

Report to:	Executive Cabinet Member – Deputy Leader Environmental Regulatory Services Environmental Services Delivery Highways & Transport Strategic Housing & Planning					
Date of meeting:	16 th / 17 th August 2021					
Report of:	Director of Place, Director of Corporate Resources	Report number:	ECMDL/41162 ECMERS/41160 ECMESD/41184 ECMHT/41161 ECMSHP/41163			
Contact officer:	Janet Pollard, Head of Strategic Finance	Telephone number	01204 336710			
Report title:	Directorate of Place – Finance Report 2021/22 – Quarter One					
Not confidential						
This report does not contain information which warrants its consideration in the absence of the press or members of the public.						
Purpose:	This report provides the Executive Cabinet Member with information relating to the financial quarter one projected outturn position of the Directorate of Place.					
Recommendations:	<p>It is recommended that the Executive Cabinet Member:</p> <ul style="list-style-type: none"> ○ Note the quarter one financial position of the Directorate of Place. ○ Approve revisions made to the capital programme which fall under their portfolio. ○ Authorise the Director of Place to call off under any available framework(s) to enable the capital programme to progress. ○ To approve the savings contained within this report. ○ Note the key findings in the report. 					
Decision:						
Background documents:						
Signed:	Leader/Executive Cabinet Member	Monitoring Officer				
Date:						
Consultation with other officers						
Finance	Yes	Janet Pollard				
Legal	No					
HR	No					
Equality Impact Assessment required?	No					

(a) Pre-consultation reports Is there a need to consult on the proposals?		No
(b) Post consultation reports Please confirm that the consultation response has been taken into consideration in making the recommendations.		No
Vision outcomes Please identify the appropriate Vision outcome(s) that this report relates or contributes to by putting a cross in the relevant box.	1. Start Well	
	2. Live Well	
	3. Age Well	
	4. Prosperous	X
	5. Clean and Green	
	6. Strong and Distinctive	
4. Prosperous	Businesses and investment are attracted to the borough, matching our workforce's skills with modern opportunities and employment.	

Summary:

This report outlines the financial quarter one position in respect of the Directorate of Place and seeks approval for £364k of savings.

Key Issues**Revenue Expenditure:**

Revenue expenditure as at quarter one for the Directorate of Place and shows a projected overspend against budget of £462k, after planned reserve movements.

There are two significant variances within the Directorate of Place as described in the report.

Capital Expenditure:

Capital expenditure for the Directorate of Place, as at quarter one, was £6.091m against a revised quarter one budget of £86.298m.

Reserves:

Directorate of Place has fully used all general reserves in year and holds a projected balance of £3.349m earmarked reserves.

Efficiency targets:

The budgeted efficiency savings for 2021/23 for the Directorate of Place are £6.161m.

This report seeks approval for £364k of savings, which will contribute to the overall Directorate savings target.

Risk:

Specific areas of financial risk identified for the year relate to:

- loss of income due to the economic downturn,
- energy price increases for street lighting,
- increased building repair costs related to work identified through property condition survey's, and
- the financial impact of Covid19.

1 Introduction

This report provides the Executive Cabinet Member with the quarter one projected outturn position relating to the Directorate of Place.

The information is divided into five elements.

- Revenue expenditure
- Capital expenditure
- Reserve movements
- Efficiency targets
- Areas of financial risk

2 Revenue expenditure

2.1 Revenue budget

The approved revenue budget for the Directorate of Place is £30.267m

Table One: Directorate of Place Approved Revenue Budget - 2021/22 Quarter 1

	Total £'000
Original Approved Budget 2021 / 22	29,980
Less Recharges 2021 / 22	39
Original Manager's Controllable Budget 2021 / 22	29,941
<u>Virements in Year :</u>	
<u>Q1:</u>	
Special Needs Transport inflation transferred to People	-26
Corporate Inflation adjustment	120
21-22 approved growth transferred to Housing	-250
Business Support Officer transferred to Public Health	-29
Mere Hall Notional Rent	-28
Corporate Support for Leisure Contract	500
Adjusted Manager's Controllable Budget 2021 / 22	30,228
Add Adjusted Recharges 2021 / 22	39
Adjusted Budget as at June 2021	30,267

2.2 In year budget adjustments

There have been six budget adjustments made during quarter one:

- 21/22 inflation budget relating to SNT transfer to People Directorate
- Adjustment to Corporate inflation budget
- Approved 21/22 budget growth allocated to Housing
- Business Support post transferred to Public Health
- Addition of notional rental for Mere Hall from Children's Directorate
- Corporate budget Support for new Leisure contract

2.3 Financial Position

The final outturn position for the Directorate of Place is projected to be an overspend of £462,000 to be met from reserves.

