

City Deal: Finance Monitoring Report – 2014/15 Quarter 4

Appendix 'B'

Section A: 10-Year Infrastructure Delivery Fund (IDF) – Current Forecasts as at 31 March 2015

1. Surplus/ (Deficit)

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Total	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Surplus/ (Deficit)	- 6.357	0.292	4.046	4.290	- 22.197	- 16.532	- 11.387	- 19.734	14.182	14.032	18.458	8.193
Cumulative Surplus/ (Deficit)		0.292	4.338	8.628	- 13.569	- 30.101	- 41.487	- 61.222	- 47.039	- 33.008	- 14.550	- 6.357

1.1. Key changes in annual surpluses and deficits since last monitoring report:

- Homes and Communities Agency (HCA) receipts due to the Infrastructure Delivery Fund for Brindle Road and Cottam Hall Site K (loan £4.759m) following the disposal of this land were received in March 2015.
- Capital Financing Cost (£1.491m decrease) – The capital financing cost to be met by Lancashire County Council has decreased to £6.056m following the rephasing of funding and expenditure.
- Lower than forecast Community Infrastructure Levy income received in 2014/15 (£0.506m).

2. Expenditure

2.1. Key changes in expenditure since last monitoring report:

- Rephasing of expenditure on projects

- The expenditure profiles for the following projects have changed since the last quarterly report following a detailed review of costs to date. The main impact of these changes affects the capital financing costs with only minimal impact on the overall cost forecasts of the schemes.
 - A582 South Ribble Western Distributor – Reduction of forecast expenditure by £0.357m in 2014/15 which has slipped into 2015/16. £6.0m has also been rephased from 15/16 into 17/18.
 - Penwortham Bypass – forecast expenditure has been rephased moving £7.0m expenditure from 15/16 into 17/18.
 - Preston East West Spine Road - has now been re-profiled with £3.5m expenditure moving from 2016/17 into 2017/18.
 - Preston Western Distributor – expenditure has been re-profiled with £27.0m expenditure moving from 2018/19 into 2019/20
 - Preston Bus Station – reduced forecast expenditure in 2014/15 by £0.339m with this amount slipped into 2015/16. This leaves the total 2014/15 forecast at £0.211m.
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- Capital Financial Cost (£1.491m decrease)

- Following a number of changes to the phasing of expenditure and receipts, the capital financing cost, which shall be met by Lancashire County Council, has decreased by £1.491m to £6.056m. At its peak, the cash-flow support provided by Lancashire County Council is now forecast to be £61.222m in year 2019/20

2.2. Expenditure breakdown

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Total	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Preston Delivery Programmes												
Major Development Site Infrastructure	20.000	-	0.141	0.659	5.823	5.823	1.323	1.323	1.323	1.323	1.323	0.937
- Of which, East-West Link Road	9.800	-	0.141	0.659	4.500	4.500	-	-	-	-	-	-
- Of which, NW Preston Green Infrastructure	5.256	-	-	-	0.705	0.705	0.705	0.705	0.705	0.705	0.705	0.319
- Of which, Further Community Infrastructure	4.944	-	-	-	0.618	0.618	0.618	0.618	0.618	0.618	0.618	0.618
Preston Western Distributor	104.500	0.197	0.994	1.009	1.000	7.100	47.100	47.100	-	-	-	-
Cottam Parkway	15.000	-	0.004	-	-	-	-	1.496	8.000	5.500	-	-
Broughton*	33.999	4.791	9.006	2.238	16.514	1.450	-	-	-	-	-	-
Preston Bus Station	23.342	0.003	0.211	0.812	10.608	11.708	-	-	-	-	-	-
Fishergate Central Gateway	6.914	1.746	1.744	2.064	1.360	-	-	-	-	-	-	-
Public Transport Corridors & Local Centres	12.125	0.250	0.028	0.140	1.925	7.700	0.082	0.250	1.750	-	-	-
Education Infrastructure - Preston	28.495	-	-	-	6.739	0.018	0.018	0.018	5.426	5.426	5.426	5.426
South Ribble Delivery Programmes												
Major Development Site Infrastructure	20.000	-	-	1.240	7.070	6.445	5.245	-	-	-	-	-
- Of which, Pickerings Farm Link Road	4.500	-	-	0.050	1.250	3.200	-	-	-	-	-	-
- Of which, Moss Side Test Track Road Infrastructure	2.050	-	-	-	-	0.025	2.025	-	-	-	-	-
- Of which, Land Between Heatherleigh & Moss Lane Spine Road	1.000	-	-	0.500	0.500	-	-	-	-	-	-	-
- Of which, Cuerden Strategic Site Road Infrastructure	5.050	-	-	0.050	5.000	-	-	-	-	-	-	-
- Of which, Community/ Green Infrastructure	7.400	-	-	0.640	0.320	3.220	3.220	-	-	-	-	-
A582 South Ribble Western Distributor/ B2523 Flensburg Way	44.671	0.152	5.841	4.499	2.309	1.125	15.395	15.350	-	-	-	-
Penwortham Bypass	17.500	0.019	0.227	0.750	0.350	16.154	-	-	-	-	-	-
New Ribble Bridge - Preliminary Works & Route Protection	2.000	-	0.005	0.750	0.250	0.250	0.745	-	-	-	-	-
Public Transport Corridors & Local Centres	12.125	0.250	0.068	0.380	2.950	1.125	4.750	2.602	-	-	-	-
Other South Ribble Schemes	5.000	-	-	-	-	-	-	-	-	-	-	5.000
Education Infrastructure - South Ribble	11.203	-	-	-	3.629	0.386	0.386	0.386	1.604	1.604	1.604	1.604
Community Provision - Preston City Council	8.031	-	0.803	0.803	0.803	0.803	0.803	0.803	0.803	0.803	0.803	0.803
Community Provision - South Ribble Borough Council	4.922	-	0.492	0.492	0.492	0.492	0.492	0.492	0.492	0.492	0.492	0.492
Capital Financing Cost	6.056	-	-	0.067	0.188	0.583	0.846	1.140	1.192	0.945	0.710	0.517
Expenditure Total	375.883	7.408	19.564	15.769	62.011	61.163	77.186	70.961	20.590	16.093	10.358	14.779

