



CITY DEAL

Preston, South Ribble & Lancashire

Preston, South Ribble and Lancashire City Deal Stewardship Board

Minutes of the Meeting held on Tuesday, 12th March, 2019 at 2.30 pm at the Committee Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present

Nicola Elsworth (Chairman)

Adrian Phillips
Tim Povall

Angie Ridgwell
Jim Carter

In Attendance

Councillor Matthew Brown, Leader, Preston City Council
County Councillor Geoff Driver CBE, Leader, Lancashire County Council
Councillor Margaret Smith, Leader, South Ribble Borough Council
Mark Rawstron, LEP Director
Nicola Elsworth, Head of Public Sector Land, Homes England
County Councillor Michael Green, Lancashire County Council (nominated Observer)
Councillor Phil Smith, South Ribble Borough Council (nominated Observer)
Councillor Clifford Hughes, South Ribble Borough Council, Cabinet Member (Strategic Planning and Housing)
Joanne Ainsworth, LEP and Special Projects Finance Manager, Lancashire County Council
Deborah Holroyd-Jones, Senior Development Manager, Homes England
Joanne Hudson, Project Manager, Lancashire County Council
Marcus Hudson, Planning Manager, Lancashire County Council
Richard Kenny, Interim Director of Economic Development and Planning, Lancashire County Council
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council
Sarah Parry, City Deal Programme Manager, Lancashire County Council
Ginette Unsworth, Head of Communications, Lancashire County Council

1. Welcome and Apologies for Absence

The Chairman welcomed all to the meeting. Apologies for absence were presented from Heather McManus, Chief Executive, South Ribble Borough Council with Tim Povall, Deputy Chief Executive, formally nominated as her representative.

Apologies for absence were also received from Councillor Peter Moss, Preston City Council's nominated Observer.

2. Minutes of the City Deal Executive Meeting held on 5th February 2019

Resolved: That the minutes of the City Deal Executive meeting held on 5th February 2019 be approved as an accurate record and duly signed by the Chairman.

3. Minutes of the City Deal Stewardship Board Meeting held on 5th February 2019

Resolved: That the minutes of the City Deal Stewardship Board meeting held on 5th February 2019 be approved as an accurate record and duly signed by the Chairman.

4. Matters Arising

None

5. Declaration of Interests

None

6. Homes England Quarterly Monitoring Progress Update - Q3 2018/19

Nicola Elsworth and Debra Holroyd-Jones both Homes England, presented a report (circulated) which provided the City Deal Executive and Stewardship Board with the Homes England Quarterly Monitoring Progress Update for Quarter 3 – 2018/19.

It was highlighted that the report provided details of each of the 11 Homes England sites and a progress update towards key milestones for each site.

It was noted that all 11 sites were generally progressing well and continuing to deliver. Further progress had been made on marketing and disposal of sites.

In terms of Site 1 - Cottam Hall, Phases 1, 2 and 3 continue to build out well. Phase 4 had progressed to a Reserved Matters Application. Following market testing Phase 6 is to be brought forward ahead of Phase 5, Phase 6 was now out to market.

With regard to Site 2 – Cottam Brickworks, meetings and negotiations had taken place (in January 2019) with all parties and further meetings would be held between all parties including the landowner's representatives to revise Heads of Terms for a new access agreement.

It was highlighted that with regard to Site 3 – Land at Eastway (residential) that Story Homes were building out well with 10 completions during this reporting period and that a grant payment of £345,692 had been paid to Lancashire County Council in December 2018.

Site 4 – Whittingham – It was reported that the Masterplan has been agreed and that a revised outline application is expected to be submitted by the end of March 2019.

Site 6 – Pickering Farm – A lot of work has been undertaken with Members at South Ribble Borough Council and the community on the masterplan, it is anticipated a submission on this application will be made by May 2019.

Site 7 – Altcar Lane continued to progress and its Reserved Matters application has been approved. Site preparation and build out has now commenced on this site.

Site 8 – Croston Road North, marketing had commenced with a view to having developer bids returned by late April / early May 2019.

Site 9 – Croston Road South continues to build out well.

To date this year (2018/19) up to the end of Quarter 3, a total of circa £5m had been paid in grants.

The Homes England Business Disposal Plan for all 11 sites will be prepared from April onwards which will help realign milestones and finances for the delivery of the sites.

In terms of housing completions this year the target was 139 and to date 115 have been delivered and it was envisaged that the target would be met or exceeded.

