

**CITY DEAL**

**Finance Monitoring Report**

Quarter 3 2015-16

**Section A : 10 year Infrastructure Delivery fund (IDF) - current forecasts as at 30th September 2015**

NB - expanded to show the 5 year extension period

**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		Year 11	Year 12	Year 13	Year 14	Year 15	
Total	Pre-2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		£m	£m	£m	£m	£m	
Surplus/ (Deficit)	0.774	0.292	4.272	11.455 -	42.951 -	14.738 -	8.773 -	25.274	11.636	9.115	14.331	16.441		8.417	5.254	3.898	3.935	3.463
Cumulative Surplus/ (Deficit)		0.292	4.564	16.019 -	26.932 -	41.670 -	50.443 -	75.717 -	64.081 -	54.966 -	40.635 -	24.194		- 15.777 -	10.523 -	6.625 -	2.690	0.773

Deficit at last quarter -6.855  
 Key changes in surpluses and deficits since last Quarter 7.629

The deficit of £ 6.855m as at Sept 15 has moved by the following key items

1 inclusion of PBS reserve commitment from LCC of £7m	7.000
2 Reduction in pinchpoint funding commitment from HE relating to PWD	-2.500
3 Update of model for CIL payments to Parish councils with anticipated Neighbourhood plans and to include years 11-15	-0.917
4 Inclusion of cost of 5% admin fee from CIL monies retained by districts for administrating CIL process	-3.747
5 Reduction in forecast of Grant from HCA; and increase in interest payable due to timing of loans	-0.493
6 Reduction in number of homes in south Ribble from planning information supplied	-1.201
7 removal of lottery funding relating to winkley square gardens s related expenditure not in IDP plan	-0.945
8 Changes to the housing site numbers in Preston including increased housing numbers & affordable housing.	7.324
9 Update of housing site H4c to include yrs 11-15 of S106	0.402
10 Additional funding from ERDF for Fishergate Project	0.221
11 inclusion of cap on Parish cil where no neighbourhood plan. Cap limits payment to £100 per dwelling.	2.555
12 Inclusion of increase on Cil charges by application of BICS index	16.188
13 Provision for construction inflation	-16.188
14 miscellaneous revenue item changes	-0.070

Total changes in monitoring period 7.629

**Current Surplus / Deficit** 0.774

The current surplus as at 31st December 2015 is £ 0.774m against a target of £ nil

NB : The current maximum cash flow position (£75.717m in year 6 ) is within the agreed maximum cash flow liability under the terms of the deal , and the current surplus position with the £7m reserves added to the model is within LCC cabinet approvals.

**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		Year 11	Year 12	Year 13	Year 14	Year 15
Total	Pre-2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25	2025/26	2026/27	2027/28	2028/29
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		£m	£m	£m	£m	£m
<b>Delivery Programmes</b>																	
North West Preston																	
NW Preston Green Infrastructure	5.256	-	-	1.051	0.601	0.601	0.601	0.601	0.601	0.601	0.601						
Further Community Infrastructure	4.944	-	0.038	0.650	0.690	0.595	0.595	0.595	0.595	0.595	0.595						
East-West Spine Road	9.800	0.141	0.659	4.500	4.500												
Preston Western Distributor M55 to A583, M55 Junction 2 & Land Assembly	104.500	0.197	0.994	1.200	1.500	6.409	47.100	47.100									
Cottam Parkway	15.000		0.004				1.496	8.000	5.500								
Whittingham / Broughton / Preston East																	
A6 Broughton Congestion Reduction	24.283	3.189	0.892	2.480	16.514	1.208											
M55 Junction 1 Roundabout	1.716	1.602	0.114														
M6 Junction 32	8.000		8.000														
Preston City Centre																	
Preston Bus Station	23.640	0.003	0.211	1.110	10.608	11.708											
Fishergate Central Gateway	7.000	1.746	1.744	2.116	1.360	0.034											
South Ribble																	
Pickerings Farm Link Road	4.500			0.050	1.250	3.200											
Moss Side Test Track Road Infrastructure	2.050					0.025	2.025										
Land Between Heatherleigh and Moss Lane Spine Road	1.000			0.500	0.500												
Cuerden Strategic Site Road Infrastructure	5.050			0.050	5.000												
Community/ Green Infrastructure	7.400		-	0.645	0.993	0.823	0.823	0.823	0.823	0.823	0.823						
A582 South Ribble Western Distributor/ B2523 Flensburg Way	44.543	0.152	5.841	4.371	2.309	1.125	15.395	15.350									
Completion 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	1.245												
South Ribble Other	5.000																5.000
Education Infrastructure - Preston	28.495				6.739	0.018	0.018	0.018	5.426	5.426	5.426						
Education Infrastructure - South Ribble	11.203				3.629	0.386	0.386	0.386	1.604	1.604	1.604						
Community Provision - Preston CC	8.031		0.803	0.803	0.803	0.803	0.803	0.803	0.803	0.803	0.803						
Community Provision - South Ribble BC	4.922		0.492	0.492	0.492	0.492	0.492	0.492	0.492	0.492	0.492						
Public Transport Corridors & Local Centres- Preston	12.125	0.250	0.028	0.140	1.925	7.700	0.082	0.250	1.750								
Public Transport Corridors & Local Centres- South Ribble	12.125	0.250	0.068	0.380	2.952	1.125	4.750	2.600	-								
CL Transport Modelling costs	0.150	-	-	0.070	0.030	0.030	0.020										
Revenue costs to be included in City Deal	0.086	-	-	0.006	0.010	0.010	0.010	0.010	0.010	0.010	0.010						
Construction inflation provision	16.188				3.117	3.029	4.337	4.299	0.653	0.490	0.132						
Cost of Capital	8.786	0	0 -	0.158	0.264	0.855	1.019	1.348	1.480	1.227	0.969		0.421	0.290	0.207	0.136	0.062
<b>Total Delivery Programmes</b>	<b>395.294</b>	<b>7.408</b>	<b>19.564</b>	<b>16.452</b>	<b>67.792</b>	<b>60.924</b>	<b>78.456</b>	<b>76.171</b>	<b>22.237</b>	<b>17.570</b>	<b>11.453</b>	<b>16.151</b>	<b>0.421</b>	<b>0.290</b>	<b>0.207</b>	<b>0.136</b>	<b>0.062</b>