Table Two below outlines the financial position of the Directorate of Place after movements to reserves, as at 30th June 2021.

Table Two – Directorate of Place Financial Position – 2021/22 Quarter One

Portfolio	Net Budget £'000	Projected Outturn £'000	Year End Variance £'000
ECM - Deputy Leader	6,288	6,307	19
ECM - Environment Regulatory	7,472	7,589	117
ECM - Environment Delivery	11,216	11,439	223
ECM - Highways & Transport	4,540	4,709	169
ECM - Strategic Housing & Planning	751	685	(66)
Total Directorate of Place	30,267	30,729	462

Variance analysis

Appendix A provides a detailed breakdown by service of the quarter one projected year end variance.

There are two significant variances highlighted at quarter one:

Domestic Waste - £206k

The Service is experiencing a significant demand for temporary staff to fill gaps in staffing.

Parking - £157k

Parking Services are projecting a loss on income from bus lane camera operation and town centre parking.

2.4 COVID-19

The introduction of national restrictions to combat the spread of the COVID-19 global pandemic took effect from 24th March 2020. The financial impact of restrictions and service closures as a result of COVID have lessened as the National Roadmap to

Recovery proceeds. Never the less there is a continued impact to services from additional costs and reduced income.

Across the services areas under the Place Directorate, the quarter one projected outturn includes £849k of additional costs or income foregone as a result of COVID-19 which is currently intended to be matched by funding from the National Emergency COVID funding and other specific grants received by the Council from Government.

3 Saving and efficiency 2021/23 reductions

In setting the Strategic Budget for the year, the Directorate of Place was required to implement £6.161m of saving and efficiency reductions over the 2021/22 financial years. Action is being taken to implement the reductions and ongoing monitoring of expenditure against specific options has been incorporated into the financial monitoring.

A summary can be found in the table below:

Review Status	Review	Amount £
Still to come Forward	Review of Fleet Management	240
	Review of Regulatory Services	60
	Implementation of the Strategic Asset Management Plan (SAMP)	250
	Review of Highways & Engineering	1,001
	Phase 2 Joint working	1,471
	Still to come Forward	3,022
Seeking Approval in this report	Review of Property Leases	214
	Implementation of the Strategic Asset Management Plan (SAMP)	150
	Total Seeking approval in this report	364
In Consultation		
	Review of Libraries & Museums	430
	Joint working - Phase 1	54
	Total in Consultation	484
Already approved		
	Outturn Report - July 2021	2,291
	Total already approved	2,291
	Directorate of Place savings Programme	6,161

3.1 Review of Property Leases (£214k)

Within this report approval is being sought for the Review of Property Leases. A review of property leases has taken place. This has generated additional income therefore it is proposed that an additional income target is built into the budget.

3.2 Implementation of the Strategic Asset Management Plan (SAMP) (£150k)

An £150k saving has been achieved through the efficiencies, learnings and re-procurement of supply chain to deliver the councils PPM (planned preventative maintenance), the saving will still deliver all statutory requirements as monitored by client team service delivery managers and is in line with the principles of the councils Strategic Asset Management Plan

4 Capital Programme

Total capital expenditure at quarter one for the Directorate of Place is £6.091m against a revised quarter one allocation of £86.298m.

4.1 In year movements

The capital programme of the Directorate of Place, had approvals totaling £105.607m. This comprised of:

- the original approval of £46.126m in the capital programme report to Council on 17th February 2021,
- £33.907m brought forward from the residual 2020/21 programme
- £3.196m transferred from Housing capital programme
- an additional £22.378m of funding programmed since the capital programme report of February 2021.

