

Report to:	Executive Cabinet Member – Regeneration, Strategic Housing & Planning, Environmental Services Delivery, Deputy Leader, Highways & Transport		
Date of meeting:	15 th / 16 th August 2022		
Report of:	Director of Place, Deputy Chief Executive	Report number:	42122, 42123, 42120, 42119, 42121
Contact officer:	Janet Pollard, Head Finance	Telephone number	01204 336710
Report title:	Directorate of Place – Finance Report 2021/22 – Final Outturn		
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 final outturn position of the Directorate of Place.		
Recommendations:	It is recommended that the Executive Cabinet Member: <ul style="list-style-type: none"> ○ Note the final outturn financial position of the Directorate of Place. ○ Note the final capital programme which fall under their portfolio. ○ 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 final outturn position for 2021/22 in respect of the Directorate of Place.

Key Issues**Revenue Expenditure:**

Revenue expenditure as at final outturn for the Directorate of Place showed an overspend against budget of £383k after planned reserve movements.

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

Capital Expenditure:

Capital expenditure for the Directorate of Place as at final outturn was £38.3m.

Reserves:

Directorate of Place holds £5.6m balance of earmarked reserves at 31 March 2022.

Efficiency targets:

The budgeted efficiency savings for 2021/23 for the Directorate of Place are £6.2m. As at 31st March 2021 £4.1m of savings had been approved for implementation.

Risk:

Specific areas of financial risk identified for the year related to loss of income, asset management and loss of contracts

1 Introduction

This report provides the Executive Cabinet Member with the financial final outturn position relating to the Directorate of Place.

The information is divided into five elements.

1. Revenue expenditure
2. Capital expenditure
3. Reserve movements
4. Efficiency targets
5. Areas of financial risk

2 Revenue expenditure

2.1 Revenue budget

The approved revenue budget for the Directorate of Place is £30.7m

Table One: Directorate of Place Approved Revenue Budget - 2021/22 Quarter 4

	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
Additional Legal work for covered by recharge	-13
<u>Q3:</u>	
Technical post transferred to Corporate Resources.	-31
<u>Q4:</u>	
Officers pay award (1.75%)	449
Corporate Landlord budget transferred in from Chief Executives Dept.	62
Adjusted Manager's Controllable Budget 2021 / 22	30,695
Add Adjusted Recharges 2021 / 22	-10
Adjusted Budget as at Mar 2022	30,685

2.2 In year budget adjustments

There have been two budget adjustments made during quarter four:

- £448.5k additional budget allocated for implementation of 2021/22 Officers pay award.
- £61.8k property budget transferred from Chief Executives Department for premises to be managed under the Corporate Landlord function.

2.3 Financial Position

The final outturn position for the Directorate of Place amounted to an overspend of £383,000 which was met from reserves.

Table Two below outlines the financial position of the Directorate of Place after movements to reserves (as at 31st March 2022).

Table Two – Directorate of Place Financial Position – Final Outturn 2021/2022

Portfolio	Net Budget	Year End Variance	Variances transferred to/from General Reserves	Final Outturn
	£'000	£'000	£'000	£'000
Deputy Leader	9,656	(14)	14	9,656
Environment Delivery	11,167	44	(44)	11,167
Highways & Transport	5,037	343	(343)	5,037
Regeneration	4,068	24	(24)	4,068
Strategic Housing & Planning	757	(14)	14	757
Total Directorate of Place	30,685	383	(383)	30,685

Variance Analysis

Appendix A provides a detailed breakdown by service of the final outturn and year end variance

There were three significant variances during the year:

Highways & Engineering – £206k

Additional revenue maintenance costs incurred during year.

Parking Services - £101k

Introduction of bus lane enforcement charges have been delayed due to the need to retender for IT services required to support its implementation.

Regulatory Services – Underspend of £104k

There was an underspend on salaries as a result of four staff vacancies for the majority of the year.

2.4 Impact of COVID-19

Financial impact - £3,093k

The ongoing effect of the global COVID-19 pandemic in 2021/22, including the second lockdown period continued to impact on services' income and expenditure.

Trading services remain the most significantly affected, where services lost the ability to generate income and only had limited ability to reduce operating costs. Support from specific COVID-19 grants and National COVID emergency funding has been used in the impacted areas to meet those budget variances attributed to COVID-19 for lost income or additional expenditure.

