

Meeting:	BNG Board
Date:	15 <sup>th</sup> May 2009
Contact:	Ian Mackintosh
Board Action:	For Information
Sensitivity/FOI:	Public

## Item 5 - Finance Update

### Summary Report:

This report details the programme and financial outturn position for 2008-09. All expenditure and output targets have been achieved. Appendix 2 responds to the minute of 13<sup>th</sup> March 2009 – Item 7 Finance Report

### Recommendations:

BNG Board is recommended to:

- note the outturn position for 2008-09, and
- approve the budget for 2009-10

### Implications:

Financial: The combined Growth and Renewal Programme amounts to £34.1m in 2008-09.

Equality: Equality issues are considered under the project appraisal process.

Sustainability: Sustainability issues are considered under the project appraisal process

Advisory Group / Appraisal Panel / Residents' Panel: Appraisal Panel Meetings

### Risk:

Strategic: Failure to deliver the programme as outlined.

Financial: Potential loss of grant if programme is not delivered.

Development: Failure to bring forward developments included in programme.

Operational: All projects may not be deliverable as outlined in programme.

Reputational: Failure to deliver programme would have an adverse effect on the reputation of BNG and associated partner organisations.

**Report to:** BNG Board 15<sup>th</sup> May 2009

**Subject:** Finance Update

**Agenda Item:** 5

1. **INTRODUCTION**

This report provides an update on expenditure and outputs achieved to the year ending 31<sup>st</sup> March 2009.

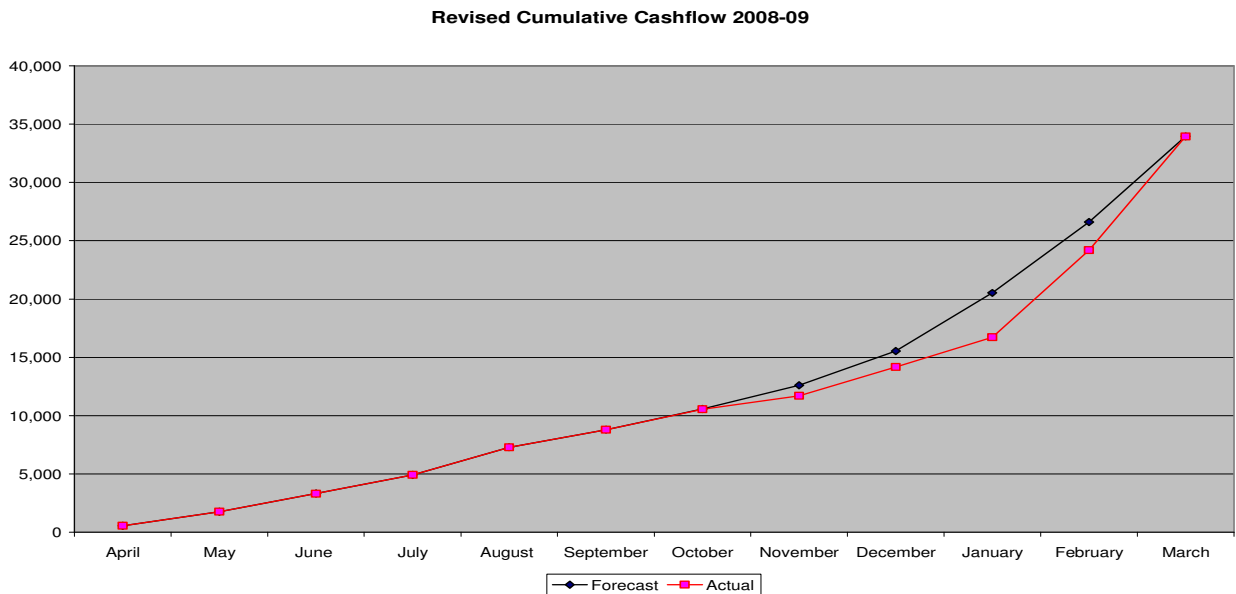
Appendix 2 responds to the minute of 13<sup>th</sup> March 2009, Item 7 Finance Report, and sets out the budget for 2009-10.

2. **2008-09 FINANCIAL POSITION**

The year ending 31<sup>st</sup> March was difficult to manage in terms of spend and outputs due in particular to the downturn in economic conditions. However despite this BNG has achieved its Housing Market Renewal Fund target of £33.96m expenditure in 2008-09 in full.