**3. Revenue Breakdown**

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		Year 11	Year 12	Year 13	Year 14	Year 15	
Total	Pre-2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		£m	£m	£m	£m	£m	
<b>Resources</b>																		
<u>Upper Tier Councils - Lancashire County Council</u>																		
LCC Capital Investment Programme	20.400	4.400	1.500	9.500	5.000													
Integrated Transport Block	24.250	0.500	1.250	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500							
Lostock Hall Land Receipt	0.228					0.057	0.057	0.057	0.057									
New Homes Bonus	12.953				0.142	0.440	0.727	1.144	1.666	2.132	2.513							
LCC Revenue Contribution - Capital Financing Cost	8.786	-	-	0.158	0.264	0.855	1.019	1.348	1.480	1.227	0.969		0.421	0.290	0.207	0.136	0.062	
European Regional Development Funding for Fishergate Central Gateway Delivery Programme	1.601	1.000	0.380	0.221														
LCC reserves	7.000					7.000												
<u>Central Government</u>																		
Single Local Growth Fund	79.500			6.710	14.790	3.070	28.750	24.090	2.090									
HCA - Locally Retained Landhold Receipts (1 year loan)	40.866	-	4.759	8.233	1.506	4.768	8.909	6.941	3.993	0.520	-	0.336	0.227	0.672	-	-	-	
HCA - Expected Land Value Realisation on HCA Sites	38.736	-	-	-	2.249	6.131	7.190	7.617	8.669	6.880	-	-	-	-	-	-	-	
HCA - Loan repayments	- 40.866	-	-	4.759	8.233	1.506	4.768	8.909	6.941	3.993	0.520	-	0.336	0.227	0.672	-	-	
HCA - Interest on Loans	- 0.406	-	0.004	0.052	0.073	0.020	0.053	0.086	0.065	0.035	0.004	-	0.003	0.003	0.006	-	-	
Highways Agency - Pinchpoint Funding for Broughton/ M55/ M6 Delivery Programme	8.600	0.600	8.000															
Highways Agency - Pinchpoint Funding for A582 Golden Way	2.109		2.109															
Highways Agency - Pinchpoint Funding for M55 Junction 2	25.000				12.500	12.500												
<u>Developers Contribution</u>																		
Community Infrastructure Levy - employment sites in Preston City Council area	0.981		0.048	0.670	0.020	0.028	0.029	0.045	0.035	0.046	0.030	0.030						
Community Infrastructure Levy - employment sites in South Ribble Borough Council area	2.646		0.014	2.327	0.018	0.032	0.039	0.047	0.053	0.046	0.039	0.031						
Community Infrastructure Levy - housing sites in Preston City Council area	30.157		0.510	0.334	0.616	1.275	1.290	2.833	2.829	2.674	2.650	2.660	2.536	2.513	2.527	2.530	2.380	
Community Infrastructure Levy - housing sites in South Ribble Borough Council area	25.091		0.278	0.122	0.337	1.665	2.449	3.105	3.455	2.801	2.135	2.028	2.133	1.619	1.437	0.929	0.598	
Community Infrastructure Levy Plus - housing sites in Preston City Council area	7.559		-	-	0.035	0.212	0.212	0.823	0.773	0.792	0.794	0.750	0.668	0.624	0.626	0.624	0.626	
Community Infrastructure Levy Plus - housing sites in South Ribble Borough Council area	8.049		-	-	0.076	0.544	0.844	1.059	1.106	0.883	0.773	0.762	0.752	0.483	0.410	0.252	0.105	
S106 / S278 Agreements - non housing related	1.000		-	-	1.000	-	-	-	-	-	-	-						
S106 / S278 Agreements - sites in Preston City Council area	31.363	1.200	4.985	1.847	2.398	3.649	3.695	2.419	5.490	1.114	3.022	1.142	0.082	0.082	0.082	0.082	0.074	