3 Saving Reductions for 2021/23 programme

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 2021/23 financial years.

Action taken to implement reductions during 2021/22 resulted in approval of proposals to achieve £4.122m of the target. Further reports will be brought forward during 2022/23 to achieve the remaining balance of £2.039m. Monitoring of expenditure against specific options will continue to be incorporated into the financial monitoring process during the year.

Table 3 below gives details of savings approved and those savings areas still to be brought forward.

Table Three: Directorate of Place 2021/23 savings programme:

Review Status	Review	Amount £
Still to come Forward	Review of Highways & Engineering	619
	Phase 2 Joint working	1,420
	Still to come Forward	2,039
In Consultation		
	Total in Consultation	0
Already approved	Outturn Report - July 2021	2,291
	Qtr 1 - Review of Property Leases	214
	Qtr 1 - Implementation of the Strategic Asset Management Plan (SAMP)	150
	Joint working - Phase 1 – Jul 2021	54
	Review of Libraries & Museums – Sep 2021	430
	Fleet Management – Oct 2021	240
	Review of Regulatory Services – Dec 2021	60
	Implementation of the Strategic Asset Management Plan (SAMP)	250
	Review of Highways & Engineering – Budget Report Feb 2022	382
	Phase 2 Joint working – Budget Report Feb 2022	51
	Total already approved	4,122
	Directorate of Place savings Programme	6,161

4 Capital Programme

Total capital expenditure at 2021/22 final outturn for the Directorate of Place was £38.341m. Details of the final spend against projects are shown in Appendix B.

4.1 In year movements

The capital programme of the Directorate of Place, had approvals totaling £105.579m. 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;
- Less £1.394m transferred to other Directorate capital programme; and
- an additional £32.710m of funding programmed since the capital programme report of February 2021.

Of these approvals, £73,008m are currently forecast to be carried forward into 2022/23 for schemes profiled to complete in 2022/23 or beyond.

	£M
2021/22 Original Approval	46.126
Brought forward from 2020/21	33.907
Transfer to Other Services	-1.394
Additions in year	32.710
Total available funding:	111.349
Q4 Revised Allocation	38.341

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

Table Four: Directorate of Place Capital Programme

<u>Portfolio</u>	21/22		
	Original Allocation 2021/22 £	Revised Allocation 2021/22 £	Actual at Q4 2021/22
Leader	15,000,000	6,991,925	6,991,925
Regeneration	20,201,442	9,430,170	9,430,170
Stronger Communities	261,666	761,512	761,512
Deputy Leader	0	161,965	161,965
Strategic Housing & Planning	0	4,021,793	4,021,793
Environmental Services Delivery	707,254	445,451	445,451
Highways & Transport	9,955,267	16,528,637	16,528,637
Directorate of Place Grand Total	46,125,629	38,341,453	38,341,453

5 Reserve movements

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

Portfolio	Opening Balance 21/22	Movements in Year	Closing Balance 21/22
	£	£	£
Deputy Leader Portfolio	-3,486,768	-426,125	-3,912,893
Regeneration Portfolio	55,497	-655,771	-600,274
Environment Delivery Portfolio	-604,675	-345,800	-950,475
Highways & Transport Portfolio	-2,162,168	2,141,766	-20,402
Strategic Housing & Planning Portfolio	-106,911	0	-106,911
Total Directorate of Place	-6,305,025	714,070	-5,590,955

After the projected use of reserves of £714,070 during 2021/22, the closing balance at 31 March 2022 was £5,590,955.

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

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 levels assumptions made when compiling the budget were based on trend analysis, actual income received and service specific knowledge. There is an ongoing risk due to the present economic climate and residual impact of the COVID 19 pandemic which has led to long term changes in trading activities. Whilst COVID 19 grants and central support has been used in 2021/22 to mitigate these losses, there is significant risk that pre-covid levels of income generation will not return in the short term and future budgeted income levels may not be achieved.

6.2 Loss of Trading Services Contracts

Within the services provided by the Directorate of Place 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 its 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. In the latter part of 2021/22 unprecedented increases in international energy supplies were experienced. Costs incurred by the Authority in 2020/21 were protected by fixed prices of the Authority's current energy contracts, however, significant increases will be experienced on commencement of new contracts from April 2022.

