

CITY DEAL

Finance Monitoring Report

Quarter 4 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)	1.373	0.292	4.165	4.825 -	28.307 -	12.940 -	27.102 -	18.735	19.485	2.243	8.639	16.903		13.835	5.064	4.577	3.935	4.494
Cumulative Surplus/ (Deficit)		0.292	4.457	9.282 -	19.025 -	31.965 -	59.067 -	77.802 -	58.317 -	56.074 -	47.435 -	30.532		- 16.697 -	11.633 -	7.056 -	3.121	1.373

Deficit at last quarter

0.774

Key changes in surpluses and deficits since last Quarter

0.599

The surplus of 0.774m as at 31 dec 15 has moved by the following key items

1 Inclusion of HCA grant cap as per MOU	-1.235
2 changes in financing due to South Ribble housing numbers	2.808
3 changes in financing due to Preston housing numbers	1.273
4 update of forecast costs of Preston Bus Station	0.298
5 update of costs for fishergate project	-2.042
6 additional S106 monies received from Preston and HCA	0.382
7 changes in cil monies receivable - Preston	-0.829
8 changes in cil monies receivable - south ribble	-0.038
9 misc Revenue changes	-0.018

Total changes in monitoring period

0.599

Current Surplus / Deficit

1.373

The current surplus as at 31st March 2016 is £ 1.373m against a target of £ nil

NB : The current maximum cash flow position (£77.807m 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

Delivery Programmes	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	
North West Preston																		
NW Preston Green Infrastructure	5.256		-	0.035	0.858	0.773	0.598	0.598	0.598	0.598	0.598	0.598						
Further Community Infrastructure	4.544		-	-	0.659	0.686	0.641	0.591	0.591	0.591	0.591	0.191						
Market Quarter	0.400				0.400													
East-West Spine Road	9.800		0.141	0.693	2.216	6.750												
Preston Western Distributor M55 to A583, M55 Junction 2 & I	104.500	0.197	0.994	1.749	1.500	5.860	47.100	44.100	3.000									
Cottam Parkway	15.000		0.004	0.001	0.300	0.300	0.300	1.500	2.000	10.595								
Whittingham / Broughton / Preston East																		
A6 Broughton Congestion Reduction	24.283	3.189	0.892	4.008	15.994	0.200												
M55 Junction 1 Roundabout	1.716	1.602	0.114															
M6 Junction 32	8.000		8.000															
Preston City Centre																		
Preston Bus Station	23.342	0.003	0.211	0.409	10.608	12.111												
Fishergate Central Gateway	9.042	1.746	1.744	4.158	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		-	-	1.000													
Cuerden Strategic Site Road Infrastructure	6.002				0.050	5.952												
Community/ Green Infrastructure	7.400		-	0.995	0.643	0.823	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	7.328	1.295	1.125	15.390	13.412										
Completion Penwortham Bypass	17.500	0.019	0.227	0.829	0.750	7.346	7.500	0.829										
New Ribble Bridge - Preliminary Works & Route Protection	2.000		0.005	0.027	0.750	1.218	-											
South Ribble Other	5.000																	5.000
Education Infrastructure - Preston																		
Education Infrastructure - Preston	28.495				6.739	0.018	0.018	0.018	5.426	5.426	5.426	5.426						
Education Infrastructure - South Ribble																		
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 CC																		
Community Provision - Preston CC	8.031		0.803	0.803	0.403	0.803	0.803	0.803	0.803	0.803	0.803	1.203						
Community Provision - South Ribble BC																		
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	0.492						
Public Transport Corridors & Local Centres- Preston																		
Public Transport Corridors & Local Centres- Preston	12.125	0.250	0.028	0.084	3.231	6.450	0.082	0.250	1.750									
Public Transport Corridors & Local Centres- South Ribble																		
Public Transport Corridors & Local Centres- South Ribble	12.125	0.250	0.068	0.035	3.319	0.503	5.350	2.600	-									
CL Transport Modelling costs	0.178	-	-	0.098	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	0.010						
Communications and Marketing	0.065		-	0.003	0.062	-	-	-	-	-	-	-						
Construction inflation provision	16.188				2.584	2.920	5.095	4.062	0.461	0.828	0.132	0.106						
Cost of capital	8.650		-	0.089	0.236	0.671	0.992	1.359	1.268	1.053	1.037	0.824	-	0.516	0.330	0.236	0.150	0.066
Total Delivery Programmes	397.946	7.408	19.564	21.664	59.170	56.737	90.826	71.834	18.826	22.823	11.517	16.277		0.516	0.330	0.236	0.150	0.066

