

3MG Programme

The projected spend and funding included in the revised 3MG profile is to be transacted through the Council. It does not include spend or funding which will be incurred or secured directly by the private sector.

Notes on the 3MG spending profile

1. Calculated based on the highest quarter in 06/07.
Inflation has been added at 3% for each subsequent year.
2. The majority of the consultancy expenditure was incurred during the development of the masterplan.
In 2006/7 the amount incurred for the year, not attributable to individual projects was £7k for Legal advice on the formation of the 3MG Management Company.
An estimate of £20k for each subsequent year has been included. Thus reducing the masterplan estimate by £100k per annum.
3. In quarter 2 of 2007/8 the following transactions are anticipated:
 - £10,000 Halebank Rec. works
 - £10,000 Environmental Statement
 - £105,000 Bibby acquisition
 - £1,000 Langton acquisition
 - £3,375 fees for both acquisitionsTotalling £128,375

In quarter 3 of 2007/8 the following transactions are anticipated:
 - £50,000 Platt acquisition
 - £65,000 Halebank Rec.
 - £47,000 Environmental StatementTotalling £166,000

In quarter 4 of 2007/8 the following transactions are anticipated:
 - £200,000 Phase 1 structural landscaping
In 2008/9, £796,000 has been included for the balance of the phase 1 structural landscaping.

In 2009/10 an amount of £500k has been included towards phase 2 structural landscaping for the Village Green application area.
4. A Ditton Road environmental scheme was being developed when Ditton Road was to be used as a key gateway into 3MG. Following the application for Village Green status in Halebank the skew bridge option with Network Rail was dropped and as was the Ditton Road scheme was dropped as Ditton Road would no longer be a main entrance and the £1m investment would be needed elsewhere within 3MG park itself.

5. Rail reception and sidings were identified in the masterplan separately with a total value of £6,665,000.

The estimated cost of the rail reception sidings as at April 2007 is £2,425,000. This may increase if VAT is non recoverable to £2,849,375.

No update of the costings is available for the rail corridor extension; therefore, £3,195,000 has been included as per the original masterplan.

6. The Tessengerlo opportunity was reported on 1st March 2007 (ESB15) it was agreed that:
 - 1) Authority is given to the Operational Director Property Services to negotiate with Tessengerlo for the acquisition of their land ownership in the West Bank area of Widnes.
 - 2) Delegated authority be given to the Strategic Director for Environment and the Strategic Director for Corporate Services (in consultation with the Executive Member for Planning Transportation Regeneration and Renewal and the Executive Member for Corporate Service) to take such action as is necessary to acquire the land from Tessengerlo subject to the North West Development Agency agreeing to fully fund the purchase price.

In quarter 2 of 2007/8 the following transactions are anticipated:

- £5,000 District Valuer's report

In quarter 3 of 2007/8 the following transactions are anticipated:

- £15,000 Professional fees

In quarter 4 of 2007/8 the following transactions are anticipated:

- £500,000 acquisition (see note 22)

In 2008/9, £1,000,000 has been included for reclamation.

In 2009/10, £500,000 has been identified as NWDA clawback.

7. Eddarbridge £2,300,000 is the original Masterplan figure

In quarter 4 of 2007/8 the following transactions are anticipated:

- £156,000 Unit 22 acquisition and demolition (estimate by A. Gore)

Balance split as per the masterplan

8. Includes the fees involved in the process from the start of the CPO through to the completion of claims.
9. Sludge line relocation

Previous year included up front cost to United Utilities for design and tender.

In quarter 1 of 2007/8 the following transaction occurred:

- £1,116,558 Payment in full to UU for works

There will be a balancing affect at the end of the contract would could see a minor alteration to the cost in either favour.

10. Costings include two pieces of highway infrastructure:

- East west link road (approx £9M)
- Link road to the A5300 (approx £18M)

The costs included are those, which would be attributable to 3MG to make the necessary highway alterations to cater for the 3MG traffic.

The costings have been provided by Atkins and are category 2 estimates; and include:

- Optimism bias @ 35%
- Non-recoverable VAT £1.567m (70% of works o/s highway boundary) (to be tested / confirmed)
- Inflation @ 3% per annum - assumed construction 2010/ 2011

11. The spend incurred in the previous year is associated with launching 3MG as a brand. All future expenditure will be split three ways with the O'Connor Group of Companies, AHC Westlink Group and HBC paying an equal share as such the annual contribution is expected to be in the region of £10k. The next phase of expenditure will be the targeted marketing strategy, which will raise the profile of 3MG and in turn raise the value of the land and development interest in the park.

12. ERDF has provided a £250k grant for a business enterprise scheme. In addition the 3MG programme is contributing towards the Project Management required to undertake the scheme. The Project Management fee has been agreed at £13,500.

Notes on the 3MG funding profile

13. The allocation from the Capital Programme remains unchanged from the original masterplan.

14. The District Valuers office provided a report in December 2005 this was summarised in ESB16.

- The DV's valuation for the site (based on the new road access and new rail infrastructure being in place) is in the region of £12,500,000. The DV has further commented on the unique nature of the 'HBC Fields' land in terms of planning, location and sites of this size being increasingly more difficult to acquire. Given also the competition between the main logistics companies has resulted in higher prices for prime sites.

- The DV has further advised that if the site were placed on the market he would anticipate a good level of interest and there could easily be an 'overbid' from an operator particularly eager to gain representation in the area. This overbid could be significant and in tender type situations the advice is that it is not unusual for 'special' purchaser bids to exceed the generality of the market by 10-20% i.e. a headline value of between £13,750,000 to £15,000,000 could be achieved. For this reason the DV would always recommend placing a property of this type on the open market to test interest.

In the same report the offer from Drawbridge of £13,300,000 was reported.

In March 2007 the Westbury Group acquired AHC. The acquisition included land and the business. The Westbury Group paid £33.5m for 100 acres. Of which approximately 60 acres is useable (discounting the mound and the poor configuration of the site).

HBC Field consists of 60 acres of developable area, not including the landscaping, sidings and road access.

£20m has been included in the funding profile for HBC Fields.

15. Grant already received from NRF.
16. Grant secured from ERDF.
17. £72,673 secured to date from WREN (landfill tax credits) a further £30k is expected from BIFFA (landfill tax credits).
18. NWDA have agreed in principal to a grant of £4.5m, this is identified within the NWDA Strategic Investment Programme. An application for the first tranche of this funding is in progress.
19. A section 106 agreement is in place for the Drawbridge development for circa £700k towards off site infrastructure. Drawbridge will no longer be the developer of the AHC site. However, whether Westbury implement the existing permission or submit a new application (the latter is more likely). The Local Planning Authority will look to maintain the level of commitment to off site infrastructure.
20. The NWDA offered to underwrite the acquisition of Tessenderlo in 2006/7. They may be a possibility of the same assistance later this year. The value of Tessenderlo is unknown at this time. An estimate has been included for the purposes of the funding profile.
21. The estimated costs of acquisition and remediation of Tessenderlo and reimbursing the NWDA for the underwriting the acquisition (clawback) identified in Note 6. Minus the income from the NWDA identified in Note 20, are included here. They may be some element of profit. However, for

these purposes the Tessengerlo scheme has been shown as breaking even.

22. Likewise with Eddarbridge the scheme is shown as breaking even and reflects the recovery of the costs identified in Note 7.