6.5 COVID

At present COVID continues to impact on some services as we have exited from previous restrictions. The Council received funding from the Government to cover the impact in 2021/22. Going forward, the Directorate continues to monitor closely service areas that may still be at risk. There has been no new national funding for COVID 19 support in the new year and so any remaining impact will need at present to be managed internally by the Council.

7 CONCLUSIONS AND RECOMMENDATIONS

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

It is recommended that the Executive Cabinet Member:

- Notes the final outturn financial position of the Directorate of Place.
- Notes the final capital programme which fall under their portfolio.
- Notes the key findings in the report.

2021/22 Revenue Final Outturn Position

Portfolio	Net Budget	Year End Variance	Variances transferred to/from General Reserves	Final Outturn
	£'000	£'000	£'000	£'000
<u>Deputy Leader</u>				
Regulatory Services	1,429	(104)	104	1,429
Neighbourhood Services Educ and Enf, Dog Warden	205	74	(74)	205
Markets	(37)	14	(14)	(37)
Albert Halls	56	0	0	56
Libraries, Museum and Archives	4,790	0	0	4,790
Leisure	1,950	3	(3)	1,950
Cross Directorate	1,263	(1)	1	1,263
	9,656	(14)	14	9,656
<u>Environmental Services Delivery</u>				
Neighbourhood Services Delivery	4,735	35	(35)	4,735
Domestic Waste	7,714	(42)	42	7,714
Trade Waste	(246)	68	(68)	(246)
Bereavement Services	(1,173)	17	(17)	(1,173)
Building Cleaning	288	(41)	41	288
School Meals	47	0	0	47
Supported Employment	56	15	(15)	56
Heaton Fold	(89)	25	(25)	(89)
Security Services (inc Couriers, CCTV & Civic Cleaning)	(235)	0	0	(235)
Community Centres	70	(33)	33	70
	11,167	44	(44)	11,167
<u>Highways & Transport</u>				
Highways & Engineering	5,922	206	(206)	5,922
Parking Services	(650)	101	(101)	(650)
Transport	(235)	36	(36)	(235)
	5,037	343	(343)	5,037
<u>Regeneration</u>				
Strategic Development	627	(9)	9	627
Economic Strategy	352	(40)	40	352
Corporate Property Services	3,089	73	(73)	3,089
	4,068	24	(24)	4,068
<u>Strategic Housing & Planning</u>				
Planning Division	614	(18)	18	614
Econ Strat	143	4	(4)	143
	757	(14)	14	757
Total Directorate of Place	30,685	383	(383)	30,685

2021/22 Capital Programme Final Outturn

	21/22		
	Original Allocation 2021/22	Revised Allocation 2021/22	Actual at Q4 2021/22
Leader Portfolio	£	£	
Bolton Town Centre Strategy	15,000,000.00	6,991,925.00	6,991,925.00
Regeneration Portfolio			
Development & Regeneration			
Town Centre Improvement Fund	75,711.00	7,732.00	7,732.00
Public Art S106	4,198.00	0.00	0.00
Public Realm Impl Frmwk	98,951.00	0.00	0.00
Smithills Hall Internal Refurbishment	20,282.00	0.00	0.00
Hall i'th' Wood Museum	86,055.00	8,998.00	8,998.00
Great Lever Library (UCAN)	404,915.00	0.00	0.00
Investments in District Town Centres - Cabinet Feb-19	13,189,049.00	730,570.00	730,570.00
Towns Fund	1,000,000.00	779,182.00	779,182.00
Enabling works	429,467.00	12,862.00	12,862.00
Rivington Chase HIF	0.00	271,729.00	271,729.00
FHSF Farnworth	0.00	1,104,888.00	1,104,888.00
Farnworth Library Improvements	0.00	24,864.00	24,864.00
Bolton College of Medical Sciences	0.00	1,715,852.00	1,715,852.00
Property			
Asset Management Plan - urgent works	0.00	351,774.00	351,774.00
Westhoughton Town Hall	1,680,000.00	14,692.00	14,692.00
Blackrod Library	108,343.00	0.00	0.00
61-63 Market St Little Lever	2,104,471.00	3,424,279.00	3,424,279.00
Corporate Property Capital Programme	1,000,000.00	354,603.00	354,603.00
Mere Hall - Service Move Works	0.00	0.00	0.00
Decarbonisation Works	0.00	620,658.00	620,658.00
Backlog Maintenance			
One Stop Shop	0.00	7,487.00	7,487.00
Total Regeneration Portfolio	20,201,442	9,430,170	9,430,170