S106 / S278 Agreements - sites in South Ribble Borough Council area	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<u>Lower Tier Councils - Preston City Council</u>																		
Business Rate Retention at Strategic City Deal Locations	5.135		0.031	0.042	0.307	0.670	0.692	0.714	0.345	0.629	0.746	0.961						
PCC Grants - lottery funding	-																	
New Homes Bonus	28.051		-	0.097	0.405	0.920	1.656	2.537	3.676	4.814	5.763	6.429	1.756	-	-	-	-	
<u>Lower Tier Councils - South Ribble Borough Council</u>																		
Business Rate Retention at Strategic City Deal Locations	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		-	0.376	0.891	1.172	1.672	2.459	3.409	4.136	4.711	5.365	1.218	-	-	-	-	
Moss Side Test Track Land Receipt	5.000											5.000						
Preston 5% CIL admin charge	- 1.907	-	-	0.050	0.034	0.076	0.077	0.185	0.182	0.176	0.174	0.172	-	0.160	0.157	0.158	0.158	
South Ribble 5% CIL admin charge	- 1.775	-	-	0.122	0.022	0.112	0.167	0.211	0.231	0.187	0.147	0.141	-	0.144	0.105	0.092	0.059	
Community Infrastructure Levy due to Parish Councils in Preston	- 0.469	-	0.005	0.007	0.011	0.023	0.023	0.052	0.049	0.044	0.041	0.040	-	0.037	0.036	0.034	0.033	
Community Infrastructure Levy due to Parish Councils in South Ribble	- 3.330	-	0.061	0.008	0.011	0.282	0.336	0.377	0.389	0.320	0.246	0.260	-	0.273	0.211	0.221	0.232	
<b>Total Resources</b>	<b>396.068</b>	<b>7.700</b>	<b>23.836</b>	<b>27.907</b>	<b>24.841</b>	<b>46.186</b>	<b>69.682</b>	<b>50.897</b>	<b>33.872</b>	<b>26.685</b>	<b>25.784</b>	<b>32.592</b>	<b>-</b>	<b>8.838</b>	<b>5.544</b>	<b>4.106</b>	<b>4.071</b>	<b>3.525</b>

### 3.1 Key changes in resources .

- <sup>1</sup> During December further work was undertaken to review the assumptions of build out rates and therefore CIL monies that will flow into the IDF , the slippage in build rates has meant that CIL income is now not expected to be fully received until Year 15, this is 5 years into the 5 year extension plan . this is reflected in the above model and has led to us reporting over the full 15 years.
- <sup>2</sup> HE commitment to PWD M55 junction works confirmed as £25m (previously stated as £25-30m and 27.5m used in the model.). Work is ongoing to identify with the ECI contractor the exact costs of the junction and HE will be approached if cost is more than funding.
- <sup>3</sup> District partners have confirmed that they will apply the 5% retention of CIL for administration of the CIL process - previously acknowledged in heads of terms as an option but not modelled ; also increases in cil payments to parish councils predicted due to adoption or planned adoption of neighbourhood plans
- <sup>4</sup> During January & February work has been ongoing with district planners to review housing numbers, this has meant changes on, at times, daily basis to the numbers of houses, the income they will generate and the build out rates.
- <sup>5</sup> Cil increases based on BICS indexation (at 10% for 16/17 and a prudent estimate of 5% pa each year onwards) built into the model and a corresponding amount built into the model for infrastructure inflation.