Of these approvals, £19.308m are currently forecast to be carried forward into 2022/23 for schemes profiled to complete in 2022/23 or beyond.

	£M
2020/21 Original Approval	46.126
Brought forward from 2020/21	33.907
Transfer from Housing	3.196
Additions in year	<u>22.378</u>
Total available funding:	<u>105.607</u>
Quarter 1 Revised Allocation	<u>86.298</u>

The Directorate of Place's capital programme can be broken down across the portfolio areas as follows:

Table Four Directorate of Place Capital Programme

Portfolio	21/22			22/23	
	Original Allocation 2021/22	Revised Allocation 2021/22	Actual At Q1 2021/22	Original Allocation 2022/23	Revised Allocation 2022/23
Deputy Leader	35,201,442	54,464,835	1,635,035	1,000,000	14,396,741
Stronger Communities	261,666	612,892	120,990	0	0
Environmental Regulatory	0	115,000	440	0	0
Environmental Services Delivery	707,254	6,703,453	1,050,998	0	1,324,022
Highways & Transport	9,955,267	24,402,120	3,283,360	1,510,577	1,510,577
Grand Total	46,125,629	86,298,300	6,090,823	2,510,577	17,231,340

Full capital programme is shown in appendix B

4.2 Town Centre Masterplan

Cabinet approved at their meeting of 25 September 2017 a Town Strategy for use of resources of £100m approved at their previous meeting of 17th August 2017. Capital and revenue spend within the current financial year is included with the respective revenue and capital sections of this report. Below is a summary in financial terms of progress to date from inception.

Town Centre funding update as at Quarter 1

	£'000
Budget	100,000
Projected Gross Spend	109,917
Projected receipts from funding agreements for acquired properties.	45,128

	£'000
Expenditure previous years	61,672
Expenditure 2021/22 to date	284
Cumulative Total Spend to Date	61,956

4.3 PSP Bolton

Information on the current financial position of Bolton Council's share within PSP Bolton as at 31 March 2021 is as follows.

Income

Rent received on PSP managed properties	-£365,568	
interest generated on cash balances	-£363	
Profit on property transactions	0	
Income from Ground Rent Company	-£6,999	-£372,930

Expenditure

Council's share of feasibility costs related to schemes not progressed	£69,538	
Share of Administrative costs	£19,913	
Other Costs of Partnership	£20,104	£109,555
Surplus for year to 31 March 2021		£263,375

4.4 Capital Receipts

Built into the funding of the Councils Capital programme is an assumption that £2m of Capital receipts will be generated.

Over the past few years this target has not been achieved, therefore this requirement has been removed from the 21/23 budget onwards. However, previous years unachieved targets will still need to be met. The table below shows that the current requirement is £8.2m.

Capital Receipts	
	£'000
2020/21	4,248
District Centres	4,000
	8,248
Actual Receipts Received	-
Total for 21/22	8,248

5 Reserve Movements

During quarter one all reserves relating to Strategic Housing, Community Safety and Area working services have been transferred to their new Directorates.

Table Five –Directorate of Place Reserves Position - 2021/22 Outturn

Portfolio	Opening Balance 21/22	Movements in Year	Closing Balance 21/22
	£	£	£
Total Deputy Leader Portfolio	-3,222,361	-223,390	-3,445,751
Total Environment Regulatory Portfolio	-161,910	153,399	-8,511
Total Environment Delivery Portfolio	-651,675	863,637	211,962
Total Highways & Transport Portfolio	-2,162,168	2,162,168	0
Total Strategic Housing & Planning Portfolio	-106,911	0	-106,911
Total Directorate of Place	-6,305,025	2,955,814	-3,349,212

After the projected use of reserves of £2,955,814 during 2021/22, the closing balance at 31 March 2022 is projected to be £3,349,212.

Detailed reserve tables for Directorate of Place can be found in Appendix D.

6 Risk areas

During the year a number of potential risks were identified for the Directorate.