*Includes congestion relief, and M55 and M6 junction improvements

3. Resources

3.1. Key changes in resources since last monitoring report:

- New Homes Bonus & Community Infrastructure Levy
 - The forecast NHB and CIL income streams have been re-profiled based on the revised housing completion data provided in March 2015. The 2014/15 CIL income outturn has been reduced to reflect that less income has been collected in year than originally forecast.
- HCA – Locally Retained Landhold Receipts

The HCA loan amount due upon the disposal of Brindle Road and Cottam Hall Site K has been revised to reflect the actual loan amount and timings. This had minimal impact on the capital financing costs only.

Resource Breakdown

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Total	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Central Government												
Transport Funding	117.809	0.600	10.109	3.000	18.500	22.550	39.550	22.700	0.800	-	-	-
HCA - Locally Retained Landhold Receipts	38.827	-	4.759	- 2.018	2.774	5.059	6.906	6.399	7.821	5.114	0.341	1.672
Developer Contributions (less Parish Council share)	78.738	1.200	5.543	6.076	8.010	8.630	8.116	8.081	10.875	6.962	8.450	6.795
Lancashire County Council												
Capital Programme & Grants	46.030	5.900	3.130	12.000	7.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500
Capital Receipts	0.228	-	-	-	0.057	-	0.057	0.057	0.057	-	-	-
New Homes Bonus	12.953	-	-	-	0.146	0.629	1.151	1.638	2.176	2.712	3.075	1.426
Revenue Contribution - Capital Financing Cost	6.051	-	- 0.004	- 0.067	0.188	0.583	0.846	1.140	1.192	0.945	0.710	0.517
Preston City Council												
Business Rates Retention	5.135	-	0.031	0.263	0.500	0.670	0.692	0.714	0.124	0.435	0.746	0.961
PCC grants - Heritage lottery funding	0.945	-	-	0.456	0.158	0.205	0.079	0.047	-	-	-	-
New Homes Bonus	28.051	-	-	0.066	0.463	1.246	2.156	3.106	4.360	5.799	6.877	3.978
South Ribble Borough Council												
Business Rates Retention	4.350	-	0.042	0.085	0.671	0.774	0.877	0.980	0.103	0.188	0.273	0.357
New Homes Bonus	25.409	-	-	0.198	0.847	1.785	2.869	3.865	4.765	5.470	5.844	- 0.234
Moss Side Test Track Land Receipt	5.000	-	-	-	-	-	-	-	-	-	-	5.000
Resources Total	369.526	7.700	23.610	20.059	39.814	44.631	65.799	51.226	34.773	30.125	28.816	22.972

Section B: Finance Plan Year 1 – Variance Analysis as at 31 March 2015

4. Expenditure

4.1. Key changes in expenditure since last monitoring report:

- Public Transport Corridors & Local Centres – Preston & South Ribble
 - £1.154m has been carried forward into 2015/16.
- A582 South Ribble Western Distributor
 - £0.357m has been carried forward into 2015/16.

