and concerns when an application is in.

3.21 *Getting the Most Out of City Deal*

3.22 The group also discussed the wider role Planning could play in ensuring that developments contribute more to City Deal particularly with regard to economic and social value. It was considered that developments could contribute more widely through employing local people, providing apprenticeship programmes, making use of local suppliers and contractors. One way of achieving this is through conditions or legal agreements on planning permissions which could also be supported through a Supplementary Planning Document (SPD) The Central Lancashire Authorities are preparing a skills & employment SPD which will support this.

3.23 Conclusion

3.24 The Action Plan at Appendix A distils the above discussion into six themes and provides suggested actions and delivery and starts to identify who might lead on such actions and how that could be resourced. Indeed some of the actions are already being implemented as shown in the final column.

3.25 Recommendation

That the Executive and Stewardship Board note the report of the Planning and Delivery Working Group and be invited to comment on the action plan.

Appendix A

City Deal Housing and Planning Delivery Action Plan

Theme	Priority	Action	Delivery	Lead	Timing
Planning's role in implementation	1	Implement development team approaches to City Deal developments	<ul style="list-style-type: none"> Promote and prioritise City Deal sites and development across planning departments. 	JN, NR	Ongoing
	1	End to end development service	<ul style="list-style-type: none"> Identify project leads for all housing sites 	JN, NR	Complete
	1		<ul style="list-style-type: none"> Engage in project management for sites as set out in Theme 2 project management below 	JN, EP and project leads for sites	Ongoing
	2		<ul style="list-style-type: none"> Stakeholder engagement 	JN, EP and project leads for sites	Identified through project management approach below. Ongoing
Project Management	1	Establish "Best Practice" Approach to Project Management of Development Sites	<ul style="list-style-type: none"> Project plans for key sites and key themes 	JN, NR	Target Q2
	2		<ul style="list-style-type: none"> Project management training 	City Deal	Target Q2 2016
	1	Understanding blockages actual and potential in the development process.	<ul style="list-style-type: none"> Identify key planning issues for all housing sites 	JN, EP and project leads for sites	Complete
	1		<ul style="list-style-type: none"> Development management workshop as part of issues identification 	JN, EP and project leads for sites.	Q2 2016
	2	Addressing issues	<ul style="list-style-type: none"> Prioritise work across sites 	JN, EP and project leads	Complete and ongoing

Theme	Priority	Action	Delivery	Lead	Timing
				for sites.	
Monitoring	2	Wider role of monitoring i.e. not just headline figures for each site but a full understanding of where each site is up to	<ul style="list-style-type: none"> Introduce a key sites e-hub with a dashboard of key facts for each site together with case update notes so that all can see what is happening on a site at a glance. Ensure consistency with existing BDP monitoring arrangements. 	JN, EP and project leads for sites	Ongoing
Member Engagement	3	Ensure Members are fully aware of City Deal priorities and the role of sites within this	<ul style="list-style-type: none"> Standard paragraph in planning application reports. 	JN, NR, Development Management heads and project leads.	Ongoing
			<ul style="list-style-type: none"> Member briefing/training on City Deal. 	JN, NR, and project leads	Six monthly starting Q2 2016
			<ul style="list-style-type: none"> Updates to JAC 	MH	Six monthly starting Q1 2016
Visibility of City Deal	2	Engagement with the development industry	<ul style="list-style-type: none"> Selling City Deal at key developer events/meetings Develop fit for purpose slide deck for presentations Engagement with developers and land owners on unimplemented planning permissions 	KM, NR Comms Leads	Events to be identified Ongoing
Speeding up Decisions	3	Ensure Development Management Teams are	<ul style="list-style-type: none"> Heads of Planning to continually assess resources given case load 	JN, NR, Development	Ongoing

Theme	Priority	Action	Delivery	Lead	Timing
		resourced staff and IT wise	<ul style="list-style-type: none"> and performance Share resources to manage peaks and troughs 	Management heads and project leads.	
	3	Ensure focus is not just on big applications but also discharge of conditions	<ul style="list-style-type: none"> Training for Case Officers Management responsibility to ensure dealt with as quickly Targets for time conditions are discharged 	JN, NR, Development Management heads and project leads.	Ongoing
	3	Offer a pre-application plus service	<ul style="list-style-type: none"> Developers pay premium for fast-track registration and validation Marketing of pre app service Agents accreditation scheme 	JN, NR, Development Management heads and project leads.	SRBC and PCC to discuss further in Q2/3 2016/17
	1	Ensure Statutory Consultees "buy in" to City Deal and speed of decision making and discharge of conditions	<ul style="list-style-type: none"> High level buy in between Senior Officers of LPA's and Statutory consultees City Deal seminars for Statutory Consultees 	City Deal Team.	Q2/3 2016/17

5.0 Recommendation

5.1 That the Year 2, Quarter 1 Project and Finance Monitoring reports be noted.

5.2 That the Programme Board consider whether any of the issues highlighted need to be drawn to the attention of the Executive and Stewardship Board as part of a separate report.