

14 November 2022  
Your reference:  
Our reference: LAS/ZB  
Ask for: Zuber Bapu

Member Services  
Resources Directorate  
Town Hall  
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**To: Members and Officers of  
The City of Preston Town Fund Board**

Dear Sir/Madam

### **City of Preston Town Fund Board - 15 November 2022**

You are requested to attend a meeting of the City of Preston Town Fund Board to be held on Tuesday, 15th November, 2022 at 12.00 pm in the Board Room in the Engineering Innovation Centre at UCLan.

Members are reminded of their responsibility to declare any personal interest or disclosable pecuniary interest in respect of matters contained in this agenda.

The Agenda for the meeting is set out overleaf.

Yours faithfully

*Jackie Wilding*

**Director of Resources**

**City of Preston Town Fund Board**  
**Tuesday, 15 November 2022**

**AGENDA**

1. **Declaration of Interests**

2. **Minutes** (Pages 1 - 2)

To confirm the Minutes of the last Board meeting held on 23 September 2022..

3. **Towns Fund Implementation Report** (Pages 3 - 12)

Report enclosed.

4. **Any Other Business**

**City of Preston Town Fund Board**

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**City of Preston Town Fund Board**  
**23 September 2022**

**Present:** Mr J Chesworth in the Chair; Ms R Connor, Vice Chair;  
Ms J Anthony, Mr R Binns, M Brown, Borrow, Mr Burns, M Close,  
Ms A Parkinson, Mr A Phillips and Ms K Illingworth - Turner

**Also in attendance:**

Ms J Wilding	– Director of Resources & S151 Officer
Mr C Hayward	– Director of Development and Housing
Mr M Flemming	– TIG
Ms B Joyce	–
Mr C Blackburn	– Assistant Director (Head of City Growth and Regeneration)
Ms Palmer	– Regeneration Manager
Mr Z Bapu	– Senior Member Services Officer

**Apologies:** Councillor Sir M Hendrick, MP

**CD45 Minutes**

**Resolved** – That subject to typing amendments the minutes of the previous meeting be agreed as an accurate record.

**CD46 Declarations of Interests**

There were none.

**CD47 Towns Fund Implementation Report**

Mr M Flemming, TIG, introduced the report providing the Board with an implementation update on Towns Fund projects. He reported that it had been a particularly busy period as the projects were moving in the right direction.

Ms B Joyce provided a detailed overview of the projects and their current status. In terms of the monitoring reports the Board was informed that there was nothing new to report. An update on the Grant Funding Agreements was provided. There was an update on each of the projects and the progress since the previous meeting. It was reported that the Harris Quarter project cost had reduced to £7.1m from £7.5m. The Board were presented with four

## City of Preston Town Fund Board

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MoU and GFA schedules to consider. The Illuminate and Integrate project was over budget which required undertaking value engineering.

There was an update provided on the role of the Evaluation and Monitoring Board, Communication procurement, which had been completed, and Governance Review. The Chair and the CE of the Accountable Body and undertaken a review of the Governance arrangements and Terms of Reference. There was a recommendation to the Board in respect of continuity of the Chair in particular at this key stage of the Towns Fund Board.

The Board made the following observations and comments:-

- It was suggested that collectively with other Towns Fund Boards, Government should be lobbied for more funding to cover rising costs.
- In respect of the scaled back Illuminate and Integrate scheme it was agreed that better to have a reduced project of quality than one with greater volume with less value.
- The approach to the Illuminate and Integrate project was sensible.
- Board Members welcomed the use of space in the Guild Hall for the Educate Preston project the lease for which was being led by Uclan.
- The Communication plan was on track and the lead Board Member was happy with the progress made.