Resolved: The City Deal Executive and Stewardship Board noted the contents of the report and update provided on progress made across all 11 Homes England sites.

7. City Deal Transport Plans' Update

Marcus Hudson, Planning Manager, Lancashire County Council gave a presentation on City Transport, Public Transport Corridor, Local Centres, Walking and Cycling Plans.

It was noted that work continued on the City Deal Programme dealing with public transport and active travel modes, public realm and other aspects of the transport network serving the city centre and local centres. This was supported by three commissioned studies that were interlinked:

- Cycling and Walking Delivery Plan

- Public Transport Priority Corridors and Local Centres Master Planning; and
- City Transport Plan.

In addition it was highlighted that all three City Deal local authorities have worked closely at a technical level, alongside transport providers, local interest groups and other stakeholders in production of these plans.

Marcus presented in detail the various plans, the potential options and benefits of each option.

City Deal Members discussed some of the potential options in detail, including improving the environmental health and air quality in the area. It was noted that the plans will not be static and will continue to be worked on by officers in order to progress.

Resolved: The City Deal Executive and Stewardship Board noted the detailed presentation and ongoing development of the City Transport Plans.

8. City Deal Review Update

Sarah Parry, City Deal Programme Manager, provided an update to the City Deal Executive and Stewardship Board on progress regarding the City Deal Review.

Working is being done to create the Heads of Terms to continue to engage the consultants Steer in the next phase of works. Work is being done to bring forward a package of work, including funding models and communications plans, is being developed. The recommendations for Steer are being worked into each stream of the review.

Sarah Parry, City Deal Programme Manager, provided an update to the City Deal Executive and Stewardship Board on progress regarding the City Deal Review.

Working was being done to progress the new Heads of Terms under the guidance of consultants, Steer Economic Development.. The intention was to bring forward a package of improvement proposals to the City Deal Executive and Stewardship Board in July, which would comprise; revised Heads of Terms, governance arrangements, infrastructure delivery plan, a revised finance model and communications plan. The recommendations arising out of the Steer Review Report were being considered as part of these improvement packages.

Angie Ridgwell, Chief Executive and Section 151 Officer, Lancashire County Council, asked for clarification with regard to the specific resolution recorded at the last Combined City Deal Executive and Stewardship Board meeting that the revised Heads of Terms will be developed by the end of March 2019 with adoption by June 2019 at the latest with a full partnership agreement in place by July 2019. The City Deal Programme manager was asked to confirm that officer groups are arranged and in the diary with full participation by all partners.

The City Deal Programme Manager advised that she is still aiming for draft Heads

of Terms by the end of March 2019 and for formal adoption to be achieved in time to be reported to the next Combined City Deal meeting scheduled to be held on 4th July 2019. Some officers had raised concerns as to whether this was achievable with South Ribble Borough Council advising that consideration cannot be given by them until the end of July 2019 due to their elections taking place in May 2019. The City Deal Programme Manager advised that she would at least want to ensure the City Deal Executive was sighted on any agreement at its meeting on 4th July 2019 before it is taken to respective councils for formal agreement. Assurance was given by partners that they would actively engage with the preparatory meetings.

Tim Povall, Deputy Chief Executive, South Ribble Borough Council, advised that if they were in a position to call an earlier emergency Council meeting following their elections in May 2019 they would do so.

County Councillor Geoff Driver, Lancashire County Council and Councillor Margaret Smith, South Ribble Borough Council debated the achievability of the timescales that members had agreed at the previous meeting for the City Deal Review and agreed to discuss this further outside of the formal meeting

Nicola Elsworth of Homes England, made a request for Homes England to be included in the discussions regarding the revised City Deal Heads of Terms. The City Deal Programme Manager confirmed Homes England will be included and meetings are in place involving all parties.

The Chairman, Jim Carter, also requested that it be noted that approval to the City Deal Review by the Lancashire Enterprise Partnership will need to be built into the timeline.

Finally, the Chairman, Jim Carter requested the City Deal Programme Manager to alert him as soon as possible, to any issues preventing the timescales for the City Deal Review from being achieved.

Resolved: The City Deal Executive and Stewardship Board noted the update provided and the resolution of the previous meeting regarding the agreed timescales for the City Deal review.

9. Infrastructure Delivery Update – 2018/19 Quarter 3 (Oct-Dec 2018)

Sarah Parry presented a report (circulated) which contained an Infrastructure Delivery update for Quarter 3 – October 2018 to December 2018.

