

Appendix 'A'



CITY DEAL

Preston, South Ribble & Lancashire

HCA Business & Disposal Plan:  
Years 2, 3 and 4 – 2015/16, 2016/17 and 2017/18

## HCA CITY DEAL BUSINESS & DISPOSAL PLAN

The Preston, South Ribble and Lancashire City Deal has now been operational for 1 year. This updated Business Disposal Plan (BDP) builds on a very successful 1st year, specifically in relation to the delivery of the (11) HCA sites.

This BDP includes a review of the milestones delivered within year 1 and sets the key milestones for years 2, 3 and 4 of the programme. The huge success so far is due to a great deal of hard work from HCA staff working closely with City Deal Partners. Being able to provide an accurate position on how the 11 City Deal sites have and will be delivered is a key task, ensuring we can plan for the future delivery and accurately forecast receipts and payments that are to be made by the HCA.

The aims of the City Deal align closely with the objectives of the HCA, which are to ultimately increase the supply of housing and jobs, drive investment and work with partners to meet the needs of local communities. The City Deal would not have been possible without adopting an innovative, solution based approach between all parties, driven by the desire to achieve future economic growth within Lancashire. The City Deal programme is a great example of what can be achieved when national and local government work collaboratively with the HCA and the private sector.

Using the uplift in land value to contribute towards the delivery of necessary infrastructure to unlock growth within the City Deal area represents an excellent and innovative use of public resources. Whilst this Business and Disposal plan contains a number of assumptions about delivery and market conditions, there is a certainty provided around future infrastructure investment to support growth, which presents an exceptional opportunity for the economy to flourish.

**Karl Tupling**  
Executive Director,  
North West Homes and Communities Agency

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## 1. BACKGROUND

### 1.1 Introduction

This Business & Disposal Plan (BDP) is prepared by the HCA and is one of the key documents used to measure the performance of the Lancashire, Preston and South Ribble City Deal ('The Deal'). The BDP specifically monitors progress in relation to the HCA land portfolio included within the deal. This BDP should be read in conjunction with the Infrastructure Delivery Plan (IDP), which monitors the infrastructure delivery element of the City Deal programme and is produced by Lancashire County Council (LCC).

There are 11 HCA sites included within the Deal, and this BDP provides detailed site information, delivery timescales, a review of the milestones delivered in year 1, milestones for years 2, 3 and 4, outputs, risks and receipt forecasts. The BDP is a 'live' document and is continually reviewed through the monitoring arrangements that are in place. This document is formally updated on an annual basis.

### 1.2 Context

The Deal is driving forward local growth by empowering city areas of Preston and South Ribble to make the most of their economic assets and opportunities.

The Deal as agreed with government, builds on the strong economic performance of the area over the last ten years and will help to ensure that the City Deal area continues to grow by addressing strategic transport infrastructure and development challenges to deliver new housing and jobs across the Deal area.

Over a ten-year period the deal will generate:

- More than 20,000 net new private sector jobs, including 5,000 in the Lancashire Enterprise Zone;
- Nearly £1 billion growth in Gross Value Added (GVA);
- 17,420 new homes; and
- £2.3 billion in leveraged commercial investment.

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# BACKGROUND

To deliver the outcomes set out in the document the Deal partners have established an (IDP) and Investment Fund, which together are worth £434m:

- The City Deal IDP, at £334m, outlines the delivery of critical infrastructure and allows the full development of significant commercial and housing schemes. This includes four major highway schemes and the necessary local community infrastructure, such as schools and health facilities, required to support the scale of such ambitious development.
- The City Deal Investment Fund consists of a £100m local allocation from the Lancashire Pension Fund, which will be co-invested on a commercial basis in housing and development schemes in the City Deal area.

The City Deal IDP is funded through pooled local and national resources. The Department for Transport (DfT), funding includes the Local Major schemes, and local partners have committed investment via New Homes Bonus (NHB), Business Rates (NNDR), and land.

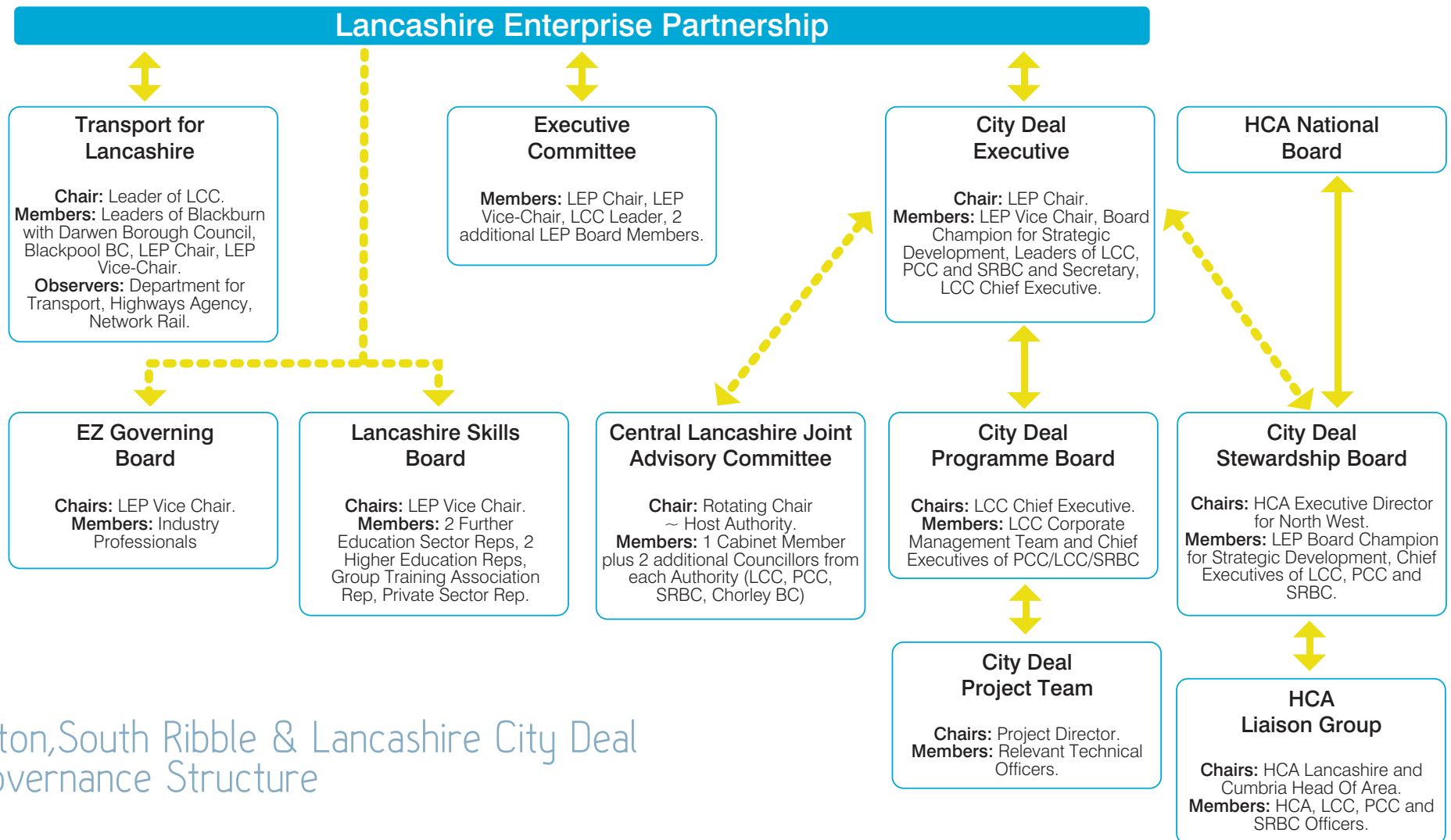
The HCA financial investment in the Deal is paid in two ways. Firstly through loan to the LCC, of those land receipts up to the stated book value and secondly through a grant of any receipts (capped at £37.5m) which exceed the stated book value. HCA are also investing considerable personnel and funding resources into the delivery of sites through planning and disposal.