22/23	
Original Allocation 2022/23	Revised Allocation 2022/23
£	£
0	23,507,797
0	62,314
0	0
0	98,951
0	20,282
0	93,557
0	408,915
0	13,489,975
0	10,741,985
0	397,007
0	13,271
0	7,584,249
0	46,957
0	12,684,148
0	149,432
0	1,895,422
0	109,643
0	129,458
1,000,000	3,740,049
0	0
0	423,365
	2,000,000
0	110,361
1,000,000	54,199,341

	21/22		
	Original Allocation 2021/22	Revised Allocation 2021/22	Actual at Q4 2021/22
	£	£	
<u>Stronger Communities</u>			
Full Fibre Network GMCA report 07/01/2020 (REFCUS)	261,666.00	761,512.00	761,512.00
<u>Deputy Leader</u>			
Library Self-Service kiosk replacements	0.00	61,965.00	61,965.00
Bradshaw Gass & Hope Archive	0.00	100,000.00	100,000.00
Total Strategic Housing & Planning	0	161,965	161,965
<u>Strategic Housing & Planning</u>			
Disabled Facilities Grants	0.00	3,611,454.00	3,611,454.00
Private Sector Renewal	0.00	410,339.00	410,339.00
Total Strategic Housing & Planning	0	4,021,793	4,021,793
<u>Environmental Services Delivery Portfolio</u>			
<u>Non-Highways</u>			
Equipped Play Area Strategy (S106)	12,525.00	0.00	0.00
Old Station Park	46,210.00	0.00	0.00
3G Sports Pitches - Cabinet Feb 16	31,519.00	0.00	0.00
Public Realm (Area Forum)	330,460.00	122,859.00	122,859.00
Cleaner Greener	75,170.00	123,801.00	123,801.00
Mortfield Lodge Embankment works	211,370.00	179,132.00	179,132.00
Elgin St Prevent Landslip	0.00	19,659.00	19,659.00
Parking improvements in the Moss Bank Park area			
Total Environmental Services Delivery Portfolio	707,254	445,451	445,451
<u>Highways & Transport Portfolio</u>			
DfT Highways LTP	250,000.00	4,317,105.00	4,317,105.00
Pothole Action Fund	0.00	0.00	0.00
Challenge Fund - Highways maintenance	370,000.00	528,974.00	528,974.00
Section 31 Grant - Daisy Hill Station Bridge	2,100,000.00	293,647.00	293,647.00
Improved Street Lighting - Cabinet Feb 16 & Feb-18	0.00	85,442.00	85,442.00
Depot Improvement Plan - Mayor St	34,767.00	0.00	0.00

22/23	
Original Allocation 2022/23	Revised Allocation 2022/23
£	£
0	178,486
0	0
0	0
0	0
0	1,145,350
0	1,085,320
0	2,230,670
0	37,525
0	99,649
0	0
0	297,642
0	529,972
0	70,868
0.00	200,341.00
	100,000.00
0	1,335,997
0	2,271,531
0	0
0	195,898
0	2,049,909
0	398,213
0	30,374