6.1 Levels of Income Built into the budget

Income level assumptions made when compiling the budget have been based on trend analysis, actual income received and service specific knowledge. There is an ongoing risk due to the present economic climate that budgeted income levels may not be achieved.

6.2 Loss of Trading Services Contracts

Within the services provided by the Directorate of Place there are a number of trading accounts. Some of the service areas, such as Building Cleaning are seeing an increase in the number of contracts not being renewed. The levels of losses are currently manageable within the Directorates overall resources however, this is being closely monitored.

6.3 Asset Management

The Directorate of Place is responsible for a large asset portfolio. The Directorate is continually reviewing it's health and safety responsibilities. The costs of this are currently being met by Directorate resources.

6.4 Energy costs

Due to the nature of the services delivered by the Directorate of Place, slight changes in energy prices, can have a material effect. Close monitoring on this area is taking place.

6.5 COVID

At present COVID is having a significant impact on service delivery. The Council has received funding from the Government to cover the impact. The Directorate is monitoring closely service areas that maybe at risk once the Country moves to the next stage of national exit plan.

6.6 Property Condition Surveys

A comprehensive programme of property condition surveys has been undertaken. The survey's have identified work that needs to be carried out. . A work programme is being developed, that is to be funded by future Capital Receipts. This report reflects the latest know position.

7. EQUALITY IMPACT ASSESSMENT (EIA)

7.1. Under the Equality Act 2010, the council has a general duty to have due regard to the need to:

1. **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act;

2. **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
3. **foster good relations** between people who share a protected characteristic and people who do not share it.

7.2. At this stage it is not anticipated that the proposals will have a disproportionate impact on any of Bolton's diversity groups.

8. CONSULTATION

8.1. Consultation not required.

9. VISION 2030

9.1. The Bolton 2030 Vision is summarised as follows:

“Bolton will be a vibrant place, built on strong cohesive communities, successful businesses and healthy residents”.

9.2. Good financial management of council services provides the sound basis on which Vision 2030 priorities can be progressed.

10 Conclusions and recommendations

This report has provided information relating to the financial position at quarter 1 for the Directorate of Place, for the 2021/22 financial year.

It is recommended that the Executive Cabinet Member:

- Note the quarter one financial position of the Directorate of Place.
- Approve revisions made to the capital programme which fall under their portfolio.
- Authorise the Director of Place to call off under any available framework(s) to enable the capital programme to progress.
- To approve the savings contained within this report.
- Note the key findings in the report.

2021/22 Revenue Projection at Quarter One

Portfolio	Net Budget	Projected Outturn	Year End Variance
	£'000	£'000	£'000
<u>Deputy Leader</u>			
Strategic Development	583	533	(50)
Skills & Employment	372	372	0
Directorate	394	394	0
Corporate Property Services	2,990	3,070	80
Leisure	1,949	1,938	(11)
	6,288	6,307	19
<u>Environment Regulatory Services Portfolio</u>			
Regulatory Services	1,367	1,367	0
Neighbourhood Services Educ and Enf , Dog Warden	199	199	0
Markets	(39)	57	96
Albert Halls	94	115	21
Libraries, Museum and Archives	4,758	4,758	0
Cross Directorate	1,093	1,093	0
	7,472	7,589	117
<u>Environmental Services Delivery</u>			
Neighbourhood Services Delivery	4,661	4,661	0
Domestic Waste	7,829	8,035	206
Trade Waste	(243)	(242)	1
Bereavement Services	(1,167)	(1,101)	66
Building Cleaning	281	265	(16)
School Meals	24	49	25
Supported Employment	55	65	10
Heaton Fold	(78)	(78)	0
Security Services (inc Couriers,CCTV & Civic Cleaning)	(216)	(285)	(69)
Community Centres	70	70	0
	11,216	11,439	223
<u>Highways & Transport</u>			
Highways & Engineering	5,707	5,706	(1)
Parking Services	(655)	(498)	157
Transport	(512)	(499)	13
	4,540	4,709	169
<u>Strategic Housing & Planning</u>			
Planning Division	299	299	0
Planning Strategy	311	245	(66)
Housing Strategy	141	141	0
	751	685	(66)
Total Directorate of Place	30,267	30,729	462