Resources are being aligned and invested in accordance with the phasing of the IDP, and are the key mechanisms to unlocking constrained private sector investment to deliver economic growth. The private sector and local authorities would be unable to achieve the planned amount of growth alone. The Deal approach is very much a positive collaborative approach, working together to achieve multiple objectives for a number of organisations/parties.

## 1.3 Operation of the City Deal

The Lancashire Local Enterprise Partnership (LEP) is responsible for delivering the Deal. It has an established governance structure to enable and delegate certain

activities to partners and working groups. LCC is the Accountable Body for the Lancashire LEP ~ see structure plan below.



Preston, South Ribble & Lancashire City Deal  
 - Governance Structure

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# BACKGROUND

The City Deal Executive takes all key Deal decisions and is required to approve the IDP on an annual basis. The IDP sets out all highways and community infrastructure to be delivered in any given year.

The Stewardship Board is well established and chaired by the HCA's NW Executive Director. Members include the 3 Local Council Chief Executives and LEP Champion for Strategic Development.

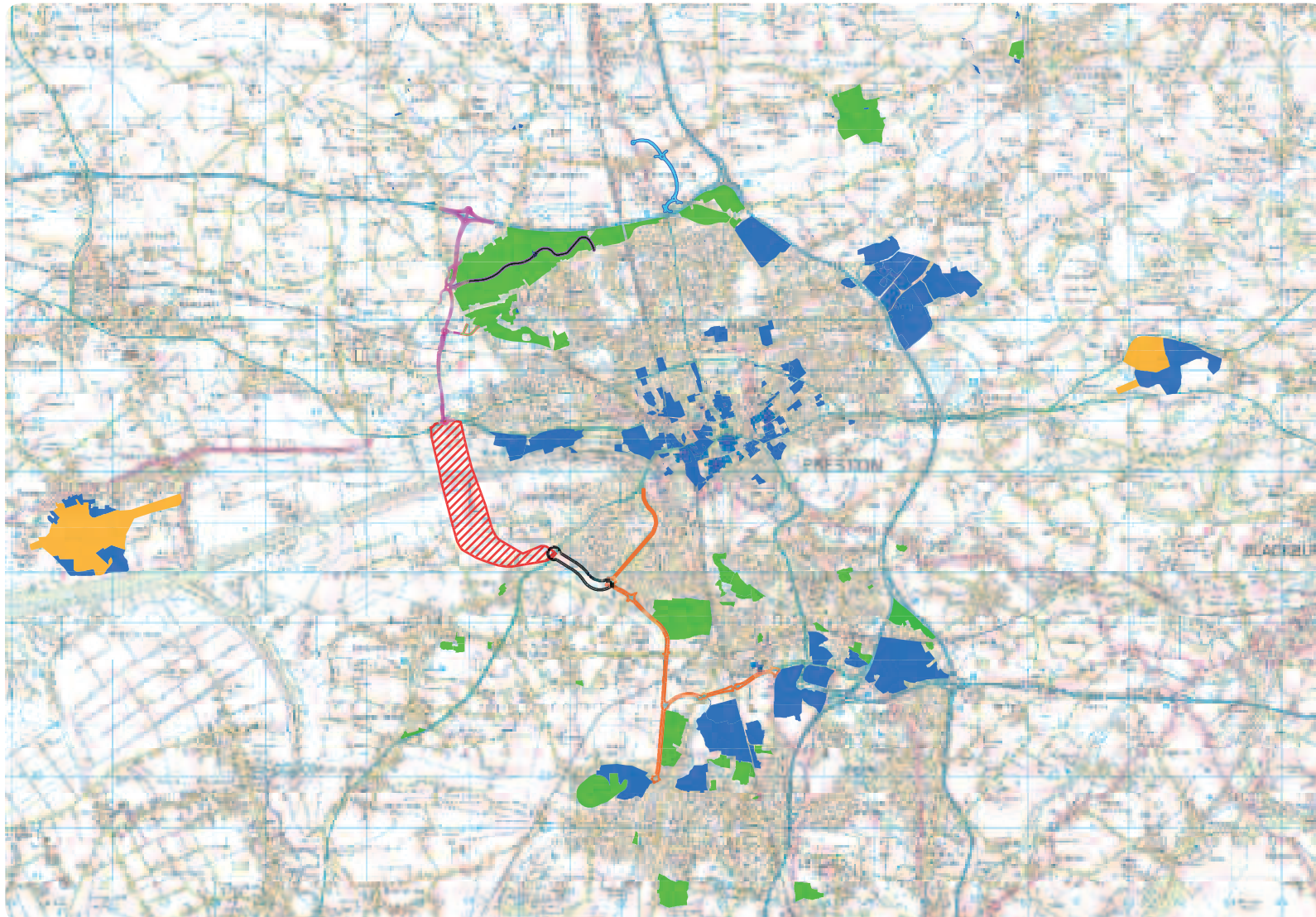
The Stewardship Board is not a decision making body and does not make direct disposal or investment decisions for the wider Deal sites, however the HCA have retained full control of its land disposals and decisions.

## 1.4 City Deal Plan

The map opposite shows the footprint of the Deal area, including the major housing and employment sites and the proposed highway infrastructure that will be delivered as part of the development proposals. The proposed infrastructure is critical to unlocking the housing allocations. In terms of the HCA sites this is particularly the case for some of the larger sites including Whittingham Hospital, Pickerings Farm, Croston Road and Cottam Hall.

# CITY DEAL AREA

- Preston Western Distributor
- East-West Link Road
- Cottam Link Road
- South Ribble Western Distributor
- Broughton Bypass
- Penwortham Bypass
- Potential Major Transport Investment
- Housing developments
- Employment sites
- Enterprise Zone





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# HCA CITY DEAL ASSETS

## 2. HCA CITY DEAL ASSETS

### 2.1 Year 1 Delivery ~ 2014/15

The HCA prepared the initial BDP at the start of year 1 (2014/15), which committed to a number of milestones to be delivered for the 11 HCA City Deal sites. Progress against those milestones has been excellent and in certain cases milestones from future years have been expedited into 2014/15. Section 6, Table 5 of this BDP details the milestone delivery achieved within Year 1 of the Deal.

Given the widespread support and focus on this Deal (both internally within the HCA and externally with partners) it is critical that this good performance on delivery is maintained on all the sites, in accordance with the revised programme of milestones (Section 6, Tables 6, 7 and 8) contained in this new three year BDP.