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
Resources																	
Upper Tier Councils - Lancashire County Council																	
LCC Capital Investment Programme	21.352	4.400	1.500	0.952	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				0.159	0.417	0.673	1.044	1.572	2.062	2.415	2.721	1.890	-	-	-	-
LCC Revenue Contribution - Capital Financing Cost	8.650	-	-	0.089	0.236	0.671	0.992	1.359	1.268	1.053	1.037	0.824	0.516	0.330	0.236	0.150	0.066
European Regional Development Funding for Fishergate	1.601	1.000	0.380	0.221													
Central Gateway Delivery Programme																	
LCC reserves	7.000					7.000											
Central Government																	
Single Local Growth Fund	79.500			16.020	10.780	-	25.090	23.890	3.720								
HCA - Locally Retained Landhold Receipts (1 year loan)	39.894	-	4.759	7.648	4.942	3.522	3.703	3.974	6.941	4.177	-	-	0.227	-	-	-	-
HCA - Expected Land Value Realisation on HCA Sites	37.500	-	-	-	3.359	6.978	9.437	6.977	8.995	1.753	-	-	-	-	-	-	-
HCA - Loan repayments	- 39.935	-	-	4.800	7.648	4.942	3.522	3.703	3.974	6.941	4.177	-	-	0.227	-	-	-
HCA - Interest on Loans	- 0.358	-	0.004	0.013	0.073	0.047	0.035	0.037	0.044	0.066	0.036	-	-	0.000	0.002	-	-
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										
Developers Contribution																	
Community Infrastructure Levy - employment sites in Preston City Council area	0.323		0.048	-	0.022	0.028	0.033	0.045	0.041	0.037	0.036	0.033					
Community Infrastructure Levy - employment sites in South Ribble Borough Council area	2.617		0.011	0.011	0.014	2.338	0.037	0.053	0.054	0.047	0.040	0.034					
Community Infrastructure Levy - housing sites in Preston City Council area	30.940		0.510	0.651	0.390	1.179	1.270	2.933	3.022	2.847	2.813	2.660	2.637	2.583	2.527	2.530	2.388
Community Infrastructure Levy - housing sites in South Ribble Borough Council area	28.056		0.174	0.013	0.381	0.794	2.526	3.564	3.495	3.226	2.355	2.789	2.732	1.987	1.437	0.929	1.680
Community Infrastructure Levy Plus - housing sites in Prestor	7.861		-	-	0.076	0.179	0.221	0.863	0.846	0.855	0.851	0.750	0.699	0.645	0.626	0.624	0.626
Community Infrastructure Levy Plus - housing sites in South f	8.801		-	-	0.034	0.237	0.876	1.243	1.132	0.961	0.817	0.950	0.939	0.593	0.410	0.252	0.357
S106 / S278 Agreements - non housing related	1.000		-	-	1.000	-	-	-	-	-	-	-	-	-	-	-	-
S106 / S278 Agreements - sites in Preston City Council area	31.706	1.200	4.985	3.222	2.702	2.300	3.347	2.975	2.417	3.849	1.054	3.035	0.300	0.082	0.082	0.082	0.074
S106 / S278 Agreements - sites in South Ribble Borough Coi	0.040		-	0.040	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Tier Councils - Preston City Council																	
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		-	0.077	0.419	0.911	1.615	2.464	3.551	4.649	5.436	5.945	2.983	-	-	-	-
Lower Tier Councils - South Ribble Borough Council																	
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		-	0.198	1.055	1.177	1.497	2.130	3.156	4.019	4.646	5.359	2.172	-	-	-	-
Moss Side Test Track Land Receipt	5.000											5.000					
Preston 5% CIL admin charge	- 1.956		-	0.060	0.024	0.069	0.076	0.192	0.195	0.187	0.185	0.172	-	0.167	0.161	0.158	0.151
South Ribble 5% CIL admin charge	- 1.971		-	0.005	0.021	0.168	0.172	0.243	0.234	0.212	0.161	0.189	-	0.184	0.129	0.092	0.102
Contribution for Communications & Marketing	0.065		-	0.009	0.056	-	-	-	-	-	-	-					
Community Infrastructure Levy due to Parish Councils in Pre-	0.645		0.005	0.170	0.013	0.022	0.023	0.054	0.053	0.047	0.044	0.040	-	0.038	0.036	0.034	0.033
Community Infrastructure Levy due to Parish Councils in Sou-	3.807		0.061	0.015	0.011	0.118	0.371	0.421	0.403	0.386	0.259	0.338	-	0.356	0.269	0.221	0.232
Total Resources	399.319	7.700	23.729	26.489	30.813	43.807	63.743	53.115	38.313	25.069	20.157	33.180	14.351	5.394	4.812	4.086	4.560

