

Meeting:	BNG Board
Date:	Friday 23rd November 2007
Contact:	Ian Mackintosh/Jonathan Dunk
Board Action:	For Information
Sensitivity:	Public

Subject: Item 7 - 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 31st October £15.207m has been claimed from CLG. This is around 10% below the cashflow forecast of £16.947m for this period.

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

Output	CLG Target	Achieved to September 2007	Total forecast 2007-08
New homes constructed/conversions	120	4	144
Refurbishments	1482	689	2159
Acquisitions	160	51	168
Demolitions	216	175	576
Land Acquired	4.18	4.18	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

Risk:			
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.



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BNG BOARD

Agenda Item: 7

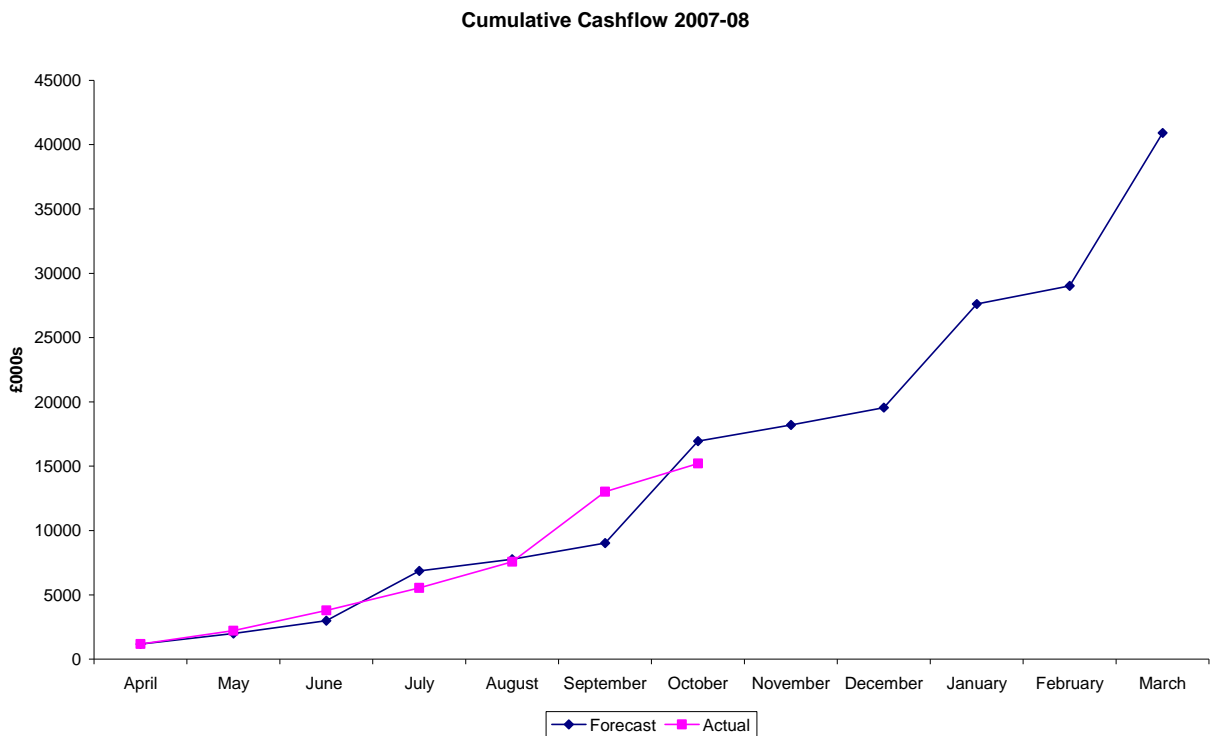
PROGRAMME AND FINANCIAL UPDATE

1. Summary

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

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

At the end of October BNG have claimed £15.207m from CLG. As highlighted in the following chart this is approximately 90% of the estimated cashflow forecast for the period.