In terms of the key delivery outputs for year 1, these are as follows ~

- 5 sites have secured planning permission, with consent for 1871 homes\*,
- 3 sites for which preferred developers were selected in year 1 have a capacity for 758 homes\*,
- 44 housing completions to date\*,
- Total receipts received to date ~ £1,065,980\*.
- First loan payments made to LCC, totalling £4,759,179\*.

\*As of March 2015

### 2.2 The HCA City Deal Sites ~ Summary

The 11 HCA owned sites which have been included in the City Deal are:

- i. Cottam Hall
- ii. Eastway
- iii. Preston East Employment Area
- iv. Cottam Brickworks
- v. Pickerings Farm
- vi. Croston Road South
- vii. Croston Road North
- viii. Altcar Lane
- ix. Brindle Road
- x. Walton Park Link Road (Cross Borough Link Road)
- xi. Whittingham Hospital

## 2.3 The HCA City Deal Sites ~ Site Descriptions

### **Cottam Hall**

Cottam Hall is a strategic green field site to the north west of Preston's City Centre, where HCA own land with a capacity for up to 1,100 units. It forms part of a larger Central Lancashire New Town urban extension that commenced in the 1980s but is only about half complete. Outline planning consent has been secured for up to **1,100 dwellings** and associated community facilities. The site is being disposed of in a phased basis, with the objective being to open two or three development outlets at any one time, increasing delivery outputs and competition from the development sector.

### **Eastway**

Eastway is a greenfield site allocated for mixed use development and entirely in the ownership of the HCA, situated in the eastern-most part of the North West Preston Strategic Location. The site has outline planning consent to provide a residential-led mixed use scheme, including an element of employment land. There is additional land set aside for a Park & Ride site. The development master plan includes the provision of a strategic link road through the site, which will be delivered by the developers. The site has capacity for **300 houses** and 2.1ha of employment space. Eastway is considered to be a very attractive site to the market.

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# HCA CITY DEAL ASSETS

## **Preston East Employment Area**

This site is a well-established employment area to the east of the M6 at junction 31A. The majority of the site has been developed but there are some remaining development plots which have the benefit of planning consent and have recently been marketed, the outcome of this process is not yet finalised. The Preston East Expansion Area is a green field area of undeveloped land, measuring 25.5 hectares, and is located adjacent (to the north) of the existing Preston East Employment Area (PEEA). The site is owned entirely by the HCA. The HCA have produced a Development Statement which has been used to promote the viability and deliverability of the site. The site has the potential to provide additional employment land; specifically this site would be suitable to accommodate storage and distribution (Class B8) uses to benefit from the site's close proximity to the M6 motorway network and existing PEEA road infrastructure. It is impossible to confidently predict delivery timescales in relation to when this site will come forward due to the nature of the commercial market in this area ~ sites are currently available on Preston East which have planning consent. It is not proposed that an application be submitted for the site, without an end-user being identified. The site has clear potential in terms of outputs (employment floor space) but is unlikely to generate significant receipt.

## **Cottam Brickworks**

This is a derelict urban brownfield site which was formerly a brickworks and is predominantly in private ownership. Planning permission has been granted for a mix of uses including retail, residential and employment, but this consent has been the subject of extensive negotiation and therefore the timing of development is reliant upon a deal being agreed with end users. The range and mixture of uses proposed will enhance the delivery of the adjacent Cottam Hall site by addressing sustainability deficiencies in the area. The HCA own a very small proportion of the site and therefore receipt generation will be minimal.

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# HCA CITY DEAL ASSETS

## **Pickerings Farm**

This is a Strategic Location and major development site within the South Ribble Site Allocations DPD. The site is earmarked for residential-led development, with 79ha being allocated to provide for the development of up to 1,350 dwellings (approximately **297 units** on HCA land) and deliver the necessary infrastructure for the area. The HCA own a proportion of the allocation, with housebuilders representing the other landowners. Other land to the south of the allocation is owned by the HCA, and this land is safeguarded for development needs after the current plan period. SRBC require the comprehensive development of the site, therefore a collaboration agreement is required between the HCA and other land owners. The development of the site requires significant investment in infrastructure. Given the scale of the site it is considered to be a significant HCA asset in the context of the Deal. However, delivery timescales are uncertain due to the complicated nature of the future agreement with the other landowner which is under review.

## **Croston Road (North & South)**

This is a 40ha greenfield site in Farington, Leyland and is a major development site within the South Ribble Site Allocations DPD. The site has been allocated for residential and community/leisure uses, and has multiple land ownerships including the HCA. The HCA owns significant parcels of land within the allocation and have contributed to and funded two Development Statements for the site (land to the south of Bannister Lane and land to the north of Bannister Lane). Both sites now have the benefit of outline planning permission. In terms of Croston Road South the HCA owns a substantial proportion of the site and has collaborated with the other landowners to secure outline planning consent. The HCA output/receipt generation for this site is moderate (**175 units**). The Northern section of the site was granted outline planning permission at SRBC Planning Committee on 15th October 2014 for **400 units**.

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# HCA CITY DEAL ASSETS

## **Altcar Lane**

This is a green field site of 30.4ha and is located to the south-west of Leyland Town Centre. The site is currently used as farmland with parcels of land divided by hedgerows and trees. The site is identified within the South Ribble Site Allocations DPD for residential development and the allocation identifies a capacity of 430 units. The HCA own approximately 1/3 of the site, with the rest owned/controlled by private sector interests/house builders. South Ribble Borough Council have suggested that a master plan be prepared for the entirety of the site. HCA have been very active in working with SRBC and the other landowners in trying to engage collaboratively to produce a master plan. The development is also expected to provide land and the delivery of the extension to Worden Park, as well as other local infrastructure schemes. The proportion of housing outputs on HCA land is likely to be in the order of **172 units**.

## **Brindle Road**

This is a small green field site of 1.93 ha now under development by Miller Homes. The site was undeveloped green field land, bounded to the east by Fowler Brook and a wooded area of protected trees, the railway to the north and residential properties to the west and south. The HCA owned the site and secured planning permission for **42 units** (September 2011), in accordance with the emerging DPD. HCA have successfully marketed the site, with Miller Homes being selected as the preferred bidder. The HCA undertook extensive local engagement prior to the submission of the application, and continues to work with SRBC to ensure the efficient delivery of the site. The scheme is of a modest scale in the context of the Deal (outputs and receipts) but is important as it is the first disposal as part of the deal. Since commencing on site Miller Homes have obtained an amended approval to increase the planning permission to 46 units.

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# HCA CITY DEAL ASSETS

## **Walton Park Link Road (Cross Borough Link Road)**

This 12ha site, a former gasworks, is owned by National Grid. It has been cleared of buildings and partially remediated. The proposed scheme accommodates for up to 350 residential units and a local centre. The site requires infrastructure to bring it forward for development with the provision of a new access ~ the Cross Borough Link Road which is a key priority for SRBC. The development will provide for the construction of this road. The current outline planning application on the site has a resolution to approve subject to a Section 106 agreement which will deliver this road, together with affordable housing and public open space provision. A tri-partite deal was concluded in March 2014 to sell HCA and LCC land to National Grid to enable development of their site (up to 350 units) and the development of the Cross Borough Link Road, as well as facilitating development on land north of the new road (potential for a further 300 ~ 400 units).

