

Meeting:	BNG Board
Date:	Friday 21st September 2007
Contact:	Ian Mackintosh/Jonathan Dunk
Board Action:	For Information
Sensitivity:	Public

**Subject: Programme and Financial Update**

**Link to BNG Vision and Objectives:**

The programme delivers the BNG Vision and Objectives in 2007-08

**Recommendation:**

BNG Board notes the progress made in delivering the targeted spend and outputs for the year.

**Executive Summary:**

BNG has a target of £40.91m expenditure to achieve in 2007-08.

As at 31<sup>st</sup> August £7.575m has been claimed from CLG. This is very close to the cashflow forecast of £7.764m for this period.

The draft revenue programme for the year is £3.25m. Appropriate funding swaps will be determined to ensure that this target is not exceeded.

The progress on core outputs that BNG are contracted with CLG to deliver is as follows:

Output	CLG Target	Achieved to July 2007	Total forecast 2007-08
New homes constructed/conversions	120	2	144
Refurbishments	1482	104	2121
Acquisitions	160	37	179
Demolitions	216	103	524
Land Acquired	4.18	0	4.18

**Implications**

Financial:

BNG must deliver a programme with an expenditure target of

	£40.91m.
Equality:	All projects within the programme consider the impact on equalities during the appraisal process
Sustainability:	All projects within the programme consider the impact on sustainability during the appraisal process
Freedom of Information:	The report is a public document
Report Status:	Open

<b>Risk:</b>			
Risk Map Element	Brief description of any material risks, including of not proceeding.	Impact	Probability
Strategic:	The outcome of the programme may not have the desired effect on the strategic objectives	H	L
Financial:	Failure to achieve the spend target could result in loss of grant if underspent or needing to find alternative funding if overspent	H	M
Development:	Projects must be approved in sufficient time to allow development to take place in accordance with the programme	H	M
Operational:	Failure to achieve the contracted outputs could have an adverse effect on the programme in future years	H	M
Reputational:	Failure to deliver the programme spend and outputs would cause BNG to lose face with CLG and potentially residents and stakeholders	H	L