**Resolved** – That The Towns Fund Board agreed to:

- (i) Note the September Monitoring report;
- (ii) Note the revised outputs for Illuminate and Integrate and arising reduction in the Benefit Cost Ratio from 3.53:1 to 2.06:1 and that this be reported to Government for agreement;
- (iii) Approve Towns Fund Memorandums of Understanding schedules for Animate, Renewal of Harris Quarter Assets and Illuminate and Integrate and the Grant Funding Agreement schedules for Educate Preston;
- (iv) Request that the Monitoring and Evaluation Board oversee any final amendments required to complete the Memorandums of Understanding and Grant Funding Agreement prior to execution;
- (v) Request that the Monitoring and Evaluation Board present a report on Local Assurance at the November meeting; and
- (vi) Request that the Chair be asked to continue as Chair for a further three year term.

### **CD48 Away Day**

The Board was informed that subject to confirmation the Away Day will be held on Friday 14 October 2022. Once the Facilitator confirms availability a confirmation email will be sent out to all Board Members.

<b>Towns Fund Board</b> <b>Meeting to be held on 15 November 2022</b>	
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<b>TOWNS FUND IMPLEMENTATION REPORT</b> APPENDIX '1' REFERS
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## 1. Summary

1.1 This report provides the monitoring report for Phase 3a Towns Fund projects and a general update on the Towns Fund work programme. There are no matters arising from the November Monitoring Report which will be presented at the Board meeting. The Monitoring and Evaluation Board (M&E) meets monthly and it is proposed that the M&E Board and the Technical Implementation Group (TIG) meetings are brought together. A presentation on the work of the M&E Board will be made at the January 2023 Towns Fund Board meeting. The M&E Board is overseeing the preparation of the monitoring submission to government in December 2022.

## 2. Decision Required

2.1 The Towns Fund Board is recommended to:

- (i) Note the November Monitoring report;
- (ii) Approve that the Monitoring and Evaluation Board and Technical Implementation Group be brought together and request that a comprehensive report be brought to the January meeting; and
- (iii) Delegate approval of the submission of the December 2022 monitoring return to government to the Director of Resources, in consultation with the Chief Executive of the Accountable Body and the Chair.

## 3. Information

### 3.1 Background and Advice

3.1.1 The City of Preston Towns Fund Board (the Board) submitted a City Investment Plan (CIP) to Government in July 2020. The Harris Quarter Investment Programme comprises six projects with a total Towns Fund grant allocation of £19.9m, which combined with the Harris Quarter Pop Ups project and leveraged investment form a total investment programme of over £200m. The six projects are Renewal of Harris Quarter Assets; Animate; Illuminate and Integrate; Educate Preston; Preston Youth Zone; and Harris Your Place.

3.1.2 In June 2022 the Summary Plans were approved by Government and the Accountable Body is now in receipt of Towns Fund grant. In September 2022 the Board approved draft Memorandum of Understandings (MoU) (acting as the Grant Funding Agreements) for Harris Your Place, Educate Preston, Illuminate and Integrate, Renewal of Harris Quarter

Assets and Animate. The Board delegated final review and approval of the MoUs to the Monitoring and Evaluation Board.

### **3.2 Monitoring Report**

3.2.1 The Technical Implementation Group has developed an approach to project monitoring which incorporates:

- Phase 3a milestones - monitoring of milestones required to be completed prior to grant draw down;
- Phase 3b milestones – monitoring of any milestones which will be achieved following grant draw down but prior to commencement on site; and
- Construction milestones – monitoring of high level construction milestones.

3.2.2 The Phase 3a monitoring report is attached at Appendix 1. A presentation on progress will be made at the Board meeting and there are no matters arising from the November monitoring report which require Board decisions.

### **3.3 Monitoring and Evaluation**

3.3.1 In July 2022 the Board agreed the Terms of Reference for the M&E Board which is chaired by the Accountable Body Director of Resources and is now meeting monthly. Key work areas for the M&E Board are:

- (i) Reviewing recently issued Government guidance on local assurance and performance reporting;
- (ii) ensuring that final GFA and MoU documents are in place and monitored; and
- (iii) preparing the December monitoring return to government

3.3.2 With regard to the December monitoring return to government the timescales of the Board meetings and submission date to government are not aligned and it is therefore recommended that the submission approval be delegated to the Director of Resources in consultation with the Chair and Chief Executive. It is expected that future returns will be included as part of the M&E's Board regular reports to this Board.