In terms of Growth Fund BNG received an allocation of £150,000 in 2008-09. At the year end £18,000 had been defrayed. Unlike HMR funds it is possible to roll forward unspent growth funds into future years. The unused allocation of £132,000 will therefore be added to the Growth fund in 2009-10.

The actual cashflow profile achieved is shown below:



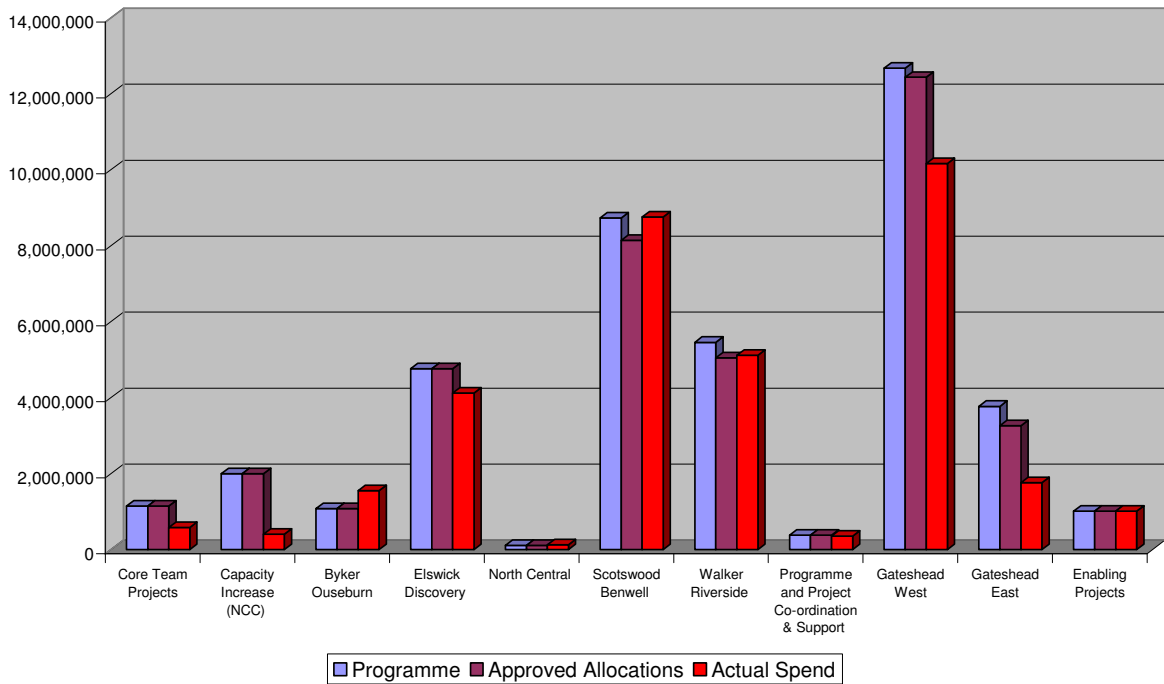
The detailed programme and spend is shown as **Appendix 1**.

The revenue spend of £2.61m was achieved by utilising funding swaps with the local authority partners. The previous method of utilising the modern homes element of ALMO funding proved to be impossible to achieve in 2008-09 due to the fall in capital receipts from right to buy sales.

As shown graphically below the overall draft programme for the year totalled £41.1m. Of this £39.4m was approved which means that to deliver the expenditure target of

£33.96m it was necessary to over programme by 16%.

### 2008-09 Financial Summary



Capital receipts in the sum of £552,700 have been received during 2008-09. The forecast sum of £1.3m for Sunderland Road is now likely to be received in 2009-10.

Details of match and complementary funding are still being collated and will be published as part of the Annual Report.

### 3. OUTPUT DELIVERY

Outputs achieved during 2008-09 are subject to confirmation but it is anticipated they will be as follows:

Output	Target	Achieved	Variance
New Build/Conversions	63	69	+6
Demolitions	400	516	+116
Acquisitions	140	218	+78
Refurbishments	900	921	+21
Land Acquired	0.49 ha	0.816 ha	0.326 ha

All outputs have been over achieved during 2008-09.

### 4. RECOMMENDATIONS

BNG Board is recommended to:

- 1) Note the 2008-09 programme and financial position; and
- 2) Approve the budget for 2009-10 as set out in Appendix 2