## **Whittingham Hospital**

This predominantly brownfield site is a long standing commitment for development which has had outline planning consent for many years, but has been delayed due to the complexities of development, the downturn in the housing market and the extensive infrastructure required to unlock the site. The former NHS owned site is now entirely owned by the HCA. PCC planning committee approved the renewal application in February 2014 for a mixed use development (**650 units** and 9,000 square metres business use). Receipt generation/uplift is likely to be very limited due to the developer contributions, demolition, Broughton Bypass and utility upgrade costs. A deal has been done with Taylor Wimpey on Phase 1 for 150 units, resulting in the termination of the old legal agreement. A £4.9m PLIF contribution towards the Broughton by-pass has been paid upon the issuing of the planning consent. A demolition contract commenced in February 2014. It should be noted that there have been a number of challenging aspects to the delivery of the site, including planning, the Taylor Wimpey agreement, on-site ecological issues, demolition, infrastructure and viability. These factors have all contributed to the extensive delay in bringing the site forward.

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# MONITORING ARRANGEMENTS

## 3. MONITORING ARRANGEMENTS

### 3.1 Overview

A key element of the work undertaken within the Deal programme is to monitor its implementation, particularly in relation to the infrastructure projects and land assets. Performance is assessed within the annual delivery plans to measure outputs and receipts against the baseline targets and milestones as set out in this document (BDP) and the IDP, prepared by Lancashire County Council (LCC).

In addition to the delivery plans, a list of indicators are used to assist in measuring the impacts of the Deal which are reviewed by the City Deal Monitoring Working Group which then liaises with DCLG. There are three key levels of monitoring:

- Cabinet Office ~ this is very high level and based on a template which has been used for other City Deals and Enterprise Zones;
- DCLG ~ again this is high level and focuses on a core set of indicators, such as starts, completions, new floor-space and job accommodation; and
- Stewardship Board ~ a longer list of data requirements is included for the purposes of the Stewardship Board, which is intended to provide a more holistic overview on measuring activities from pre-planning to post implementation.

HCA have also put in place appropriate financial monitoring and liaison arrangements in relation to the disposal of the sites and receipt generation. In addition to monitoring the loan and grant processes, the HCA finance team will also monitor the uplift in land values against the £37.5m target. In section 4.5 of this document, figure 2 (Finance Graph) shows the forecasted cumulative loan and grant payments over the life time of the Deal. It is expected that the £37.5m grant target/cap will be reached by 2021.

### 3.2 Milestone Indicators

Key milestones for the disposal of HCA assets are monitored using the following sample headings:

- Pre-Application work, including stakeholder engagement
- Pre-Submission technical workshop
- Masterplanning & options analysis
- Outline Planning Application Submitted
- Outline Planning Application Approved
- Section 106 Signed/Planning Consent Issued
- Site Marketing Commenced
- Preferred Developer Selected (HCA Approval)
- Conditional Legal Agreement
- Reserved Matters Application Approved
- Pre Commencement Ecological Mitigation/Site Infrastructure Works
- Start On Site
- First Housing Completion
- Phase Completion

## 3.3 Output Indicators

(i) Core Outputs ~ reported to Cabinet Office & DCLG ~ captured in the schedules of this Business & Delivery Plan

- Total number of Housing units consented for planning
- Total number of Housing units completed
- Commercial floor space consented
- Commercial floor space completed
- Private Sector Investment (PSI)
- Jobs accommodated

(ii) Supporting Outputs ~ monitored separately by the City Deal Monitoring Group and partners

- Total number of Housing units submitted for planning
- Number of City Deal Housing Sites at which construction is actively taking place
- Quantity of Commercial Floor space from identified and agreed Employment Sites submitted for planning
- Retail Vacancy Rate in city and town centres
- Number of HCA sites submitted for planning permission from those identified through City Deal
- Number of HCA sites, from those identified through City Deal, granted planning consent
- Total number of housing completions and new floor space completed on HCA sites
- Broughton Bypass progress
- Penwortham Bypass progress
- Preston Western Distributor progress
- South Ribble Western Distributor progress
- Sustainable Transport Infrastructure completions
- Community infrastructure completions



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# MONITORING ARRANGEMENTS

## 3.4 Value Assumptions

There are a number assumptions made in the HCA financial modelling which need to be considered when viewing the tables and graphs contained within the following sections of this document.

The BDP includes assumptions about plot values which are used to inform the financial forecasting. Table 3 within this document provides a forecast for the level of loan and grant anticipated to be achieved from each site/phase disposed of. Based on a range of recent sales activity, agent intelligence and other market advice receipt generation is currently forecast to be £35k per plot. HCA have been very clear with partners at the outset this was a blended average and that each bid will ultimately be based on the market at the time of disposal.

Given the level of interest and financial bids made to date, as well as the broader performance of the economy, the disposal strategy is working well. There is clearly the appetite and confidence within the volume house builders to buy the sites, and disposal of this way results in clean sales and no trailing wires.

The 10 year timescale of the Deal is such that it is inevitable that there will be an economic downturn at some point. In anticipation of the economic cycle the team are continually working with agents to understand the local market, and for next Year's BDP review it is planned to undertake some sensitivity testing around the financial forecasting to understand potential implications to the HCA site disposals.

Depending on the outcome of the sensitivity testing and the outcome the imminent site marketing activity, other sales strategies/options will be explored. These could include reducing the size of the phases being marketed to increase the range of house builders likely to bid, or exploring contractor disposal routes.

Given the uncertainty and unpredictability around the factors which are involved in making the assumptions it is recommended that the bullet points below be read in detail before any extrapolations, conclusions or future funding decisions are made. Ultimately the disposal and receipt generation is based entirely on the appetite of house building industry and the prevailing economic conditions (see Section 5 ~ HCA City Deal Risks).

**The exceptions to this rule are:**

- Whittingham ~ considerable abnormal and s106 costs ~ no value applied;
- Brindle Road and Cottam site K, ~ receipts are a contractual commitment therefore actual figures are included;
- Eastway ~ considerable infrastructure requirements in the new link road, therefore £20,000 per residential plot assumed;
- Cottam Brickworks and Walton Park Link Road ~ receipts likely to be minimal on this site, no values included at this stage;
- Preston East ~ commercial site figure based on 2013 book value.

## 3.5 Headline Output Potential

Taking into account the above assumptions the following key headline outputs from the 11 sites can be distilled from the schedules below:

- Potential receipt generation of approx. £92.8m;
- Approximately 3,115 new homes;
- Circa 94,950 sq.m of employment floorspace; and
- Creation of approximately 2,861 jobs.

## 4. FINANCE

### 4.1 Book Value, Receipts, Loan and Grant Forecast Tables/Graphs ~

There are a number of tables and graphs set out within the finance section of this BDP. The tables include the contracted/forecasted receipts and forecasted loan and grant payments that are anticipated to be paid to LCC over the life span of the Deal. The financial model used within the Deal requires the HCA to dispose/sell the 11 HCA City Deal sites (some sites are to be sold in phases). Once the receipt is received from these sales, the loan and grant payments are calculated on the basis of the agreed Financial Memorandum of Understanding (MOU) and the monies are then paid to LCC.