3.3.3 Following the December submission to government the Director of Resources will be able to provide the Board with the reported financial profile for each project, along with a status report on the overall programme, including the contingency.

3.3.4 Following two formal meetings of the M&E Board, the Chair of the M&E Board and Chair of the Technical Implementation Group (TIG) recommend that it will be more efficient going forward to bring the two meetings together.

3.3.5 It is recommended that the Director of Resources bring a comprehensive M&E report to the Board in January setting out:

- a. updated Terms of Reference;
- b. updated Assurance Framework; and
- c. Financial statement

### 3.4 Towns Fund Communications

- 3.4.1 Public engagement and communications are vital to Preston's Towns Fund ambition and as such, an external agency has now been procured to provide additional communications and marketing provision in support of the Towns Fund project delivery.
- 3.4.2 It was a rigorous procurement process, and the submissions were of a high standard. Limitless PR & Marketing, a Lancashire-based agency with offices in Preston city centre, has been awarded the contract, over a three year period on 12 month commissions, until end March 2026.
- 3.4.3 Michael Gregory, the director of Limitless PR and Nicole Billington, the newly appointed Head of Policy and External Relations at Preston City Council, will both take part in the Towns Fund planning day.
- 3.4.4 The agency will work closely with Preston City Council's corporate communications team, the Town Deal Board and key stakeholders to deliver a place-based and inward investment marketing and communications strategy to support city development and regeneration.
- 3.4.5 The contract will commence on 1 December and an inception meeting has been arranged for the same week.
- 3.4.6 Michael will attend future Board meetings to update on activity. A summary of in the period since the September Board is set out below:

#### Animate:

Two press releases have been issued recently to the local, regional, business and commercial property trade press. The first, communicating the good news that Animate has been given the green light by Preston City Council to start on site, closely followed by a second announcement that three national restaurant brands have been signed to the entertainment development, meaning the complex is now 75% let.

Both press releases gained good coverage across both regional and trade media, copies of which can be read here:

<https://www.investprestoncity.com/article/6256/Animate-gets-green-light-for-next-phase>

<https://www.investprestoncity.com/article/6314/Triple-Letting-for-Preston-s-Animate-Scheme>

#### Preston Youth Zone:

Preston City Council corporate communications team have met with the Onside communications team for the Preston Youth Hub and a public consultation, pre-planning application submission, took place in the city on 19 – 20 October. General feedback from the public was very positive and visitors to the consultation were pleased that a site has been identified, and Onside are working towards submitting a planning application by the end of the year. The council's corporate communications team and Limitless PR will work closely with Onside regarding future key milestones and announcements.

The Harris

The Harris has retained their National Portfolio Status (NPO) for 2023 – 2026 and has also been awarded a significant three years of funding with a grant of £687,420 from the Arts Council England. Read the story in full here:

<https://www.preston.gov.uk/article/6331/Arts-Council-awards-Harris-with-national-status-and-further-funding>

Business Newsletter:

The October issue of the Preston Business newsletter can be read here:

<https://www.preston.gov.uk/article/1391/Preston-Business-eNewsletter>

The design of the newsletter has been modernised and updated to provide consistency over the brand and to tie in with the Invest Preston website. The November edition is currently in production.

**4. Recommendations**

4.1 The Towns Fund Board is recommended to:

- (i) Note the November Monitoring report;
- (ii) Approve that the Monitoring and Evaluation Board and Technical Implementation Group be brought together and request that a comprehensive report be brought to the January 2023 meeting;
- (iii) Delegate approval of the submission of the December 2022 monitoring return to government to the Director of Resources, in consultation with the Chief Executive of the Accountable Body and the Chair.