It was recognised that as the reporting period ended over two months ago that current position updates had also been overlaid into the report to provide the latest position.

Following the decision taken at the previous City Deal Executive and Stewardship Board meeting to support the delivery of the A582 scheme in City Deal, subject to funding validation, this had now been referenced in the Dashboard. It was

noted that progress had been made on this scheme with regard to design, planning application preparation and Compulsory Purchase Order (CPO) preparation.

An update was provided on the Preston Western Distributor and East West Link Road which had also been updated to include reference to the local contribution that the City Deal Executive approved at its last meeting. The Business Case would now be submitted in the spring firstly to the Lancashire Enterprise Partnership then to the Department for Transport.

In addition it was noted that at present there is roughly a 50/50 split between projects ragged as amber or green with the exception of one scheme – Guild Wheel Bluebell Way – which was red. The reason it was listed as red was that the design for the scheme required additional funding over and above that identified in the City Deal fund. Officers were looking at alternative sources of funding to bridge the gap.

A query was raised regarding the completion of the Bamber Bridge – Town Centre Improvements scheme with regard to the footpaths. It was advised that a funding envelope of £3.35m had previously been agreed by the City Deal Executive and that the extent of the works to be delivered was approved by the City Deal infrastructure Delivery Group, which includes representatives from each of the partner authorities. Clarification on the detailed cost breakdown was requested and it was agreed that officers would provide the detailed breakdown of costs on this scheme to South Ribble Borough Council.

Resolved: The City Deal Executive and Stewardship Board noted the Infrastructure Delivery Update Quarter 3 – October – December 2018 and the additional updates provided.

10. Any Other Business

None

11. Date of Next Meeting

It was noted that the next combined Preston, South Ribble and Lancashire City Deal meeting is scheduled to be held on 4th July 2019 at 10:15am in Committee Room 'D' – The Henry Bolingbroke Room, County Hall, Preston.

12. Exclusion of the Press and Public

Resolved: That the press and public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined 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.

In addition, the Chairman proposed that Officer and Member Observers from the respective three Councils be allowed to remain.

Resolved: That Officer and Member Observers be allowed to remain present for the Part II items on the agenda.

13. City Deal Finance Monitoring Report for Quarter 3 - 2018 / 19

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interests in disclosing the information).

Before consideration of the City Deal Finance Monitoring Report for Quarter 3 – 2018/19 the City Deal Executive Chairman, Jim Carter, requested that both the Executive and Stewardship Board consider an additional discussion under this heading regarding Homes England and potential additional investment.

Nicola Elsworth provided an overview of the potential significant investment from Homes England, which would need to be aligned to the delivery of a specific infrastructure scheme. Given the requirement to defray any potential investment by March 2021; the Preston Western Distributor is recognised as the most advanced infrastructure scheme that can release additional new homes (above the current City Deal target) giving rise to the scheme being best suited to the Homes England programme criteria.

Any potential additional investment is subject to the scheme criteria, production of a business case and approval by Homes England Board and potentially MHCLG. In addition any new investment will have to be considered in the context of current City Deal delivery to date and Homes England expressed some concern about this, given comments made at the last Programme Board regarding the delivery of two major schemes in South Ribble.

Councillor Margaret Smith, Leader of South Ribble Borough Council stated that South Ribble was committed to the City Deal and had been all the way along. It was reported that the Test Track site had been considered by the South Ribble planning committee and a decision was deferred with a request that partners get together and it was anticipated that it would be reconsidered very soon and hopefully be approved. In addition Councillor Smith advised the City Deal Executive and Stewardship Board that South Ribble were committed to Pickerings Farm (or The Lanes as it is now referred) and had been all the way along and were committed to putting more money into the scheme to get the infrastructure in place first.

Councillor Smith concluded by stating that South Ribble were committed to City Deal as a Council and administration and that she could not say it any firmer than

that and that the potential offer made by Homes England was fantastic. The Chairman re-iterated that if any partners do have concerns about commitment to raise those issues with him directly.

In addition, Adrian Phillips, Interim Chief Executive, Preston City Council re-confirmed his Council's commitment to the City Deal and delivery of all the sites within the scheme.

Resolved: That the potential offer from Homes England be welcomed and that it be noted that all partners re-confirmed their commitment to City Deal.

Joanne Ainsworth, Lancashire Enterprise Partnership and Special Projects Manager, Financial Management, Lancashire County Council presented a report (circulated) which contained the City Deal Finance Monitoring report for Quarter 3 2018 / 19. It was acknowledged that as the report was circulated late, Executive and Stewardship Board members were encouraged to take the report away, digest, and could follow up with Joanne outside of the meeting if they had any questions or queries.