The forecast loan and grant figures contained within table 3 are also presented within two graphs. The graphs show both the anticipated grant and loan payments on an annual basis, as well as the cumulative loan and grant payments over the Deal's lifespan. The graph gives an indication to when the grant cap (£37.5m) will be met.

In the initial BDP (2014-2015), the anticipated receipts were set out using both 'worst' and 'best' case forecast scenarios. However due to the detailed work involved in preparing the forecast figures and the contracted receipt amounts that have been achieved within year 1, it is now considered appropriate to include only one table. The table details the forecasted amounts and where applicable the specific contracted figures.

It is important to note that the housing market within the Deal area is currently very strong, with multiple developer partners expressing a lot of interest in the HCA sites. In some cases partners are already contractually on board to deliver the HCA sites.

This BDP is a living document and is reviewed/updated on an annual basis, this will allow for the appropriate sensitivity checking/testing to be carried out. To ensure we can take account of a potential economic/market down turn within future years of the Deal, the figures contained within this BDP will be continually monitored to check for their accuracy, especially with regards to the market changes and recent receipts.

An update on the financial position will be presented within each of the (future) BDP documents as we move forward with the Deals implementation and delivery.

## 4.2 Table 1: HCA City Deal Sites

~ Book Value (March 2013) and Approx. Unit Numbers

Site Name	Book Value as at 31st March 2013	Potential Number of Units
Cottam Hall	28,751,797	1,031 of value up to 1,100 in total
Eastway	1,540,864	300
Preston East EA <i>(n/a)</i>	1,685,854	0
Cottam Brickworks	0	0
Whittingham	9,892,500	650
Pickerings Farm	2,017,408	297
Croston Road South	585,210	150
Croston Road North	1,217,707	400
Altcar Lane	2,304,121	172
Brindle Road	2,764,000	46
Walton Park Link Road <i>(Cross Borough Link Road)</i>	0	0
<b>Total Asset Value</b>	<b>50,759,461</b>	<b>3,115</b>

# FINANCE

## 4.3 Table 2: City Deal Site Receipts

~ Contracted and Forecasted

Site Name	Year 1 (£m) ~ 2014/15				Future Years											Total
	Q1	Q2	Q3	Q4	Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19	Year 6 2019/20	Year 7 2020/21	Year 8 2021/22	Year 9 2022/23	Year 10 2023/24	Year 11 & >		
Cottam Hall	162,580				534,638 2,889,955	1,098,878 2,072,421	1,158,383 2,000,000	1,822,021 1,400,000	3,225,000	5,950,000	6,660,000	5,000,000	2,000,000	123,497	36,097,473	
Land at Eastway, Broughton						2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,672,257	500,000	500,000		16,172,257	
Preston East EA ( <i>Break even cost</i> )								1,685,854							1,685,854	
Cottam Brickworks ( <i>Nil contribution</i> )																
Whittingham Hospital ( <i>Nil contribution</i> )																
'Pickerings Farm' (Central Lancashire Village)							866,250	866,250	866,250	866,250		866,250	866,250	5,197,500	10,395,000	
Croston Road South, Farington						1,000,000	1,250,000	1,500,000	1,500,000						5,250,000	
Croston Road North, Farington							1,500,000	1,500,000	3,000,000	3,000,000	2,500,000	1,500,000	1,000,000		14,000,000	
Altcar Lane, Leyland								1,500,000	1,500,000	1,500,000	1,520,000				6,020,000	
Brindle Road, Bamber Bridge	163,400			740,000	1,774,000	590,600									3,268,000	
Walton Park Link Road ( <i>Nil contribution</i> )																
<b>Totals</b>	<b>325,980</b>	<b>0</b>	<b>0</b>	<b>740,000</b>	<b>5,198,593</b>	<b>7,261,999</b>	<b>9,274,637</b>	<b>12,774,125</b>	<b>12,591,250</b>	<b>13,816,250</b>	<b>13,352,257</b>	<b>7,866,250</b>	<b>4,366,250</b>	<b>5,320,997</b>	<b>92,888,584</b>	

It should be noted that the figures contained in the above table are predominantly forecasts and are subject to change

As of March 2015

**KEY**  
Contracted  
Forecasted

## 4.4 Table 3: City Deal Payments

~ Forecasted Loan and Grant Payments

Site Name	Future Years												
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025 & >
Cottam Hall		1,995,197	7,648,144		3,971,573 959,382	3,974,392 1,011,253	6,941,109	3,993,043 802,819	2,240,107			227,413	
Land at Eastway, Broughton				1,169,377 1,330,623	187,708 2,500,000	2,312,292	2,500,000	2,500,000	183,778 2,672,257				
Preston East EA						1,685,854							
Cottam Brickworks													
Whittingham Hospital													
'Pickerings Farm' (Central Lancashire Village)				336,235	530,015	336,235 866,250	530,015	866,250	336,235		336,235		672,470
Croston Road South, Farington			585,210	414,790	1,250,000	1,500,000	1,500,000						
Croston Road North, Farington					608,854 891,147	608,854 1,500,000	2,391,147	3,000,000	1,967,690				
Altcar Lane, Leyland						2,304,121	695,879	1,500,000					
Brindle Road, Bamber Bridge		2,764,000		504,000									
Walton Park Link Road													
<b>Totals</b>		4,759,197 0	8,233,354 0	1,505,612 2,249,413	4,768,135 6,130,544	8,909,455 7,189,795	6,941,109 7,617,041	3,993,043 8,669,069	520,013 6,880,054	0 0	336,235 0	227,413 0	672,470 0

*It should be noted that the figures contained in the above table are predominantly forecasts and are subject to change  
As of March 2015*

### KEY

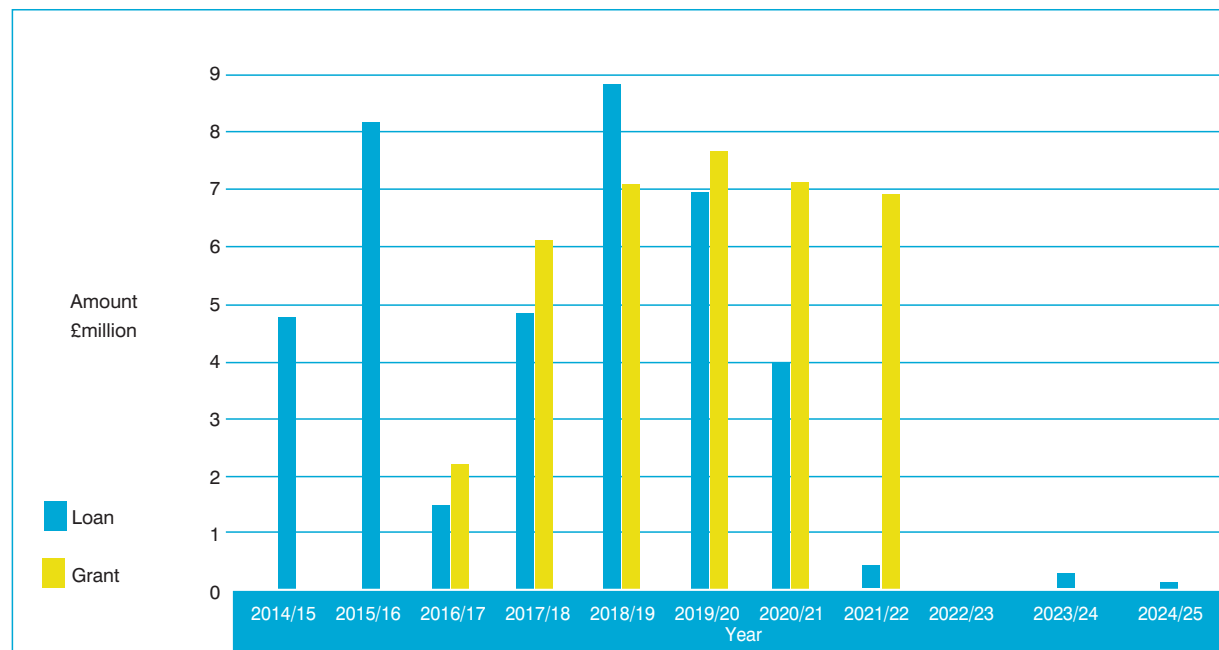
Loan (£m)