Section B : in year monitoring  
Year 2 Quarter 3

	Total			Quarter 1			Quarter 2			Quarter 3			Quarter 4			Q1 Reported	Q2 Reported	Q3 Reported
	Original	Revised	Variance	Original	Revised	Variance	Original	Revised	Variance	Original	Revised	Variance	Original	forecast	Variance			
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m			
<b>Central Government</b>																		
Transport Funding	3.000	4.880	1.880	3.000	3.000	-	-	-	-	-	-	-	-	1.880	1.880			
HCA - Locally Retained Landhold Receipts	2.018	3.469	5.487	2.018		2.018	-	-	-	-	-	-	-	3.469	3.469		note 9 note 16	
<b>Developer Contributions (less Parish Council share)</b>	6.076	5.118	0.958	1.519		1.519	1.519	1.519	1.519	3.118	1.599	1.519	2.000	0.481			note 5 note 10 note 15	
<b>Lancashire County Council</b>																		
Capital Programme & Grants	12.000	12.222	0.222	12.000	12.000	-	-	-	-	0.221	0.221	-	0.001	0.001				
Capital Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Revenue Contribution - Capital Financing Cost	0.067	0.139	0.072	-	-	-	-	-	-	-	-	-	0.067	0.139	0.072			
<b>Preston City Council</b>																		
Business Rates Retention	0.263	0.042	0.221	-	-	-	-	-	-	0.042	0.042	0.263	-	0.263			note 11	
Heritage Lottery funding	0.456		0.456									0.456		0.456				
New Homes Bonus	0.066	0.066	-					0.066	0.066		0.028	0.028	0.066	0.028	0.038			
<b>South Ribble Borough Council</b>																		
Business Rates Retention	0.085	0.085	-	-	-	-	-	0.085	0.085	-	-	-	0.085	0.000	0.085			
New Homes Bonus	0.198	0.198	-					0.198	0.198		0.099	0.099	0.198	0.099	0.099			
<b>Resources Total</b>	<b>20.059</b>	<b>25.941</b>	<b>5.882</b>	<b>14.501</b>	<b>15.000</b>	<b>0.499</b>	<b>1.519</b>	<b>0.349</b>	<b>1.170</b>	<b>1.519</b>	<b>3.254</b>	<b>1.735</b>	<b>2.520</b>	<b>7.338</b>	<b>4.818</b>			

Total			Quarter 1			Quarter 2			Quarter 3			Quarter 4						
Original	Revised	Variance	Original	Revised	Variance	Original	Revised	Variance	Original	Revised	Variance	Original	Forecast	Variance				
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m				
<b>Preston Transport Programmes</b>																		
East-West Link Road	0.659	0.659	-	0.165	0.012	0.152	0.165	0.234	-	0.070	0.165	0.184	-	0.020	0.165	0.228	-	0.063
Preston Western Distributor	1.009	1.200	-	0.191	0.252	0.016	0.236	0.252	0.481	-	0.229	0.252	0.525	-	0.273	0.252	0.178	0.074
Broughton*	2.238	2.480	-	0.242	0.560	0.014	0.545	0.560	0.337	0.223	0.560	0.118	0.442	0.560	2.011	-	1.452	
Preston Bus Station	0.812	1.110	-	0.298	0.203	-	0.203	0.203	0.056	0.147	0.203	3.137	-	2.934	0.203	-	2.083	2.286
Fishergate Central Gateway	2.064	2.116	-	0.052	0.516	0.117	0.399	0.516	1.596	-	1.080	0.516	1.332	1.848	0.516	1.736	-	1.220
Public Transport & Public Realm Corridors	0.140	0.038	-	0.102	0.035	0.006	0.029	0.035	0.045	-	0.010	0.035	-	0.035	0.035	-	0.013	0.048
Community Provision - Preston City Council	0.803	0.140	-	0.663	0.201	-	0.201	0.201	-	0.201	0.201	1.030	-	0.829	0.201	-	0.890	1.091
		0.803	-	0.803	-	-	-	-	-	-	-	0.803	-	0.803	-	-	-	-
<b>South Ribble Transport Programmes</b>																		
Pickerings Farm Link Road	0.050	-	-	0.050	0.013	-	0.013	0.013	-	0.013	0.013	-	-	0.013	0.013	-	-	0.013
Moss Side Test Track Road Infrastructure	-	0.050	-	0.050	-	-	-	-	-	-	-	-	-	-	-	0.050	-	0.050
Land Between Heatherleigh & Moss Lane Spine Road	0.500	-	-	0.500	0.125	-	0.125	0.125	-	0.125	0.125	-	-	0.125	0.125	-	-	0.125
Cuerden Strategic Site Road Infrastructure	0.050	0.500	-	0.450	0.013	-	0.013	0.013	-	0.013	0.013	-	-	0.013	0.013	0.500	-	0.488
Green Infrastructure	0.640	0.050	-	0.590	0.160	-	0.160	0.160	-	0.160	0.160	-	-	0.160	0.160	0.050	-	0.110
A582 South Ribble Western Distributor/ B2523 Flensburg Way	4.499	0.645	-	3.854	1.125	0.385	0.739	1.125	1.829	-	0.704	1.125	0.123	1.002	1.125	1.692	-	2.817
Penwortham Bypass	0.750	4.371	-	3.621	0.188	0.012	0.175	0.188	0.465	-	0.278	0.188	2.599	-	2.411	0.188	1.295	1.108
New Ribble Bridge - Preliminary Works & Route Protection	0.750	0.750	-	-	0.188	-	0.188	0.188	0.006	0.182	0.188	0.058	0.130	0.188	0.686	-	0.499	
Public Transport & Public Realm Corridors	0.380	0.750	-	0.370	0.095	0.001	0.094	0.095	0.022	0.073	0.095	0.006	0.089	0.095	0.720	-	0.625	
Community Provision - South Ribble Borough Council	0.492	0.380	-	0.112	0.123	-	0.123	0.123	-	0.123	0.123	0.001	0.122	0.123	0.379	-	0.255	
		0.492	-	0.492	-	-	-	-	0.030	-	0.030	-	0.492	-	0.492	-	0.030	0.030
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CLTM transport Modelling		0.070	-	0.070	-	-	-	-	-	-	-	0.033	-	0.033	-	0.037	-	0.037
Revenue costs		0.014	-	0.014	-	-	-	-	-	-	-	0.014	-	0.014	0.067	-	-	0.067
Capital Financing Cost	0.067	0.139	-	0.072	-	-	-	-	-	-	-	-	-	-	-	0.139	-	0.139
<b>Expenditure Total</b>	<b>15.769</b>	<b>16.479</b>	-	<b>0.710</b>	<b>3.959</b>	<b>0.564</b>	<b>3.395</b>	<b>3.959</b>	<b>5.101</b>	-	<b>1.141</b>	<b>3.959</b>	<b>7.791</b>	-	<b>3.832</b>	<b>3.892</b>	<b>3.023</b>	<b>0.869</b>