# November 2022

## Appendix 1

# Project – Educate Preston

## Phase 3a monitoring – November 2022 report

KEY DATES (as at BC appraisal)	Business Case Dates	Revised Target Target Dates	Report Compiled by Project Lead				Action from Accountable Body (phase 3a)	Lead
			Who	Role/Responsibility				
Partnership Agreement signed	July 2022	December 2022	Rebecca Barnes	University of Central Lancashire – Partnership Lead				
Inaugural Steering Committee meeting	August 2022	December 2022						
Digital launch of CEIAG Hub – <b>Target date</b>	August 2022	March 2023						
Physical launch of CEIAG Hub – <b>Target Date</b>	September 2022	March 2023	Towns Fund Contribution	Local Contribution	Total project cost	Revised project costs		
Target date to host first public engagement event	October 2022	June 2023	£ 156,800	£ 90,000.00	£ 246,800	246,800		
Steering Committee meeting and end Q1 monitoring and reporting and reporting	November 2022	June 2023						
Steering Committee meeting and end Q2 monitoring and reporting and reporting	February 2023	September 2023						
Steering Committee meeting and end Q3 monitoring and reporting and reporting	May 2023	December 2023						
Steering Committee meeting and end Q4 / annual monitoring and monitoring and reporting	August 2023	March 2024						

MoU (target date September 2022)– pre exchange Progress Milestones (phase 3a)	Headline Action required	Planned Completion	Progress Update
Strengthen engagement with Lancashire Skills Hub - agreed action plan	Action Plan submitted	February 2023	Ongoing
Partnership Agreement Exchanged inc. confirmation of lead entity for TF GFA	Partnership Agreement to be shared and attached to GFA	December 2022	UCLan agreed as lead entity for TF GFA
Environmental Sustainability Statement provided	N/A	N/A	N/A
Confirmation that PCC (as landlord) has necessary approval to grant premises licenses		June 2022	Achieved
MoU draft agreed by Project Sponsor	GMT agree MoU	Sept 2022	
MoU draft agreed by Board	Board agree MoU	September 2022	

Top 3 Risks – (phase 3a)	Mitigation	RAG	Owner
Inter organizational working/ partner lost	Partnership agreement	●	
Cost inflation	Continual QS updates	●	
Online element not being ready or going over budget		●	

# Project – RoHQA Phase 3a monitoring – November 22

## report



KEY DATES (as at BC appraisal)	Business Case Dates	Actual Dates	Report Compiled by Project Lead				Action from Accountable Body (phase 3a)	Lead
MoU exchanged	Q2 22/23		Who		Role/Responsibility		Confirm transfer of £300k which was originally for the Tea Bar Project under RoHQA. (previously approved by Board)	MC
Stage 3 Complete	Mid Q4 2022		Matthew Cowburn		Client Rep			
Planning permission discharge of pre start conditions	Q2 2023		Towns Fund Contribution	Local Contribution	Total project cost	Revised Project Cost	DMA to be drawn up by SPB, TH confirmed this is underway	TH
Contact Tender Process Starts	Q1 2023							
Tender Period	Q2 2023		£ 4.9m	£2.6 (PCC)	£7.5m	£7.8m		
Finalise contract sum	Q3 2023							
Client Approval to Proceed into Stage 5	Q4 2023							
Contractor Lead in Period	Q4 2023							
Construction Complete	Q3 2025							

MoU (target date July 2022)- pre exchange Progress Milestones (phase	Headline Action required	Planned Completion	Progress Update
<del>Operator (tenant) strategy confirmed</del>	<del>PCC June Council agree</del>	<del>June 2022</del>	<del>Agreed in principle</del>
<del>Development Management appointment confirmed</del>	<del>PCC June Council agree HoTs</del>	<del>June 2022</del>	<del>Agreed in principle</del>
Updated subsidy control advice secured	External legal advice provided	June 2022	To start
Environmental Sustainability statement provided	Project lead to submit	April 2022	Complete
<del>Confirmation of PCC increased funding contribution</del>	<del>Council Minute to be provided</del>	<del>April 2022</del>	<del>Letter dated 11<sup>th</sup> March from Lee Hurst</del>
<del>Confirmation that output schedule includes social value outputs and is in line with business case assessment</del>	<del>Project lead to submit</del>	<del>June 2022</del>	<del>On-going</del>
MoU draft agreed by project sponsor	CMT agree MoU	July 2022	On-going
MoU draft agreed by Board	Board agree MoU	Sept 2022	On-going