Grant (£m)

## 4.5 Forecast Loan and Grant Payments Graphs

- The following graphs display the forecasted loan and grant amounts anticipated to be paid from the HCA to LCC over the life span of the Deal.
- The graphs are based on the loan and grant forecast table (Table 3) detailed earlier within this document.
- It should be noted that the figures are based on the current position (February 2015) and will be continually monitored.
- Sensitivity checks/reviews are to be carried out on all forecast figures and will be updated/reported within future versions of this BDP.

**Figure 1 ~ Loan and Grant (Forecast) Payments Per Year**  
 \*It should be noted that the figures contained in the graph below are predominantly forecasts and are subject to change.

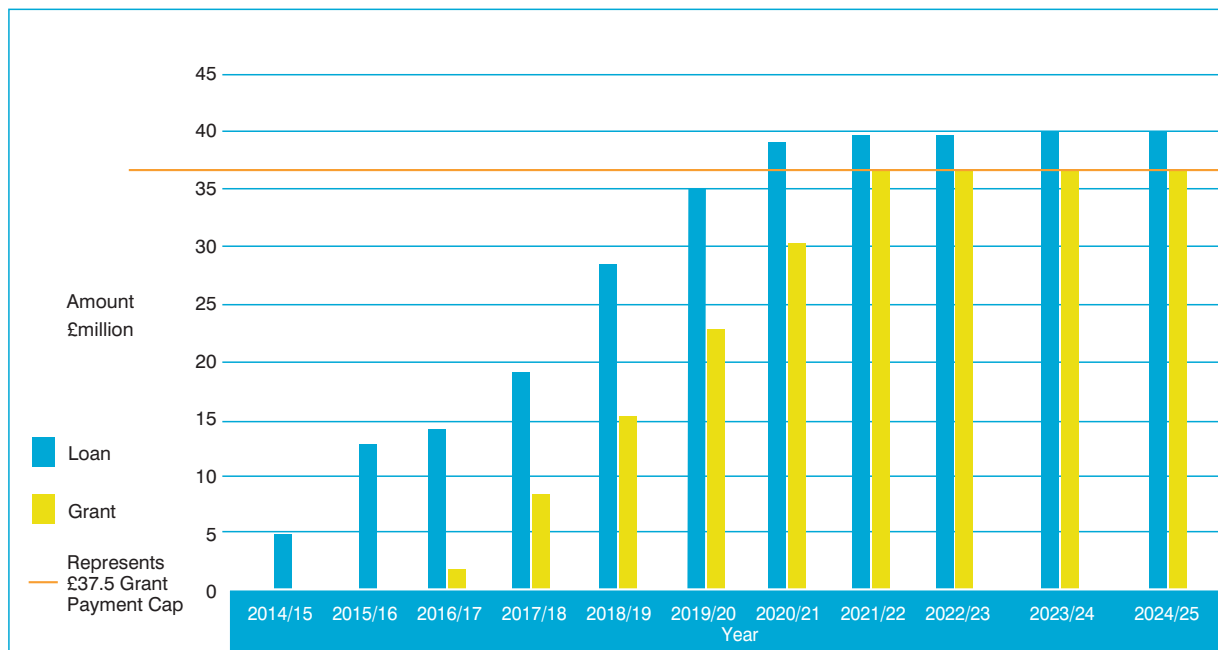


**Figure 2 ~ Cumulative (Forecast) Grant and Grant Payments**

\*It should be noted that the figures contained in the above graph are predominantly forecasts and are subject to change.

\*Cumulative means the total amount of forecasted loan and grant payments carried forward.

\*Due to abnormal costs/amended receipt amounts/contribution towards the Broughton Bypass there is to be no loan/grant contribution provided from Whittingham.





# RISKS

## 5. HCA CITY DEAL RISKS

Table 4 ~ HCA City Deal Risks

Ref	Risk	Consequence	Likelihood	Impact	Severity	Response	Owner
1	There is a risk that sufficient <b>resource capacity</b> may not be available to deliver the disposals (HCA) and infrastructure works (local authorities) to programme.	This could result in delays to the programme or non-delivery of certain elements.	3	4	12	HCA has undertaken a detailed in house resource capacity review. Local Authority partners to confirm that they have done the same.	HCA
2	There is a risk that sufficient <b>cash flow</b> will not be available.	This could result in infrastructure works being delayed.	3	4	12	The accountable body could look to under write this risk.	HCA
3	There is a risk that the <b>assumed uplift in values</b> will fall short of expectations.	This could result in a budget shortfall.	3	4	12	Careful monitoring of tender returns to gauge market values.	HCA
4	There is a risk that the rate of <b>sites take up/ market demand will be slower</b> than forecast.	This could result in a budget shortfall.	3	4	12	Sites to be de-risked via a package of measures e.g. titles due diligence done, planning secured.	HCA
5	There is a <b>political risk</b> that the programme may not perform as Government expects.	This could result in reputational issues for partners involved.	3	3	9	Close monitoring of performance and regular communication with DCLG.	HCA
6	There is a risk that <b>performance management processes</b> are not embedded.	This could result in: sub optimal delivery of programme; delay in meeting targets; and / or reputational risk.	3	3	9	Develop City Deal reporting mechanism. Active involvement in working group.	HCA
7	There is a risk that the end product, whether commercial, residential or mixed use, will <b>not be of a sufficient quality</b> to meet aspirations.	This could result in poor quality outcomes for the areas within which the sites sit and minimal impact upon wider regeneration aspirations.	2	2	4	Quality standards for all sites are to be clearly articulated.	HCA
8	There is a risk that the work will not be properly <b>aligned with other Programmes</b> .	This could result in missed opportunities and duplication of effort.	2	2	4	Alignment of all programmes through the LEP and HCA Business Planning Process.	HCA
9	There is a risk that <b>agreeing exit arrangements</b> with developer partners could prove difficult.	This could result in the failure to fully divest all responsibilities (trailing wires).	2	2	4	Exit strategies for all sites to be clearly articulated, with freeholder responsibilities to be passed onto other parties.	HCA
10	There is a risk that the programme may fail to <b>comply with legal requirements</b> e.g. procurement, state aid/ market distortion etc.	This could result in a legal challenge, time delays and increased costs.	2	2	4	Full engagement of Solicitors to be secured in all land transactions.	HCA