Resolved: The City Deal Executive and Stewardship Board

- (i) Noted the Quarter 3 Finance Update; and
- (ii) Noted the key risks and issues going forward and accepted mitigation is needed to ensure the model remains balanced over the lifetime of the deal utilising the three strategies advised by the Steer Review report of expenditure mitigation, income generation and scheme prioritisation.

14. Procurement of Penwortham/City Centre Public Transport Priority Corridor Improvement Works

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interests in disclosing the information).

Marcus Hudson presented a report (circulated) regarding the Procurement of Penwortham / City Centre Public Transport Priority Corridor Improvement Works.

It was noted that a design was currently being worked on with a tender package proposed to be put through a formal external competitive tender process in May 2019 with works anticipated to commence in September 2019. The report noted that the improvements to the A59 through Penwortham are required by a Condition to the planning permission granted for Penwortham Bypass. The Condition requires a scheme to be implemented to discourage use of the current A59 through Penwortham and promote the use of the bypass, thereby ensuring the traffic reduction benefits of noise reduction and air quality improvements in the residential and retail areas of Penwortham are achieved. The report noted these works are in two areas, with the Penwortham Triangle highway

improvements to be completed for the opening of the Penwortham Bypass, currently programmed for January 2020, and the changes to the current A59 corridor through Penwortham built up area to begin immediately on the Bypass opening to traffic.

Complementing these works will be public realm improvement works in the local centre of Penwortham. These works are not so time constrained and Marcus explained that due to their nature and level of community interest shown thus far, the design for the local centre improvements may not be finalised in time to be included in the procurement exercise for the corridor works.

Officers continue to work both schemes in tandem and will procure through a single works contract if at all possible, if not it is anticipated that separately procured works can run seamlessly one after the other.

The report proposed that, outside constraints and pressures that would point to delivery using the County Council's Highways Service, an external tendering process offers the opportunity to ensure the full market element of market competition and value to these works.

Councillor Margaret Smith stated that the scheme is welcomed by South Ribble along with the measures being designed to encourage the use of the bypass and that the Borough Council looks forward to seeing the designs when available.

Councillor Phil Smith, South Ribble Borough Council (nominated Observer) stated that South Ribble would wish to see both schemes being taken forward at the same time.

Angie Ridgwell, Chief Executive and Section 151 Officer, Lancashire County Council advised the Executive and Stewardship Board that there were financial constraints relating to the scheme and that the funding available covered the works conditioned under the planning permission and that for the local centre works to be delivered, additional funding would need to be identified. It was noted that as part of the City Deal Review to reduce the overall deficit position in the model, options put forward by partners proposed a reduction to the original budget allocation to these corridor and local centre improvement works. Therefore whilst it may be preferable to combine procurement exercises it may not be possible due to financial constraints.

The Chairman re-iterated his understanding that the improvement works to the A59 to discourage through traffic from using the Liverpool Road corridor was a "Category A" scheme and an essential requirement to the delivery of the Penwortham Bypass.

Resolved: That the City Deal Executive:

- (i) Noted the scope and extent of the improvement works being designed for the Penwortham to City Centre Public Transport Priority Corridor improvement works; and

- (ii) Approved that a formal competitive tender process is undertaken for the delivery of these improvement works.

15. Eastway Link Road Scheme

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interests in disclosing the information).

Marcus Hudson presented a report (circulated) regarding the Eastway Link Road Scheme which sought approval to add this road to the City Deal Programme.

It was noted that the scheme is to be fully funded by a housing developer under a Section 278 agreement under the Highways Act 1980 and so would be cost neutral to the City Deal.

The Executive and Stewardship Board clarified the arrangements with regard to financial security and agreed to support the proposal subject to ensuring satisfactory financial security arrangements are put in place.

Resolved: That the City Deal Executive agrees:

- (i) That the Eastway Link Road (connecting D'Urton Lane and Eastway in North West Preston) be added to the City Deal infrastructure delivery programme; and
- (ii) That, subject to the County Council entering into a satisfactory Section 278 Agreement under the Highways Act 1980 to obligate Story Homes to make staged payments for the full cost of the works (estimated to be circa £1.6m), and provided that a satisfactory bond agreement is put in place, funding be made available in order to let the contract for construction with the county council paying over that amount to the City Deal Infrastructure Delivery Fund.