Top 3 Risks Description (phase 3a)	Mitigation	RAG	Owner
Securing a Tenant	Two stage detailed process to ensure PCC secures the correct Tenant	●	MC
Cost inflation	Continual QS updates	●	MC
Further survey works causing cost increases	Instructing the further surveys as soon as funding lands	●	MC

# Project - Harris Your Place

Top 3 Risks - (phase 3a)	Mitigation	RAG	Owner
Right to light mitigation strategy not agreed by parties	Parties continuing to liaise		OnSide
Breach of Subsidy Control Regulations	PCC and OnSide to take separate independent legal advice on compliance		OnSide / PCC
Parties unable / unwilling to enter into main GFA	Work on main GFA ongoing		OnSide / PCC

MOU Exchange	May 2022	MOU	Role/Responsibility	CMT to confirm grant notification	AR	
Finalise contract sum	15 April 2022	August 2022	Tim Joel	Project Manager		
Main Contractor Site Confirms Contract Sum following Second Stage Tender exercise	15 April 2022	August 2022	<b>Towns Fund Contribution</b>	<b>Local Contribution</b>	<b>Total project cost</b>	<b>Revised Project Cost</b>
Interpretative / Fit Out Contractors Detailed Design / Tender Documents Complete	27 May 2022	Due end June 2022	£4.1m	£4,521,00 HLF £1m city deal £750,000 PCC £750,00 lcc £668,000 other £183,000 ACE	£11.97m	£16m (Increase in funding secured)
Interpretative / Fit Out Contractors Appointed	16 September 2022	Due December 2022				
Capital works defects period complete	19 July 2024					
Interpretive works defects period complete	24 January 2025					

es (phase	Headline Action required	Planned Completion	Progress Update
Confirmation that statutory consents are in place	Project lead to submit	May 2022	On-going
Project sponsor to re-establish if the grant needs to be notified on government	Project lead to submit statement Head of legal	May 2022	On-going
Environmental Sustainability statement provided	Project lead to submit	May 2022-	Completed
Output schedule updated to include social value outputs and reporting	Project lead to submit-	April 2022	Completed
Procurement strategy in place for all work packages	Project lead to submit statement Head of Procurement-	April 2022	completed
MoU draft agreed by project sponsor	CMT agree MoU	July 2022	
MoU draft agreed by Board	Board agree MoU	July 2022	

Top 3 Risks - (phase 3a)	Mitigation	RAG	Owner
Long-term economic and supply problems in the construction sector causing increased uncertainty in programme and prices.	Market testing of key cost items. Include sufficient allowances in cost estimate and contingency. Regular review. Early communication with contractors. Two-stage procurement approach.		PM
Costs increase due to inflation beyond provision allowed for	Ongoing monitoring of costs. Test approach with possible contractors. Contingency in place. VE exercise if required.	 	PM
Programme overrun; delays occur - incurring additional	Regular review of programme and mitigation measures taken as required		PM

# Project - Animate

## Phase 3a monitoring - August report

KEY DATES (as at BC appraisal)	Business Case Dates	Actual Dates	Report Compiled by Project Lead				Action from Accountable Body (3a)	Lead
MoU exchanged	September 2022	September 2022	Who		Role/Responsibility			
Planning committee	March 22	March 2022	Andrew Dewhurst		Project Director, Maple Grove			
Tender design complete	22 April 2022	May 2022	Towns Fund Contribution	Local Contribution	Total project cost	Revised Project Cost		
Discharge of pre commencement planning conditions	10 June 2022	31 August 2022	£ 3.43m	£3.25m (City Deal) £34.32m (Council)	£41m	45.8M		
Submit Tender Sum	4 July 2022	8 August 2022						
Contract Award	31 August 2022	3 <sup>rd</sup> October 2022						
Possession of site	10 October 2022	11 November 2022						
End of construction period	28 June 2024	30 Sep 2024						
End of fit out	8 September 2024	6 Dec 2024						