**Paper Type:**  
For Information.



**Author:**  
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**Date:**  
21st September 2007

**Agenda Item:** 9

## BNG BOARD

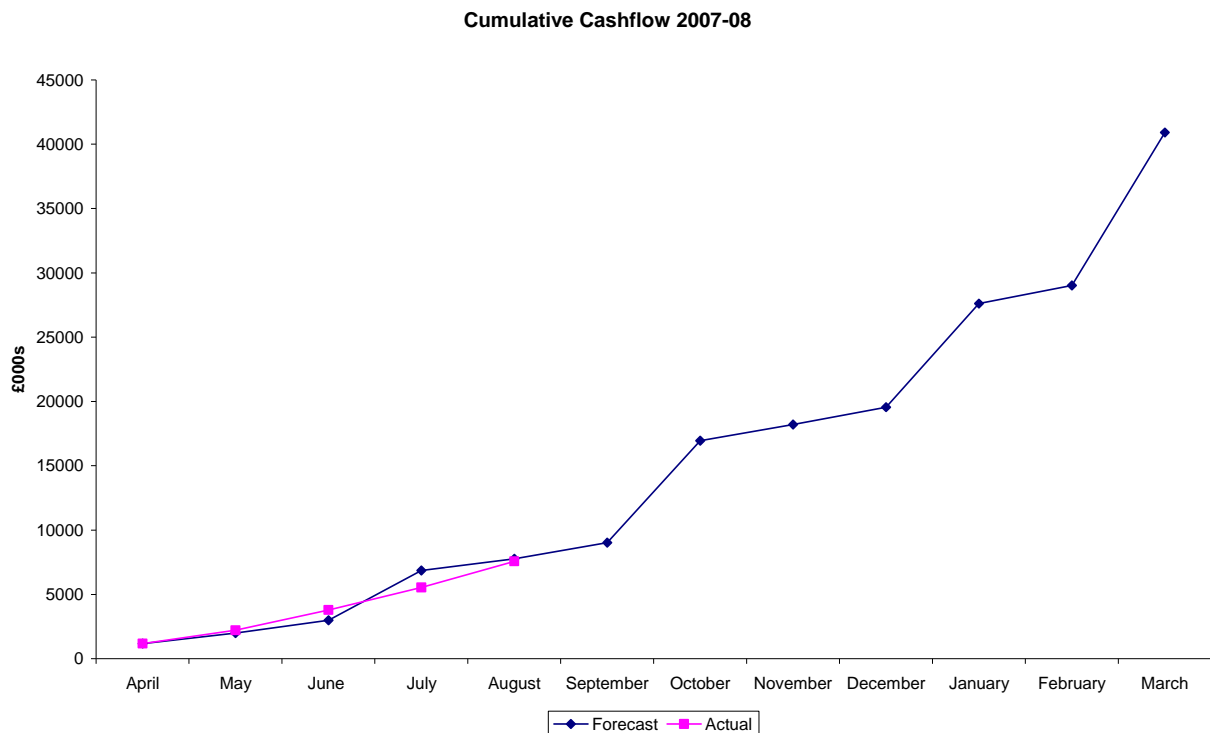
## PROGRAMME AND FINANCIAL UPDATE

### 1. Summary

This report updates the BNG Board with the Pathfinder programme and financial position.

The allocation of Housing Market Renewal Fund to Bridging Newcastle Gateshead in 2007-8 is £40.91m.

At the end of August BNG have claimed £7.575m from CLG. As highlighted in the following chart this is approximately 98% of the estimated cashflow forecast for the period.



The expenditure can be broken down into the following Strategic Intervention Areas:

<b>Strategic Intervention Area</b>	<b>2007-08 Programme</b>	<b>Approved to Date</b>	<b>Spend as at 31/08/2007</b>	<b>Original Cashflow Forecast</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Core Team Projects	1,212	1,212	403	379
Capacity Increase (NCC)	1,196	1,196	572	447
Byker Ouseburn	2,577	1,077	192	322
Elswick Discovery	5,002	3,144	434	343
North Central	621	621	131	51
Scotswood Benwell	11,146	8,844	1,697	2,225
Walker Riverside	9,116	8,915	2,060	775
Co-ordination & Support (GC)	1,109	1,017	299	348
Bensham and Saltwell	7,887	7,887	1,202	1,603
Deckham	10	10	0	0
Dunston	166	0	0	0
Enabling Projects (GC)	540	500	72	0
Felling Bypass	9,786	8,405	204	687
Teams	1,921	1,921	310	584
	<b>52,289</b>	<b>44,749</b>	<b>7,576</b>	<b>7,764</b>

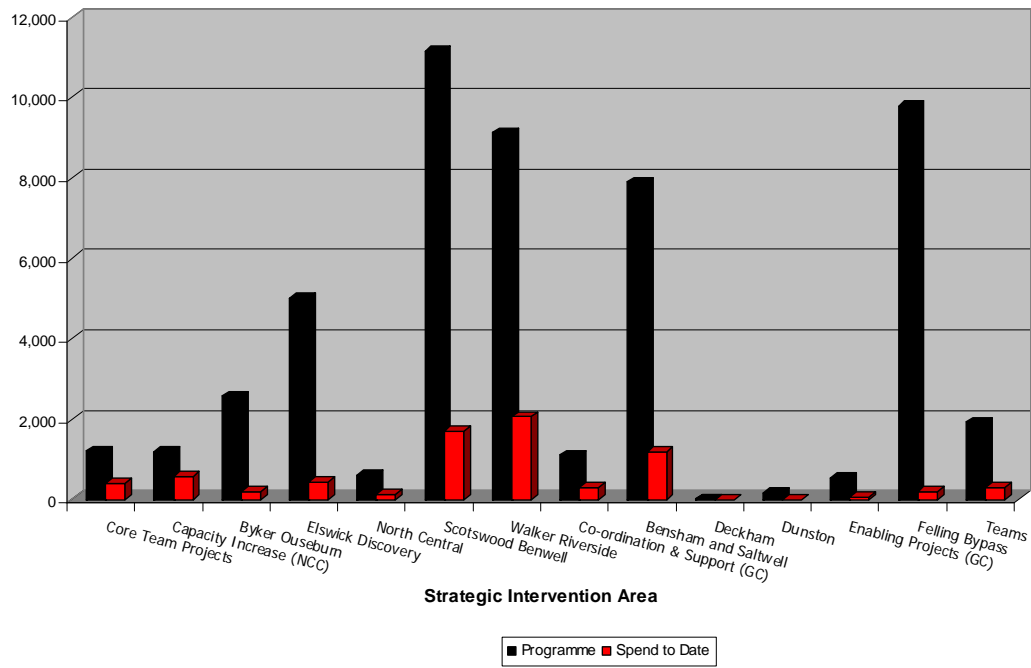
This is represented graphically below.