3.1 Key changes in resources .

1 During January & February work has been ongoing with district planners to review housing numbers, this has menat changes on, at times, daily basis to the numbers of houses, the income they will generate and the build out rates. As numbers are reported to us this changes the model.

Section B : in year monitoring
Year 2 Quarter 4

	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			
Central Government																		
Transport Funding	3.000	16.020	13.020	3.000	3.000	-	-	-	-	-	-	-	-	13.020	13.020		note 9	note 18 & 20 note 16
HCA - Locally Retained Landhold Receipts	2.018	2.835	4.854	2.018	-	2.018	-	-	-	-	-	-	-	2.835	2.835			
Developer Contributions (less Parish Council share)	6.076	3.639	2.437	1.519	-	1.519	1.519	-	1.519	1.519	3.118	1.599	1.519	0.521	0.998	note 5	note 10	note 15
Lancashire County Council																		
Capital Programme & Grants	12.000	3.682	8.318	12.000	12.000	-	-	-	-	-	0.221	0.221	-	8.539	8.539			note 20
Capital Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Revenue Contribution - Capital Financing Cost	0.067	0.089	0.022	-	-	-	-	-	-	-	-	-	0.067	0.089	0.022			
Preston City Council																		
Business Rates Retention	0.263	0.042	0.221	-	-	-	-	-	-	-	0.042	0.042	0.263	0.000	0.263		note 11	
Heritage Lottery funding	0.456	-	0.456	-	-	-	-	-	-	-	-	-	0.456	-	0.456			
New Homes Bonus	0.066	0.077	0.011	-	-	-	0.066	0.066	-	0.028	0.028	-	0.066	0.039	0.027			
South Ribble Borough Council																		
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			
Resources Total	20.059	26.489	6.430	14.501	15.000	0.499	1.519	0.349	1.170	1.519	3.254	1.735	2.520	7.886	5.366			