	21/22		
	Original Allocation 2021/22	Revised Allocation 2021/22	Actual at Q4 2021/22
Highways & Transport continued	£	£	
Footpaths Strategic Investment	0.00	0.00	0.00
Road Warning Signals - Cabinet Feb 16	0.00	1,400.00	1,400.00
Highways Improvement Funding (Area Forum)	250,000.00	397,052.00	397,052.00
Highways investment Sep-19	0.00	4,374,788.00	4,374,788.00
Highways Maintenance 22-23			
External Highways			
A666 Challenge Fund St Peters Way Improvement	400,000.00	375,426.00	375,426.00
LGF Tonge Moor Corridor Junction Improvement	150,000.00	7,018.00	7,018.00
LGF Crompton Way / Blackburn Road	0.00	39,738.00	39,738.00
LGF Town Centre 20mph scheme	0.00	3,712.00	3,712.00
LGF Bus Stop Improvement 2021	0.00	186,628.00	186,628.00
Bolton Salford Quality Bus Network	1,000,000.00	1,815,777.00	1,815,777.00
LSTF Bolton - Bury cycle route	0.00	7,524.00	7,524.00
City Cycle Ambition	0.00	11,167.00	11,167.00
MCF - Doffcocker to TC Bee Route	1,442,000.00	68,537.00	68,537.00
MCF - Bolton Town Centre East Phase 1 (T5)	158,000.00	130,630.00	130,630.00
MCF - Westhoughton (T6)	220,000.00	42,368.00	42,368.00
MCF - Astley Bridge (T6)	320,000.00	83,892.00	83,892.00
Safe Streets Cycling & Walking	0.00	124,773.00	124,773.00
MCF -A58 Moss Bank Way	0.00	31,865.00	31,865.00
MCF-Bolton to Farnworth	0.00	41,692.00	41,692.00
MCF -Farn to Borough Boundary	0.00	18,329.00	18,329.00
Bolton Culvert Repairs	0.00	2,869.00	2,869.00
Bolton Local Levy (Smiths Road)	0.00	7,000.00	7,000.00
Flood & Water Management Act Projects	0.00	0.00	0.00
TFGM Development Fund	0.00	105,234.00	105,234.00
Capability Funding	0.00	12,500.00	12,500.00
Transport			
Replacement of Fleet Vehicles	3,260,500.00	3,413,550.00	3,413,550.00
Total Highways & Transport Portfolio	9,955,267	16,528,637	16,528,637
Directorate of Place Grand Total	46,125,629	38,341,453	38,341,453

22/23	
Original Allocation 2022/23	Revised Allocation 2022/23
£	£
0	0
0	11,258
0	417,226
0	1,099,108
0	1,000,000
0	405,175
0	0
0	610,910
0	174,801
	105,355
0	317,223
0	41,023
0	78,736
0	1,453,140
0	134,913
0	235,736
0	349,276
0	227,379
0	3,135
0	625,308
0	1,671
0	0
0	0
0	46,000
0	144,767
0	137,500
0	0
1,510,577	1,801,549
1,510,577	14,367,114
2,510,577	95,819,405

Directorate of Place Reserves 2020/21

Portfolio	Opening Balance 21/22	Movements in Year	Closing Balance 21/22
	£	£	£
<u>Deputy Leader</u>			
Proceeds of Crime	-8,511	8,511	0
Tobacco Products Project	-4,915	4,915	0
Tobacco Control	-3,921	3,921	0
Letting Agencies Redress Scheme	-761	761	0
Hall i'th' Wood	-102,555	8,998	-93,557
Curious Minds Hope St Project	-31,708	2,385	-29,323
GM Arts Fund - LMA	0	-12,758	-12,758
Libraries of Sanctuary	-3,401	1,930	-1,471
LMA Accommodation Moves	0	-150,000	-150,000
Adventures in Nature Dippy Fringe	-371	371	0
Arts Mark	-5,767	5,767	0
Bolton Arena	-3,096,660	17,821	-3,078,839
Bolton One Sinking Fund	-40,000	0	-40,000
Leisure Facilities	-137,000	-310,747	-447,747
DR General reserve	-47,000	-8,000	-55,000
Spirit of Sport	-4,198	0	-4,198
Total Deputy Leader Portfolio	-3,486,768	-426,125	-3,912,893
<u>Regeneration</u>			
GMSAF -Economic Strategy	-6,079	5,185	-894
Ed & Skills Funding - Adult Ed	-152,510	13,104	-139,406
Local Development Framework	-108,406	0	-108,406
The Work Programme	-37,898	-285,170	-323,068
Towns Fund	0	-28,500	-28,500
Property Reserve	360,390	-360,390	0
Total Regeneration Portfolio	55,497	-655,771	-600,274
<u>Environment - Delivery</u>			
ES General Reserve	54,410	-57,891	-3,481
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	-12,589	2,996	-9,593
Rechargeable Works S278	-50,635	0	-50,635
Asset Management Liabilities	-203,879	-488,121	-692,000
Forestry Commission	-19,537	0	-19,537
Statutory Plant Notice	0	-10,889	-10,889
Total Environment Delivery Portfolio	-604,675	-345,800	-950,475
<u>Highways & Transport</u>			
Fleet Purchase	-2,162,168	2,141,766	-20,402
Total Highways & Transport Portfolio	-2,162,168	2,141,766	-20,402
<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	-36,459	0	-36,459
Total Strategic Housing & Planning Portfolio	-106,911	0	-106,911
Total Directorate of Place	-6,305,025	714,070	-5,590,955