4.2. Expenditure breakdown

	Total			Quarters 1-3			Quarter 4		
	Original	Revised	Variance	Forecast	Actual	Variance	Original	Revised	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Preston Transport Programmes									
East-West Link Road	0.100	0.141	0.041	0.075	0.052	- 0.023	0.025	0.089	0.064
Preston Western Distributor	1.000	0.994	- 0.006	0.750	0.743	- 0.007	0.250	0.251	0.001
Broughton*	7.400	9.006	1.606	5.550	5.991	0.441	1.850	3.015	1.165
Preston Bus Station	2.000	0.211	- 1.789	1.500	0.108	- 1.392	0.500	0.103	- 0.397
Fishergate Central Gateway	2.400	1.744	- 0.656	2.400	1.350	- 1.050	-	0.394	0.394
Public Transport & Public Realm Corridors	0.625	0.032	- 0.593	0.469	0.003	- 0.466	0.156	0.029	- 0.127
Community Provision - Preston City Council	0.803	0.803	-	0.602	0.803	0.201	0.201	-	- 0.201
South Ribble Transport Programmes									
Moss Side Test Track Road Infrastructure	0.050	-	- 0.050	0.038	-	- 0.038	0.013	-	- 0.013
Land Between Heatherleigh & Moss Lane Spine Road	0.200	-	- 0.200	0.150	-	- 0.150	0.050	-	- 0.050
Cuerden Strategic Site Road Infrastructure	0.050	-	- 0.050	0.038	-	- 0.038	0.013	-	- 0.013
A582 South Ribble Western Distributor/ B2523 Flensburg Way	8.000	5.841	- 2.159	6.000	2.887	- 3.113	2.000	2.954	0.954
Penwortham Bypass	0.250	0.227	- 0.023	0.188	0.140	- 0.048	0.063	0.087	0.025
New Ribble Bridge - Preliminary Works & Route Protection	0.750	0.005	- 0.745	0.563	-	- 0.563	0.188	0.005	- 0.183
Public Transport & Public Realm Corridors	0.625	0.068	- 0.557	0.469	0.030	- 0.439	0.156	0.038	- 0.118
Community Provision - South Ribble Borough Council	0.492	0.492	-	0.369	0.492	0.123	0.123	-	- 0.123
Capital Financing Cost	0.022	-	- 0.022	-	-	-	0.022	-	- 0.022
Expenditure Total	24.767	19.565	- 5.203	19.159	12.600	- 6.559	5.609	6.965	1.356

*Includes congestion relief, and M55 and M6 junction improvements

Resources

4.3. Key changes in resources since last monitoring report:

- HCA Locally Retained Landhold Receipts (£0.155m decrease)
 - Previously, receipts of £4.914m were reported to be due in 2014/15. However, of this amount, £0.155m of grant from the HCA disposal of Brindle Road and Cottam Hall Site K will not be received in 2014/15 as this is only due upon the HCA's further receipt of cash from the purchaser of this land.
- Developer Contributions (£0.506m)
 - The 2014/15 CIL income outturn has been reduced to reflect that less income has been collected in year than originally forecast.

4.4. Resource breakdown

	Total			Quarters 1-3			Quarter 4		
	Original	Revised	Variance	Forecast	Actual	Variance	Original	Revised	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Central Government									
Transport Funding	8.709	10.109	1.400	8.709	7.257	- 1.452	-	2.852	2.852
HCA - Locally Retained Landhold Receipts	1.295	4.755	3.460	0.569	-	- 0.569	0.727	4.755	4.028
Developer Contributions (less Parish Council share)	6.180	5.543	- 0.637	5.753	4.900	- 0.853	0.427	0.643	0.216
Lancashire County Council									
Capital Programme & Grants	3.130	3.130	-	3.130	3.130	-	-	-	-
Capital Receipts	0.800	-	- 0.800	0.600	-	- 0.600	0.200	-	- 0.200
Revenue Contribution - Capital Financing Cost	0.022	-	- 0.022	-	-	-	0.022	-	- 0.022
Preston City Council									
Business Rates Retention	0.031	0.031	-	-	-	-	0.031	0.031	-
South Ribble Borough Council									
Business Rates Retention	0.042	0.042	-	-	-	-	0.042	0.042	-
Resources Total	20.210	23.609	3.401	18.761	15.287	- 3.474	1.449	8.323	6.875

Section C: Significant Expenditure and Income since last report

5. Expenditure

- A further £2.954m has been spent in Quarter 4 on the dualling of the A582 in South Ribble.

6. Income

- Following the disposal of land at Brindle Road and Cottam Hall Site K by the HCA, the loan receipts due to the Infrastructure Delivery Fund were paid in March totalling £4.759m. Further loan and grant funding will be received for Brindle Road and Cottam Hall Site K once further cash is received by the HCA for these disposals.
- £0.510m was paid into the Infrastructure Delivery Fund by Preston City Council with respect of Community Infrastructure Levy income collected in 2014/15.