	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			
Preston Transport Programmes																		
East-West Link Road	0.659	0.693	0.034	0.165	0.012	0.152	0.165	0.234	0.070	0.165	0.184	0.020	0.165	0.262	0.097		notes 3 & 4	notes 3 & 4
Preston Western Distributor	1.009	1.749	0.740	0.252	0.016	0.236	0.252	0.481	0.229	0.252	0.525	0.273	0.252	0.727	0.475		notes 3 & 4	notes 3 & 4 note 17
Broughton*	2.238	4.008	1.770	0.560	0.014	0.545	0.560	0.337	0.223	0.560	0.118	0.442	0.560	3.539	2.980		notes 3 & 4	notes 3 & 4 note 17
Cottam Parkway	-	0.001	0.001	-	-	-	-	-	-	-	-	-	-	0.001	0.001			
Preston Bus Station	0.812	0.409	0.403	0.203	-	0.203	0.203	0.056	0.147	0.203	3.137	2.934	0.203	2.784	2.987			
Fishergate Central Gateway	2.064	4.158	2.094	0.516	0.117	0.399	0.516	1.596	1.080	0.516	1.332	1.848	0.516	3.778	3.262		notes 3 & 4	notes 3 & 4
Public Transport & Public Realm Corridors community infrastructure	0.140	0.084	0.056	0.035	0.006	0.029	0.035	0.045	0.010	0.035	-	0.035	0.035	0.033	0.002			
Community Provision - Preston City Council	0.803	0.803	0.000	0.201	-	0.201	0.201	-	0.201	0.201	0.803	0.602	0.201	-	0.201			
South Ribble Transport Programmes																		
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
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	-	0.050	0.013	-	0.013	0.013	-	0.013	0.013	-	0.013	0.013	-	0.013		notes 3 & 4	notes 3 & 4
Green Infrastructure	0.640	0.995	0.355	0.160	-	0.160	0.160	-	0.160	0.160	-	0.160	0.160	0.995	0.835			
A582 South Ribble Western Distributor/ B2523 Flensburg Way	4.499	7.328	2.829	1.125	0.385	0.739	1.125	1.829	0.704	1.125	0.123	1.002	1.125	4.991	3.866			
Penwortham Bypass	0.750	0.829	0.079	0.188	0.012	0.175	0.188	0.465	0.278	0.188	2.599	2.411	0.188	2.247	2.434		notes 3 & 4	notes 3 & 4
New Ribble Bridge - Preliminary Works & Route Protection	0.750	0.027	0.723	0.188	-	0.188	0.188	0.006	0.182	0.188	0.058	0.130	0.188	0.037	0.224			
Public Transport & Public Realm Corridors	0.380	0.035	0.345	0.095	0.001	0.094	0.095	0.022	0.073	0.095	0.006	0.089	0.095	0.005	0.090			
Community Provision - South Ribble Borough Council	0.492	0.492	0.000	0.123	-	0.123	0.123	-	0.123	0.123	0.001	0.122	0.123	0.491	0.367			
CLTM transport Modelling		0.098	0.098	-	-	-	-	-	-	-	0.033	0.033	-	0.065	0.065			note 12
Revenue costs		0.009	0.009	-	-	-	-	-	-	-	0.014	0.014	0.067	0.005	0.062			
Capital Financing Cost	0.067	0.089	0.022	-	-	-	-	-	-	-	-	-	-	0.089	0.089			
Expenditure Total	15.769	21.664	5.895	3.959	0.564	3.395	3.959	5.101	1.141	3.959	6.761	2.802	3.892	9.238	5.346			

Net position for the year

4.290 4.825

*Includes congestion relief, and M55 and M6 junction improvements

General update on Q1 Year 2

- 1 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 at £6.357m deficit with a maximum cash flow funding of £61.224m in Year 6.
- 2 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 £15.769m expenditure after capital financing showing a net position for the year of £4.29m.
- 3 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 quarterly reports being based on equal division of this amount to report against. Work in ongoing to refine the budget figure for the current year and for future quarterly positions to be more reflective of the anticipated spend / income. There remains no variation to the total year forecast.
- 4 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 the risk that future predicted house building rates may affect the timing of spending profiles for related infrastructure particularly for those delivered under S106/ s278 agreements.
- 5 In relation to income there is a full scale review underway with all partners to update the predicted changes to house building profiles etc. which have a direct impact on the timing of the CIL payments, s106, s278 agreements. It should be noted that there is no risk to the level of income from these sources as there is the extension period to recover all the income due, it is merely a timing issue.
- 6 The newly appointed CIL negotiator (Keppie Massie) has been commissioned to assess commercial viability in NW Preston along with methods of equalising financial costs of supporting infrastructure.
- 7 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 requirements - we are currently awaiting a needs analysis but the possibility of securing developer contribution to education infrastructure should be considered
- 8 Community Infrastructure and Green Infrastructure is the subject of a separate report and will be subject to project management and reimbursements on certified expenditure.

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

- 9 retiming of Growth Deal funding requests to city deal schemes with brought on by pass start in 16-17
- 10 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 the model overall as it's a timing issue predominantly but it does mean income is now forecast not to appear until year 3 of the extension period.
- 11 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 process of paying over BRR but this is a timing issue predominantly
- 12 Transport modelling is included here as a separate line as although hit supports all capital road infrastructure it is not scheme specific.
- 13 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 £16.162m expenditure after capital financing showing a net position for the year of £5.210m. This is an increase of 0.92m for the year, predominantly due to the increased contribution from Growth Deal in the quarter which is a re profiling of monies originally due in later years not an increase overall.
- 14 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 deficit to be £6.757m with a maximum cash flow funding requirement of £68.850m in Year 6. The working model now includes years 11-15(the extension period) as £7.828m of CIL income is now due up to year 13.

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

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

General update on Q4 Year 2 (3-19 above also apply)

- 20 Local Growth Contributions replaced by LCC capital programme payments. This is as agreed to help with Growth Deal slippage and will be reverted in future years. No impact on the amounts from each source over the life of city deal.