### KEY

Likelihood	Impact
5. Almost Certain	5. Catastrophic
4. Highly Probable	4. Substantial
3. Possible	3. Significant
2. Unlikely	2. Moderate
1. Almost Impossible	1. Minor

Overall Risk Rating = Likelihood x Impact:

- 15 ~ 25 = High
- 6 ~ 14 = Medium
- 1 ~ 5 = Low

## 6. DELIVERY PROFILES - MILESTONES

6.1 Table 5 ~ Year 1: Milestone Delivery

Site Name	Q1	Q2	Year 1 ~ 2014/15	Q3	Q4
Cottam Hall	Site Marketing Commenced ~ Phase 2			Preferred Developer Selected ~ Phase 2 First Housing Completion ~ Phase 1	Site Marketing Commenced ~ Phase 3 Conditional Legal Agreement ~ Phase 2
Land at Eastway, Broughton	Section 106 Signed/Planning Consent Issued	Site Marketing Commenced ~ Residential and Commercial			Preferred Developer Selected ~ Residential
Preston East EA				Continued Work with Partners to Agree Coordinated Disposal Strategy	Adoption in DPD. Progressing Disposal Strategy and Other Supporting Documents
Cottam Brickworks		Conditional Legal Agreement			
Whittingham Hospital	Outline Planning Application Approved	Reserved Matters Application Approved ~ Taylor Wimpey Phase 1 Site Marketing Commenced ~ Phase 2		Phase 1 Deal Became Unconditional	Start on Site ~ Phase 1 Selection of a Preferred Developer for Phase 2. Demolition Works to be Completed
'Pickering Farm' (Central Lancashire Village)				Negotiation Strategy Agreed at National Level	Negotiations On Going with Developer/Pre Application Work Commenced
Croston Road South, Farington					Preferred Developer Selected (Subject to Formal HCA Approval)
Croston Road North, Farington				Outline Planning Application Approved	
Altcar Lane, Leyland				Masterplanning and Options Analysis	Collaboration Agreement Signed
Brindle Road, Bamber Bridge	First Housing Completion				Continued Build Out
Walton Park Link Road	Conditional Contract Agreed in March 2014				Reserved Matters Application Related to Lostock Hall Gas Works Submitted

Some of the milestones as detailed above are not standard milestones (as detailed earlier within the document, para 3.2).

This is due to the nature of work carried out, particularly with partners in the first year of the BDP. However it was felt necessary to report on the sites progress to date.

# DELIVERY PROFILES

6.2 Table 6 ~ Year 2: Milestones

Site Name	Year 2 ~ 2015/16			
	Q1	Q2	Q3	Q4
Cottam Hall	Reserved Matters Application Approved ~ Phase 2		Pre Commencement Ecological Mitigation ~ Phase 2 Preferred Developer Selected ~ Phase 3	Start on Site ~ Phase 2 Conditional Legal Agreement ~ Phase 3
Land at Eastway, Broughton	Pre Commencement Ecological Mitigation	Conditional Legal Agreement		Reserved Matters Application Approved ~ Residential
Preston East EA		Inspector's Decision on LPA's SADMDPlan		SoS Approved of LPA's SADMDPlan
Cottam Brickworks	Revised Outline Planning Application Approved	Revised Section 106 Signed/Planning Consent Issued		
Whittingham Hospital	Preferred Developer Selected ~ Phase 2	First Housing Completion ~ Phase 1	Conditional Legal Agreement ~ Phase 2	
'Pickering Farm' (Central Lancashire Village)	Pre Application Work Ongoing Collaboration Agreement Signed	Masterplan and Options Analysis		Outline/Hybrid Planning Application Submitted
Croston Road South, Farington	Preferred Developer Selected	Conditional Legal Agreement		Reserved Matters Application Approved
Croston Road North, Farington	Section 106 Signed/Planning Consent Issued		Site Marketing Commenced ~ Phase 1	
Altcar Lane, Leyland	Masterplan and Options Analysis			Outline Planning Application Submitted
Brindle Road, Bamber Bridge				
Walton Park Link Road	Reserved Matters Approved		Pre Commencement Ecological Works	

6.3 Table 7 ~ Year 3: Milestones

Site Name	Year 3 ~ 2016/17			
	Q1	Q2	Q3	Q4
Cottam Hall	First Housing Completion ~ Phase 2	Reserved Matters Application Approved ~ Phase 3	Site Marketing Commenced ~ Phase 4	Pre Commencement Ecological Conditions ~ Phase 3
Land at Eastway, Broughton		Start on Site ~ Residential		First Housing Completion
Preston East EA			Masterplan Work Commenced	
Cottam Brickworks				Start on Site
Whittingham Hospital	Reserved Matters Application Approved ~ Phase 2	Start on Site ~ Phase 2	Site Marketing Commenced ~ Phase 3	First Housing Completion ~ Phase 2
'Pickering Farm' (Central Lancashire Village)	Outline/Hybrid Planning Application Approved	Section 106 Signed/Planning Consent Issued	Pre Commencement Ecological Mitigation/Site Infrastructure Works	
Croston Road South, Farington	Start on Site		First Housing Completion	
Croston Road North, Farington		Preferred Developer Selected ~ Phase 1	Conditional Legal Agreement ~ Phase 1	Site Marketing Commenced ~ Phase 2
Altcar Lane, Leyland	Outline Planning Application Approved	Section 106 Signed/Planning Consent Issued	Site Marketing Commenced	
Brindle Road, Bamber Bridge	Phase Completion			
Walton Park Link Road	Start on Site		First Housing Completion	

# DELIVERY PROFILES

6.4 Table 8 ~ Year 4: Milestones

Site Name	Year 4 ~ 2017/18			
	Q1	Q2	Q3	Q4
Cottam Hall	Start on Site ~ Phase 3	Preferred Developer Selected ~ Phase 4	First Housing Completion ~ Phase 3 Conditional Legal Agreement ~ Phase 4	
Land at Eastway, Broughton				
Preston East EA		Masterplan Submitted for Adoption	Masterplan Approved by LPA	Pre Application Work with LPA
Cottam Brickworks				
Whittingham Hospital		Preferred Developer Selected ~ Phase 3		Conditional Agreement ~ Phase 3
'Pickering Farm' (Central Lancashire Village)	Start on Site ~ Phase 1		First Housing Completion ~ Phase 1	
Croston Road South, Farington				
Croston Road North, Farington	Reserved Matters Application Approved ~ Phase 1	Pre Commencement Ecological Mitigation ~ Phase 1	Start on Site ~ Phase 1 Preferred Developer Selected ~ Phase 2	
Altcar Lane, Leyland		Preferred Developer Selected	Conditional Legal Agreement	
Brindle Road, Bamber Bridge				
Walton Park Link Road				