Details of individual projects can be seen in the attached finance spreadsheet.

At this stage in the year the programme includes a significant level of overprogramming (28%). This is considered to be acceptable as there are several potentially high risk schemes in the programme that may not proceed. This situation is being closely monitored by Programme Management Group to ensure that the programme will be delivered in accordance with the overall allocation of grant and output targets.

To date projects totalling £44.749m have been approved and are in the process of being delivered.

### BNG Expenditure to 31st August 2007



## 2. Capital / Revenue Funding Swaps

As in 2006-07 a number of potential funding swaps have been agreed with the partner authorities and will be taken to the Project Appraisal Panel for approval to ensure that the revenue expenditure target of £3.250m will not be exceeded. The final amount of funding swaps will not be determined until the year end.

The revenue programme for the year is shown below:

Revenue Programme	2006/07 Actual £000s	2007/08 Draft £000s	TOTAL £000s
Core Team	1,148	1,212	2,360
Gateshead Coordination	420	510	930
Costruction Capacity (GC)	66	0	66
Neighbourhood Planning in Schools	27	0	27
Private Landlords Initiative	176	212	388
Home Impt Agency	117	128	245
Community Capacity Building	0	40	40
Marketing and Communications	0	50	50
Construction Training (NCC)	89	0	89
Neighbourhoods in Transition Scotswood	156	175	331
North Benwell Neighbourhood Management	373	331	704
Private Rented Project	78	222	300
Walker Riverside Marketing and Promotion	147	172	319
Neighbourhoods in Transition Walker Riverside	148	148	296
West End Marketing	0	50	50
	<u>2,945</u>	<u>3,250</u>	<u>6,195</u>

## 3. Output Performance

### Summary

Refer to Appendix 1 for a table showing progress against delivery of all output targets for 2007-08. Please note the actual outputs relate to the end of July 2007 against a forecast date of the end of September.

This table shows that all core output targets are on course to be met by year end.

Appendix 2 shows performance by output up to the end of July 2007.

Appendix 3 shows forecast output performance against CLG targets for the entire 2007-08 period.

### Core Indicators Targets - Key Issues

#### Homes Constructed or converted using HMR

BNG has approved projects that will deliver 119 out of the target of 120 new homes built. A further 25 properties as part of the Boklok development are expected to complete by year end. This project is currently undergoing a gap funding assessment. All projects that will

deliver these outputs are on site, including Boklok.

### **Properties Demolished**

The CLG target for this indicator is 216. BNG has approved projects that are forecast to clear 524 properties this year. At end July 2007, 79 properties have been demolished.

### **Properties acquired for pathfinder purposes**

By the end of July BNG has acquired 37 properties against a CLG target for the year of 160. It is forecast that projects approved to date will mean that 179 properties will be acquired this year.

### **Land Acquired**

The CLG target for this indicator is 4.18 hectares. This relates to the acquisition of the part of the Freight depot site owned by DHL Logistics. Funding for this acquisition has been approved and the legal completion of this acquisition is nearing a conclusion.

### **Properties Refurbished**

The CLG target for this indicator for 2007-08 is 1482. Approved projects show that BNG is forecast to refurbish 2121 properties this year. By the end of July 104 had been achieved. This figure is expected to rise considerably when monitoring information is returned at the end of September 2007. This information will report on progress on refurbishment schemes delivered through funding swaps.