MoU - (target date September 2022) - pre exchange Progress Milestones (phase 3a)	Headline Action required	Planned Completion	Progress Update
<del>DFA conditions satisfied</del>	<del>Report to full Council approved</del>	<del>Sept 2022</del>	<del>Planning and 2 leisure pre-lets in place</del>
<del>Confirmation PCC will fund in year shortfalls</del>	<del>S151 officer to provide statement</del>	<del>July 2022</del>	<del>provided</del>
<del>Cost inflation is managed and mitigated</del>	<del>Maximum Sum condition satisfied</del>	<del>Sept 2022</del>	<del>Tendering complete. Max Commitment</del>
MoU draft agreed by project sponsor	CMT agree MoU	July 2022	CMT approved
MoU draft agreed by Board	Board agree MoU	Sept 2022	—

Top 3 Risks - (phase 3a) Description	Mitigation	RAG	Owner
Build price within budget	Early tendering of sub-contract packages to mitigate against general build cost inflation	<span style="color: red;">●</span>	Project Director
Securing necessary pre lets in time	Exchanged	<span style="color: green;">●</span>	Project Director
Closure of part adopted highway	Stopping up Confirmed	<span style="color: green;">●</span>	Project Director

# Project –Preston Youth Zone

## Phase 3a monitoring – October 22 report

KEY DATES (as at BC appraisal)	Business Case Dates	Actual Dates	Report Compiled by Project Lead				Action from Accountable Body (phase 3a)	Lead
Planning Submission	08 Aug 22	07 Nov 22	Who		Role/Responsibility		Sign pre-dev GFA	MG
Tender design complete	17 Mar 22		Fiona Norcross		OnSide project lead			
Planning Approval	11 Nov 22	06 Feb 23	Towns Fund Contribution	Local Contribution	Total project project cost	Revised project project costs	Put in place PM support	CH
Agree contract sum	15 Sept 23						£5.3 million	£7 million
Procession of site	13 Oct 23							
End of construction period	20 Jan 25							
Grand opening	12 May 25							
GFA (target date November 2022)– pre exchange Progress Milestones Milestones (phase 3a)			Headline Action required	Planned Completion	Progress Update	Page 12		
Pre-Dev GFA entered into-			GFA exchanged-	May 2022	completed			
Agreed roles and responsibility for PYZ, PCC and OnSide			Agreement in writing (pre GFA)- GFA-	June 2022	completed			
Environmental Sustainability statement provided			Project lead to submit	June 2022	completed			
Output schedule updated to include social value outputs and reporting responsibility responsibility			Project lead to submit-	June 2022	Submitted Aug22			
Revised programme setting out key milestones including final cost plan			Revised programme submitted submitted	July 2022	On-going; revised programme submitted 31.10.22. Final cost plan will be supplied post Planning supplied post Planning Approval. This is currently being adequately managed by the Construction managed by the Construction team who are working within a fixed budget envelope. envelope.			
Right to Light report and mitigation strategy in place			Project lead to submit	July 2022	On-going; progress meeting with Tim Holt 02.11.22			
PCC to confirm £100k pa revenue funding			Council minute to be provided provided	May 2022	completed			
Updated advice on subsidy control to be taken			AB to approve statement	July 2022	On-going; OnSide have received draft, generic advice from Addleshaws and are expecting the final are expecting the final version by end Nov22. Unsure whether PCC have also received their own received their own updated advice,, to follow up with Tim Holt 02.11.22			
GFA agreed by project sponsor, PCC and PYZ			Relevant boards agree	Oct 2022	The GFA is not yet in place, nor does it need to be. It is understood that funding for the construction funding for the construction will only be released when there is cost certainty and full funding certainty and full funding available.			
Top 3 Risks – (phase 3a)			Mitigation			RAG	Owner	
Right to light mitigation strategy not agreed by parties			Parties continuing to liaise – strategy now emerging				OnSide	
Breach of Subsidy Control Regulations			PCC and OnSide to take separate independent legal advice on compliance				OnSide / PCC	