## 7. HCA CITY DEAL OUTPUTS

### 7.1 Table 9 ~ Outputs:

Total Number of Housing Units Consented for Planning

Site Name	Previous	Year 1 ~ 2014/15				Future Years										Total
		Q1	Q2	Q3	Q4	Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19	Year 6 2019/20	Year 7 2020/21	Year 8 2021/22	Year 9 2022/23	Year 10 & >		
Cottam Hall	1,100															1,100
Land at Eastway, Broughton			300													300
Preston East EA																0
Cottam Brickworks																0
Whittingham Hospital		650														650
'Pickering Farm' (Central Lancashire Village)							297									297
Croston Road South, Farington	175															175
Croston Road North, Farington				400												400
Altcar Lane, Leyland							172									172
Brindle Road, Bamber Bridge	46															46
Walton Park Link Road																0
<b>Total</b>	<b>1,321</b>	<b>650</b>	<b>300</b>	<b>400</b>	<b>0</b>	<b>0</b>	<b>469</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,140</b>

# OUTPUTS

## 7.2 Table 10 ~ Outputs:

Total Number of Housing Units Completed

Site Name	Year 1 ~ 2014/15				Future Years										Total
	Q1	Q2	Q3	Q4	Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19	Year 6 2019/20	Year 7 2020/21	Year 8 2021/22	Year 9 2022/23	Year 10 & >		
Cottam Hall			8	8	48	96	96	96	91	96	95	96	301	1,031	
Land at Eastway, Broughton						30	30	30	30	30	30	30	90	300	
Preston East EA														0	
Cottam Brickworks														0	
Whittingham Hospital					8	32	64	64	94	64	64	72	188	650	
'Pickering Farm' (Central Lancashire Village)							50	50	50	50	50	47		297	
Croston Road South, Farington						34	34	34	38					140	
Croston Road North, Farington							24	32	32	32	32	100	148	400	
Altcar Lane, Leyland								32	32	32	32	32	12	172	
Brindle Road, Bamber Bridge	10	6	6	6	14	4								46	
Walton Park Link Road														0	
<b>Total</b>	<b>10</b>	<b>6</b>	<b>14</b>	<b>14</b>	<b>70</b>	<b>196</b>	<b>298</b>	<b>338</b>	<b>367</b>	<b>304</b>	<b>303</b>	<b>377</b>	<b>739</b>	<b>3,036</b>	

# OUTPUTS

7.3 Table 11 ~ Outputs:  
Commercial Floor Space Consented (m<sup>2</sup>)

Site Name	Previous	Year 1 (m <sup>2</sup> ) ~ 2014/15				Future Years (m <sup>2</sup> )										Total
		Q1	Q2	Q3	Q4	Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19	Year 6 2019/20	Year 7 2020/21	Year 8 2021/22	Year 9 2022/23	Year 10 & >		
Cottam Hall																
Land at Eastway, Broughton			6,000												6,000	
Preston East EA												62,500			62,500	
Cottam Brickworks						9,700									9,700	
Whittingham Hospital		9,000													9,000	
'Pickering Farm' (Central Lancashire Village)							6,750								6,750	
Croston Road South, Farington																
Croston Road North, Farington																
Altcar Lane, Leyland																
Brindle Road, Bamber Bridge																
Walton Park Link Road																
<b>Total</b>	<b>0</b>	<b>9,000</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>9,700</b>	<b>6,750</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62,500</b>	<b>0</b>	<b>0</b>	<b>93,950</b>	



# OUTPUTS

7.4 Table 12 ~ Outputs:  
Commercial Floor Space Completed (m<sup>2</sup>)

Site Name	Year 1 (m <sup>2</sup> ) ~ 2014/15				Future Years (m <sup>2</sup> )										Total
	Q1	Q2	Q3	Q4	Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19	Year 6 2019/20	Year 7 2020/21	Year 8 2021/22	Year 9 2022/23	Year 10 & >		
Cottam Hall															
Land at Eastway, Broughton								2,000	2,000	2,000				6,000	
Preston East EA												10,000	52,500	62,500	
Cottam Brickworks*													9,700	9,700	
Whittingham Hospital								3,000	3,000	3,000				9,000	
'Pickering Farm' (Central Lancashire Village)								2,000	2,000	2,750				6,750	
Croston Road South, Farington															
Croston Road North, Farington															
Altcar Lane, Leyland															
Brindle Road, Bamber Bridge															
Walton Park Link Road															
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,000</b>	<b>7,000</b>	<b>7,750</b>	<b>0</b>	<b>10,000</b>	<b>62,200</b>	<b>93,950</b>	

\*Potential windfall floor space (m<sup>2</sup>)

# OUTPUTS

7.5 Table 13 ~ Outputs:  
Private Sector Investment (000's)

Site Name	Year 1 (000's) ~ 2014/15				Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19	Future Years (000's)						Total
	Q1	Q2	Q3	Q4					Year 6 2019/20	Year 7 2020/21	Year 8 2021/22	Year 9 2022/23	Year 10 & >		
Cottam Hall			1,600	1,600	9,600	19,200	19,200	19,200	18,200	19,200	19,000	19,200	60,200	206,200	
Land at Eastway, Broughton						6,000	6,000	6,000	6,000	6,000	6,000	6,000	18,000	60,000	
Preston East EA											1,000	4,000	28,500	33,500	
Cottam Brickworks															
Whittingham Hospital					1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	37,600	130,000	
'Pickering Farm' (Central Lancashire Village)							7,500	15,000	15,000	15,000	7,500			60,000	
Croston Road South, Farington						4,800	4,400	6,400	4,000					19,600	
Croston Road North, Farington								4,800	6,400	64,000	64,000	6,400	43,200	80,000	
Altcar Lane, Leyland								64,000	64,000	64,000	64,000	64,000	24,000	344,000	
Brindle Road, Bamber Bridge	2,000	1,200	1,200	1,200	2,800	800								9,200	
Walton Park Link Road															
<b>Total</b>	<b>2,000</b>	<b>1,200</b>	<b>2,800</b>	<b>2,800</b>	<b>14,000</b>	<b>32,400</b>	<b>38,700</b>	<b>117,000</b>	<b>115,200</b>	<b>112,200</b>	<b>105,500</b>	<b>101,200</b>	<b>211,500</b>		

Figures based upon £200,000 per completed unit and excludes any affordable homes

# OUTPUTS

7.6 Table 14 ~ Outputs:  
Jobs Accommodated

Site Name	Year 1 ~ 2014/15				Future Years										Total
	Q1	Q2	Q3	Q4	Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19	Year 6 2019/20	Year 7 2020/21	Year 8 2021/22	Year 9 2022/23	Year 10 & >		
Cottam Hall															
Land at Eastway, Broughton								66	66	100				232	
Preston East EA												333	1,749	2,082	
Cottam Brickworks													323	323	
Whittingham Hospital								100	100	100				300	
'Pickering Farm' (Central Lancashire Village)								66	66	92				224	
Croston Road South, Farington															
Croston Road North, Farington															
Altcar Lane, Leyland															
Brindle Road, Bamber Bridge															
Walton Park Link Road															
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>232</b>	<b>232</b>	<b>292</b>	<b>0</b>	<b>333</b>	<b>2,072</b>	<b>3,161</b>	

*Based upon 1 job per every 30m<sup>2</sup> of floor space*



# CITY DEAL

Preston, South Ribble & Lancashire



Lancashire  
Enterprise Partnership

