

**Report to:** Corporate and External Issues  
Scrutiny Committee

**Date:** 3<sup>rd</sup> October 2016

**Report of:** Director of Place  
Borough Treasurer

**Report No:** CEISC/01/16a

**Contact Officer:** Janet Pollard – Head of Strategic  
Finance and Accountancy

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**Report Title:** **The Place Department  
Development & Regeneration Services (excluding Housing Services)  
(including Corporate Property Services)  
2015/16 Financial Outturn Report**

**Non Confidential:** (**Non-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 Corporate and External Issues Scrutiny Committee with information relating to the final outturn financial position for Development and Regeneration (excluding Housing Services) (including Corporate Property Services) for 2015/16.

**Recommendations:** It is recommended that the Corporate and External Issues Scrutiny Committee:

- note the financial position of the Department as at final outturn
- note the key findings in the report

**Decision:**

**Background Doc(s):**

(for use on Exec Rep)

**Signed:**

\_\_\_\_\_  
Leader / Executive Cabinet  
Member

\_\_\_\_\_  
Monitoring Officer

**Date:**

\_\_\_\_\_  
This report does not require an equality impact assessment to be carried out due to being outside the high and medium relevance review requirements

**Summary:**

This report outlines the financial final outturn position in respect of Development and Regeneration (excluding Housing Services) (including Corporate Property Services) for 2015/16.

**Key Issues:****Revenue Expenditure:**

The final outturn position for Development and Regeneration (excluding Housing Services) (including Corporate Property Services), is an underspend of £140,000 after reserve movements.

**Capital Expenditure:**

Capital expenditure for Development & Regeneration at final outturn including one off funding was £1,127,000 against a revised projection at quarter 3 of £2,889,000. Capital expenditure for Property Services at final outturn was £3,235,000 against a revised projection at quarter 3 of £4,097,000

**Reserves:**

The service has a final year end general reserve of £38,039.

**Efficiency targets:**

Budgeted efficiency savings for the department were £376,000. All planned efficiencies were achieved.

**Risk:**

Specific areas of financial risk related to areas such as loss of income due to the economic downturn and loss of grants.

## 1 Introduction

This report provides the Executive Cabinet Member with the financial final outturn position relating to the Place Department - Development and Regeneration Section (excluding Housing Services) (including Corporate Property Services) for 2015/16.

The information covers financial information and risks for the department.

## 2 Revenue expenditure

### 2.1 Revenue budget

The approved revenue budget for the department totals:

**Table One: Development and Regeneration** (excluding Housing Services) (including Corporate Property Services)  
**– Approved revenue budget 2015/16**

	£'000
<b>Original Approved D&amp;R Budget 2015/16</b>	<b>13,429</b>
Recharges 2015/16	2,687
<b>Original Managers Controllable Budget 2015/16</b>	<b>10,742</b>
Strategic Options taken	-376
Christmas Lights	27
ICT virements	-102
Insurance Virement	10
<b>Adjusted Managers Controllable D&amp;R Budget as at Quarter 4</b>	<b>10,301</b>
Revised Recharges 2015/16	2,789
<b>Adjusted D&amp;R Budget as at Quarter 4</b>	<b>13,090</b>
<b>Property Services Budget at Quarter 4</b>	<b>-462</b>
<b>Total Adjusted Budget incl Property</b>	<b>12,628</b>

## 2.2 In year revenue changes

There have been no budget adjustments in the fourth quarter.

## 2.3 Financial outturn position

Table two below outlines the Development and Regeneration Department's financial position, as at the 31<sup>st</sup> March 2016 excluding Housing Services.

**Table Two: Development & Regeneration**

**Financial Position 2015/16 Final Outturn**

Service	Net Budget	Net Variances	Planned transfers to reserves	Final Outturn
	£'000	£'000	£'000	£'000
<b>Development and Regeneration</b>				
Planning Division	1,127	-67	67	1,127
Strategic Development	1,556	-12	12	1,556
Economic Development	1,238	0	0	1,238
Libraries, Museum and Archives	5,700	-2	2	5,700
Directorate	731	-21	21	731
Leisure	2,738	-12	12	2,738
<b>Total</b>	<b>13,090</b>	<b>-114</b>	<b>114</b>	<b>13,090</b>
<b>Property Services</b>	<b>-462</b>	<b>-26</b>	<b>26</b>	<b>-462</b>
<b>Total D&amp;R incl Property</b>	<b>12,628</b>	<b>-140</b>	<b>140</b>	<b>12,628</b>

## Variance analysis

The overall financial position amounts to final outturn position of an underspend of £140,000.