notes 3 & 4 notes 3 & 4  
notes 3 & 4 notes 3 & 4 note 17  
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note 12

Net position for the year

4.290 9.462

\*Includes congestion relief, and M55 and M6 junction improvements

General update on Q1 Year 2

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There has been no changes in Qtr1 to the overall deficit position for the full term of the City Deal to 2023/24. This remains as per the IDP. There are no specific issues that have arisen in Qtr. 1 to affect the forecast in the IDP for year 2 - this remains at £20.059m income and Whilst the monitoring report above suggests there are variances to the Qtr. 1 modelled position, this is due to the idp model being in years, and In relation to expenditure, whilst there is no specific changes to the timings and works to deliver infrastructure in year 2 as above, there remains In relation to income there is a full scale review underway with all partners to update the predicted changes to house building profiles etc. The newly appointed CIL negotiator (Keppie Massie) has been commissioned to assess commercial viability in NW Preston along with methods The current provision in the IDP for education infrastructure £28.495 in Preston and £11.203 in South Ribble may not be sufficient for the Community Infrastructure and Green Infrastructure is the subject of a separate report and will be subject to project management and

General update on Q2 Year 2 ( 3-8 above also apply)

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retiming of Growth Deal funding requests to city deal schemes with brought on by pass start in 16-17 working with planners in each district and on a site by site basis the level of CIL contributions per site have been reviewed . This doesn't affect Level of business rates retention in Preston paid over is less than anticipated due to slower build of commercial space. Work is ongoing on the Transport modelling is included here as a separate line as although hit supports all capital road infrastructure it is not scheme specific. There are no specific issues that have arisen in Qtr. 2 to significantly affect the forecast in the IDP for year 2 - this is now £21.372m income and There has been no significant changes in Qtr. 2 to the overall deficit position for the full term of the City Deal. This is now showing the overall

General update on Q3 Year 2 ( 3-14 above also apply)

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Further slippage reported in housing site delivery and overall numbers, delivery affects the income profiling whilst numbers affect the overall position. Reprofiting of HCA land receipts, both loan and grants - effect on timing only. advancement of expenditure on Broughton By pass and PWD ; reprofiling only. advancement of growth deal monies in 15-16. reprofiling only & partly due to spend on related projects. addition to the model of the £7m LCC reserve commitment relating to Preston Bus Station.