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

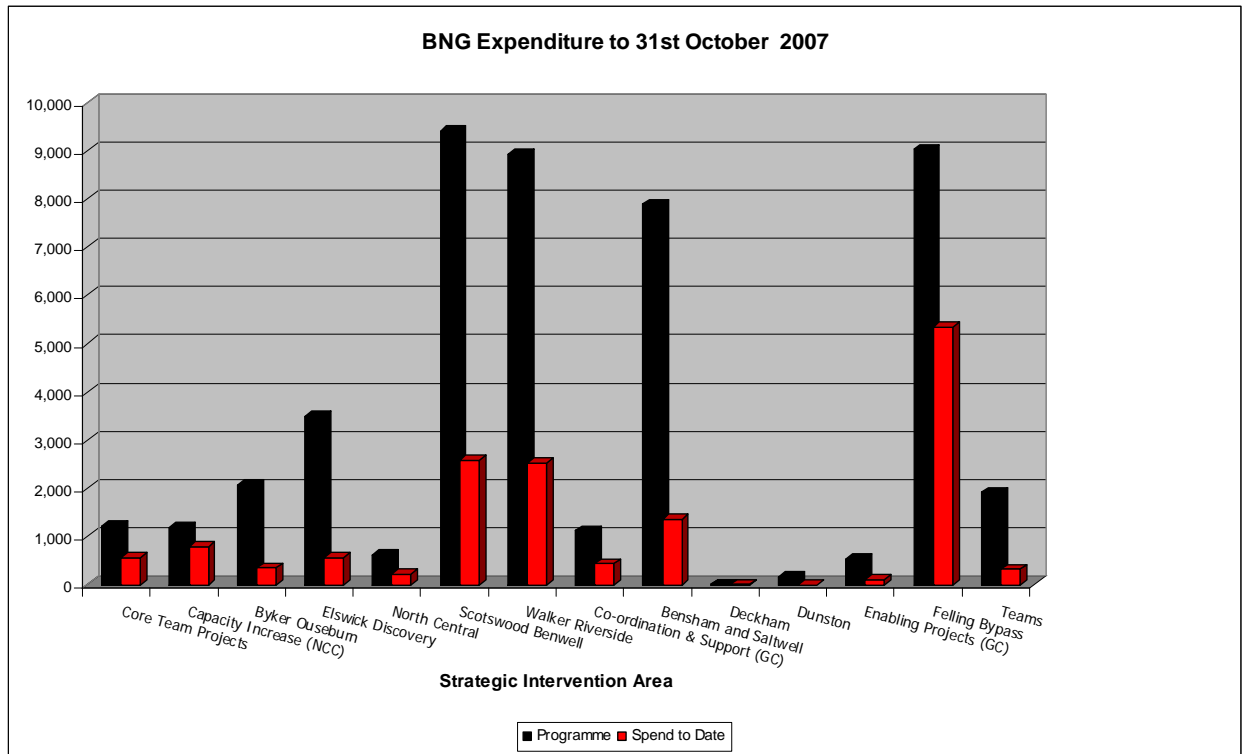
Strategic Intervention Area	2007-08 Programme	Approved to Date	Spend as at 31/10/2007	Estimated Cashflow Forecast
	£000s	£000s	£000s	£000s
Core Team Projects	1,212	1,212	563	533
Capacity Increase (NCC)	1,196	1,196	794	618
Byker Ouseburn	2,077	1,677	357	571
Elswick Discovery	3,497	3,497	566	1,115
North Central	621	621	231	308
Scotswood Benwell	9,398	9,148	2,581	3,826
Walker Riverside	8,915	8,915	2,528	1,976
Co-ordination & Support (GC)	1,117	1,117	434	493
Bensham and Saltwell	7,887	7,887	1,368	2,820
Deckham	10	10	8	0
Dunston	166	0	0	20
Enabling Projects (GC)	540	540	111	69
Felling Bypass	9,024	8,593	5,344	3,706
Teams	1,921	1,921	322	892
	47,581	46,334	15,207	16,947

This is represented graphically below.

Details of individual projects can be seen in the attached spreadsheet (Appendix 4).

To date projects totalling £46.334m have been approved and are in the process of being delivered.

At this stage in the year the approved projects include a level of overprogramming (13%). This is considered to be acceptable as there are several potentially high risk schemes in the programme that may not fully deliver in terms of spend and outputs. In particular this relates to property acquisitions in Walker, Scotswood and Bensham and Saltwell/Teams. This situation is being closely monitored by Programme Management Group (PMG) to ensure that the programme will be delivered in accordance with the overall allocation of grant and output targets. Specific actions being considered to ensure programme targets are met include use of capital receipts, examination of the potential for funding swaps and the possibility of slowing down specific projects. The PMG will meet fortnightly from the new year, increasing to weekly towards the financial year end.



2. Output Performance

Summary

Refer to Appendix 1 for a table showing progress against delivery of all output targets for 2007-08 up to the end of September.

This table shows that all core output targets are on course to be met by year end. However property acquisitions will have to be closely monitored to ensure that their target is achieved.

Appendix 2 illustrates performance by output up to the end of September 2007.

Appendix 3 illustrates 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 576 properties this year. At end September 2007, 175 properties have been demolished.

Properties acquired for pathfinder purposes

By the end of September BNG has acquired 51 properties against a CLG target for the year of 160. It is forecast that projects approved to date will mean that 168 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. This site has now been acquired.