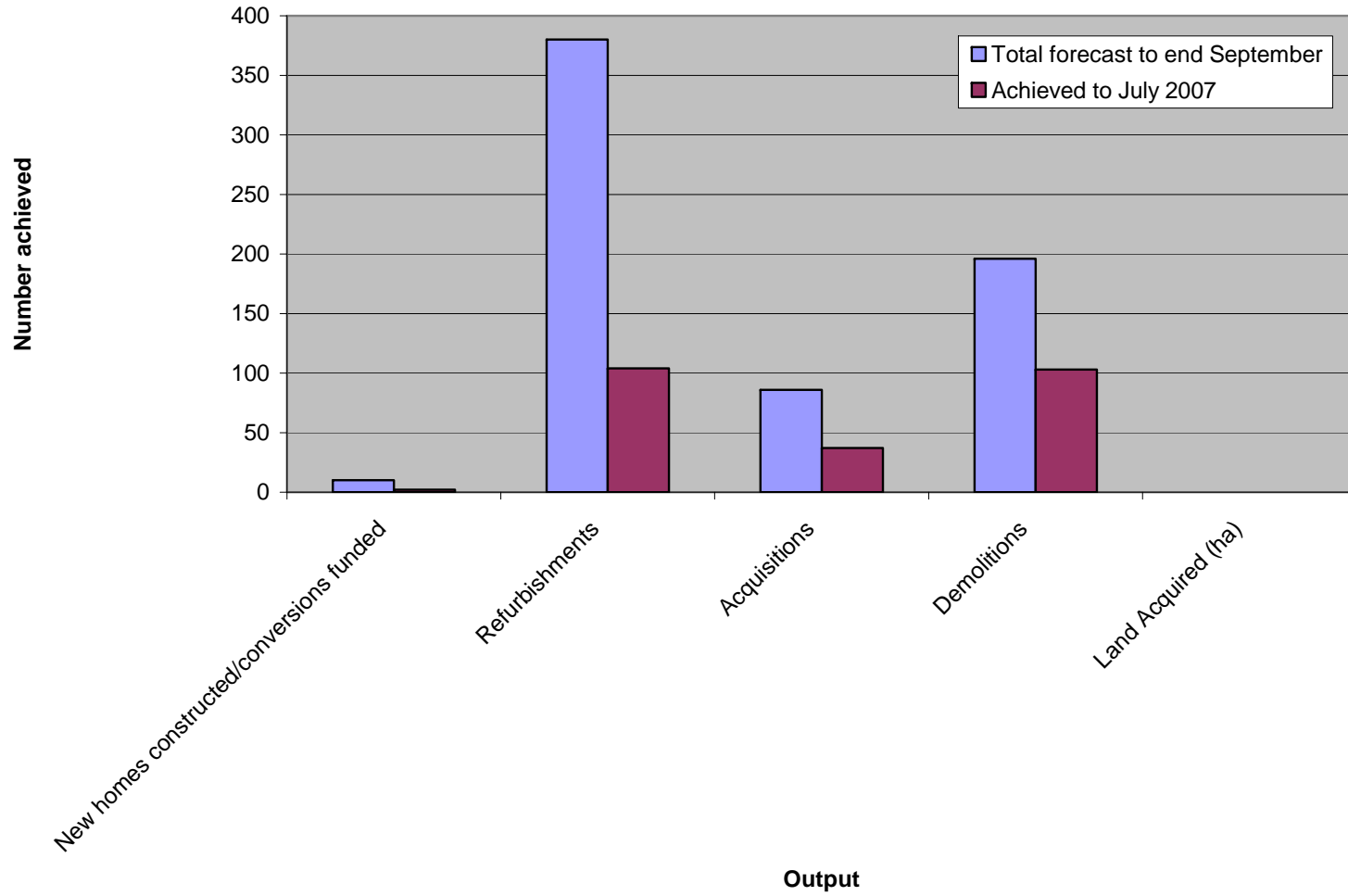
## **4. Recommendations**

The BNG Board is recommended to note the 2007-08 programme and financial position.

**Appendix 1 - Output Performance 2007-08**

<b>Output</b>	<b>Total forecast to end September</b>	<b>Achieved to July 2007</b>	<b>Variance</b>	<b>CLG Target 2007-08</b>	<b>Total forecast 2007-08</b>	<b>Variance</b>
<b>New homes constructed/conversions funded</b>	10	2	-8	120	144	14
<b>Refurbishments</b>	380	104	-276	1482	2121	639
<b>Acquisitions</b>	86	37	-49	160	179	19
<b>Demolitions</b>	196	103	-93	216	524	308
<b>Land Acquired (ha)</b>	0	0	0	4.18	4.18	0

## Appendix 2 - Output Performance Quarter 2



### Appendix 3 - Output Projections 2007- 08