2020/21 Capital Programme

	21/22			22/23	
	Original Allocation 2021/22	Revised Allocation 2021/22	Actual At Q1 2021/22	Original Allocation 2022/23	Revised Allocation 2022/23
<u>Deputy Leader Portfolio</u>					
<u>Development & Regeneration</u>					
Town Centre Improvement Fund	75,711	75,712	0	0	0
Public Art S106	4,198	0	0	0	0
Public Realm Impl Frmwk	98,951	98,951	0	0	0
Smithills Hall Internal Refurbishment	20,282	20,282	0	0	0
Town Centre Strategy	15,000,000	30,915,059	284,084	0	225,485
Octagon	0	0	0	0	0
Hall ith Wood Museum	86,055	102,555	0	0	0
Great Lever Library (UCAN)	404,915	408,915	0	0	0
Investments in District Town Centres - Cabinet Feb-19	13,189,049	4,532,275	1,612	0	8,656,270
Towns Fund	1,000,000	987,167	9,095	0	0
Enabling works	429,467	415,965	0	0	0
Rivington Chase HIF	0	665,000	144,190	0	0
FHSF Farnworth	0	4,174,151	0	0	4,514,986
<u>Property CAPITAL</u>					
Asset Management Plan - urgent works	0	486,496	27,502	0	0
Westhoughton Town Hall	1,680,000	1,910,114	0	0	0
Blackrod Library	108,343	109,643	0	0	0
61-63 Market St Little Lever	2,104,471	3,175,737	833,972	0	0
Corporate Property Capital Programme	1,000,000	3,179,652	334,580	1,000,000	1,000,000
Mere Hall - Service Move Works	0	14,710	0	0	0
Decarbonisation Works	0	3,192,451	0	0	0
Total Deputy Leader Portfolio	35,201,442	54,464,835	1,635,035	1,000,000	14,396,741
<u>Stronger Communities</u>					
Full Fibre Network GMCA report 07/01/2020 (REFCUS)	261,666	612,892	120,990	0	0

Total Stronger Communities Portfolio	261,666	612,892	120,990	0	0
<u>Environmental Regulatory</u>					
Library Self-Service kiosk replacements	0	115,000	440	0	0
Total Environmental Regulatory Portfolio	0	115,000	440	0	0
<u>Environmental Services Delivery Portfolio</u>					
<u>Strategic Housing</u>					
Disabled Facilities Grants	0	4,868,379	880,460	0	300,000
Private Sector Renewal	0	600,742	113,263	0	784,000
<u>Non-Highways</u>					
Equipped Play Area Strategy (S106)	12,525	37,525	0	0	0
Old Station Park	46,210	99,649	0	0	0
3G Sports Pitches - Cabinet Feb 16	31,519	0	0	0	0
Public Realm (Area Forum)	330,460	216,081	43,525	0	240,022
Cleaner Greener	75,170	658,877	0	0	0
Mortfield Lodge Embankment works	211,370	222,200	13,750	0	0
Neighbourhood Services Asset & Infrastructure Programme	0	0	0	0	0
Total Environmental Services Delivery Portfolio	707,254	6,703,453	1,050,998	0	1,324,022
<u>Highways & Transport Portfolio</u>					
<u>Highways</u>					
DfT Highways LTP	250,000	6,395,813	1,135,808	0	0
Pothole Action Fund	0	0	0	0	0
Challenge Fund - Highways maintenance	370,000	724,872	186,966	0	0
Section 31 Grant - Daisy Hill Station Bridge	2,100,000	2,343,556	13,459	0	0
Improved Street Lighting - Cabinet Feb 16 & Feb-18	0	225,655	17,718	0	0
Depot Improvement Plan - Mayor St	34,767	30,374	0	0	0
Footpaths Strategic Investment	0	5,823	0	0	0
Road Warning Signals - Cabinet Feb 16	0	12,658	0	0	0
Dropped Kerbs Cabinet Feb-17	0	0	0	0	0
Highways Improvement Funding (Area Forum)	250,000	726,287	0	0	0
Highways investment Sep-19	0	5,430,883	1,197,578	0	0
<u>External Highways</u>					
A666 Challenge Fund St Peters Way Improvement	400,000	780,601	321,408	0	0
LGF Tonge Moor Corridor Junction Improvement	150,000	0	0	0	0
LGF Crompton Way / Blackburn Road	0	650,648	13,400	0	0