Properties Refurbished

The CLG target for this indicator for 2007-08 is 1482. Approved projects show that BNG is forecast to refurbish 2159 properties this year. By the end of September 689 property refurbishments have been achieved. This figure includes 496 refurbishments achieved as a result of funding swaps in Gateshead.

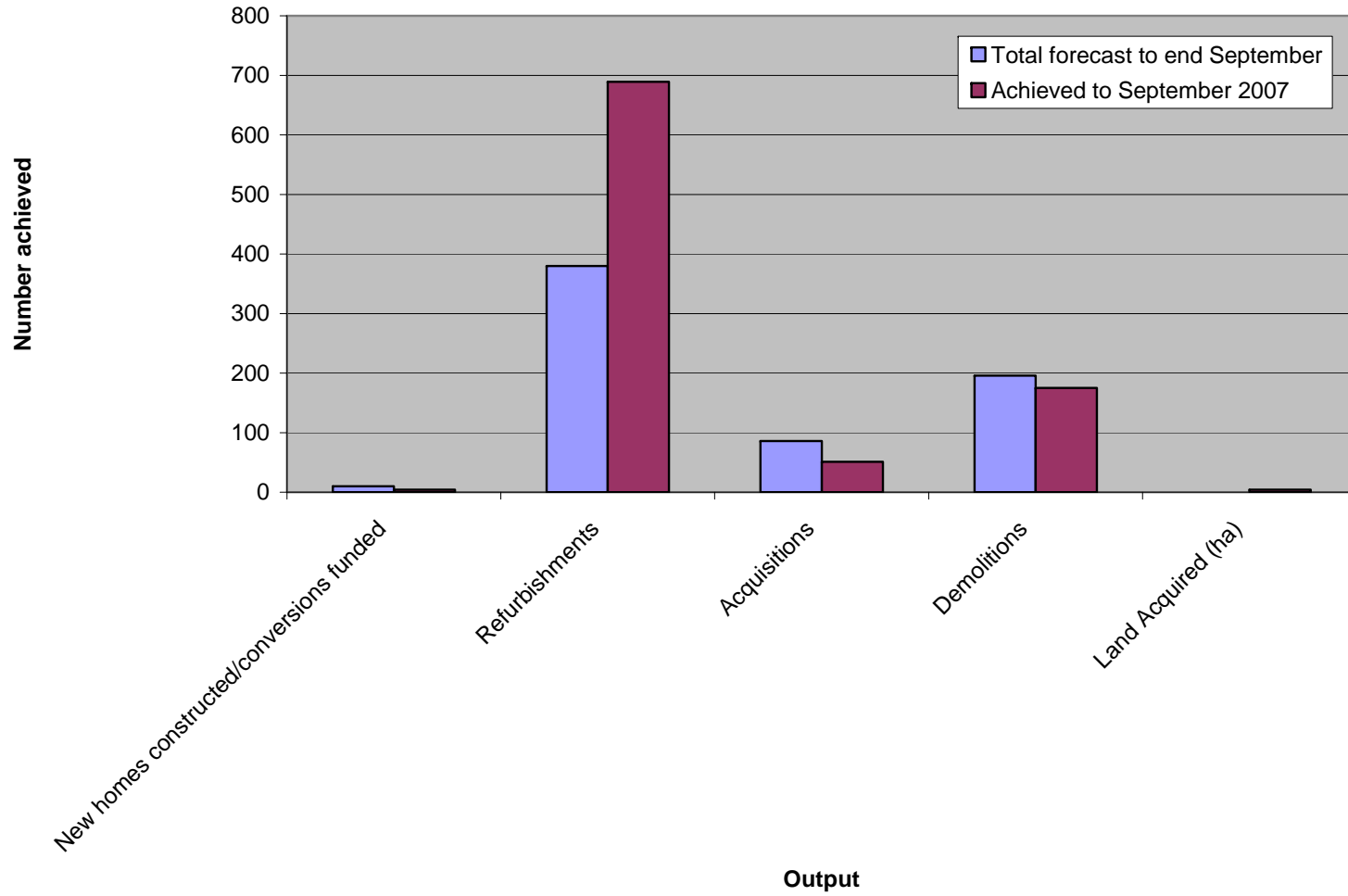
3. Recommendations

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

Appendix 1 - Output Performance 2007-08

Output	Total forecast to end September	Achieved to September 2007	Variance	CLG Target 2007-08	Total forecast 2007-08	Variance
New homes constructed/conversions funded	10	4	-6	120	144	24
Refurbishments	380	689	309	1482	2159	677
Acquisitions	86	51	-35	160	168	8
Demolitions	196	175	-21	216	576	360
Land Acquired (ha)	0	4.18	4.18	4.18	4.18	0

Appendix 2 - Output Performance Quarter 2



Appendix 3 - Output Projections 2007- 08