LGF Town Centre 20mph scheme	0	178,512	0	0	0
Bolton Salford Quality Bus Network	1,000,000	585,734	194,060	0	0
LSTF Bolton - Bury cycle route	0	48,546	0	0	0
City Cycle Ambition	0	89,903	3,000	0	0
MCF - Doffcocker to TC Bee Route	1,442,000	1,521,677	1,500	0	0
MCF - Bolton Town Centre East Phase 1 (T5)	158,000	265,543	5,722	0	0
MCF - Westhoughton (T6)	220,000	278,104	35,745	0	0
MCF - Astley Bridge (T6)	320,000	433,169	750	0	0
Safe Streets Cycling & Walking	0	352,153	125,996	0	0
MCF -A58 Moss Bank Way	0	18,240	16,400	0	0
MCF-Bolton to Farnworth	0	20,000	13,850	0	0
MCF -Farn to Borough Boundary	0	20,000	0	0	0
Bolton Culvert Repairs	0	2,869	0	0	0
Transport					
Replacement of Fleet Vehicles	3,260,500	3,260,500	0	1,510,577	1,510,577
Total Highways & Transport Portfolio	9,955,267	24,402,120	3,283,360	1,510,577	1,510,577
Directorate of Place Grand Total	46,125,629	86,298,300	6,090,823	2,510,577	17,231,340

Directorate of Place Reserves 2021/22

Portfolio	Opening Balance 21/22	Movements in Year	Closing Balance 21/22
	£	£	£
<u>Deputy Leader</u>			
Bolton Arena	-3,096,660	0	-3,096,660
Bolton One Sinking Fund	-40,000	0	-40,000
Leisure Facilities	-137,000	137,000	0
Spirit of Sport	-4,198	0	-4,198
GMSAF -Economic Strategy	-6,079	0	-6,079
Ed & Skills Funding - Adult Ed	-152,510	0	-152,510
Local Development Framework	-108,406	0	-108,406
The Work Programme	-37,898	0	-37,898
Property Reserve	360,390	-360,390	0
Total Deputy Leader Portfolio	-3,222,361	-223,390	-3,445,751
<u>Environment - Regulatory</u>			
Proceeds of Crime	-8,511	0	-8,511
Tobacco Products Project	-4,915	4,915	0
Tobacco Control	-3,921	3,921	0
Letting Agencies Redress Scheme	-761	761	0
Hall l'th' Wood	-102,555	102,555	0
Curious Minds Hope St Project	-31,708	31,708	0
Libraries of Sanctuary	-3,401	3,401	0
Adventures in Nature Dippy Fringe	-371	371	0
Arts Mark	-5,767	5,767	0
Total Environment Regulatory Portfolio	-161,910	153,399	-8,511
<u>Environment - Delivery</u>			
ES General Reserve	7,410	451,653	459,063
Bowling Greens PH contribution	-20,000	20,000	0
Trading Income Loss	-188,105	188,105	0
Graves In Perpetuity	-164,340	0	-164,340
Model Railway	-12,590	0	-12,590
Rechargeable Works S278	-50,635	0	-50,635
Asset Management Liabilities	-203,879	203,879	0
Forestry Commission	-19,537	0	-19,537
Total Environment Delivery Portfolio	-651,675	863,637	211,962
<u>Highways & Transport</u>			
Fleet Purchase	-2,162,168	2,162,168	0
Total Highways & Transport Portfolio	-2,162,168	2,162,168	0
<u>Strategic Housing & Planning</u>			
Feasibility Study - District Heating	-44,476	0	-44,476
Home Solutions	-25,976	0	-25,976
Housing Needs and Stock Condition	-36,460	0	-36,460
Total Strategic Housing & Planning Portfolio	-106,911	0	-106,911
Total Directorate of Place	-6,305,025	2,955,814	-3,349,212