There are no significant variances to report at final outturn.

## 3 Savings and efficiency target

In setting the Strategic Budget for the year the overall saving and efficiency target was £376,000. There were no property efficiencies programmed for 2015/16.

Action has been taken to implement the reductions, and monitoring of expenditure against specific options has been incorporated into the financial information within this report.

Table three below provides details of the approved options. 100% of the approved options have been achieved.

**Table Three: Strategic Options**

			Achieved to Date
Division	Description of Option 15/16	£'000	£'000
Economic Strategy	LAMP Contract Ending / Supplies	23	23
	Spatial Data	15	15
	Local Development Fund	18	18
	<b>Total Economic Strategy</b>	<b>56</b>	<b>56</b>
Planning	Increase in Planning Revenue	100	100
	Increase in Building Control	50	50
	<b>Total Planning</b>	<b>150</b>	<b>150</b>
Cross Departmental	Management of Cash Limited Budgets	75	75
Leisure	Reduction in Contract	95	95
<b>Total Strategic Redirections</b>		<b>376</b>	<b>376</b>

#### 4 Capital programme monitoring

Appendix A outlines the capital programme position for the Department for 2015/16 at final outturn. Capital expenditure including one off funding projects for the year is £1.127m against the revised projection at quarter 3 of £2.889m.

The programme had an original budget totaling £8.646m as reported in the Capital Programme Report to Council on 25<sup>th</sup> February 2015. There are four significant areas where funds have been reprofiled for 2016/17.

Plans for Horwich Leisure Centre have reached stage 3 with works due to commence on site in June 2016, £3.862m of the previous approval is rolled forward into 2016/17.

Work commenced on the Public Realm and Gateway Project in Newport Street in September 2015. The contract for refurbishment of the shop fronts is underway and continues in 2016/17 to be followed by the public realm work. £2.272m of the approved budget has been carried forward for completion of these works.

£1.269m of the Strategic Acquisitions funding given as part of a previous strategic budget one off funding allocation remains and is earmarked for an acquisition in 2016/17.

Appendix A (ii) outlines the capital programme position for Property Services for 2015/16 at final outturn. Capital expenditure for the year is £3.235m against the revised projection at quarter 3 of £4.097m

## 4.2 Progress on one off monies funding

As part of the 2013/15 Budget Report to Council, £22.1m one off funding was approved for a range of strategic investments covering both capital and revenue schemes over four years. The table below shows the progress against the £13m funding currently earmarked to Development & Regeneration Service Area.

	Re-aligned one off allocation	2013-15 Expenditure	Budget allocated to 2015/16	2015/16 Expenditure at Q4	Remaining Budget allocated to 2016/17
<b><u>2013/14 Strategic Budget</u></b>	£000	£000	£000	£000	£000
<b><u>Town Centre Strategy</u></b>					
Support for key developments	1,700	628	1,072	1,072	0
Strategic acquisitions	2,000	568	163	163	1,269
Public Realm schemes and Gateways	2,100		124	124	1,976
Town Centre free parking initiative	1,000	502	361	361	137
Business Support Scheme	200	38	112	112	50
Strengthening the office market	0	0	0	0	0
<b>Total Town Centre Strategy</b>	<b>7,000</b>	<b>1,736</b>	<b>1,832</b>	<b>1,832</b>	<b>3,432</b>
<b><u>2015/16 Strategic Budget</u></b>					
Horwich Leisure Centre	4,000		138	138	3,862
Support to Octagon Theatre Development	2,000		13	13	1,987
<b>Total Development &amp; Regen.</b>	<b>13,000</b>	<b>1,736</b>	<b>1,983</b>	<b>1,983</b>	<b>9,281</b>

## 5 Reserve movements

### 5.1 Table Four – Development & Regeneration and Property Services reserves position 2015/16

<b>D&amp;R + CPS</b>	<b>Closing Balance @ 31/3/16</b>
Legal requirements	-4,018,147
Existing commitments	-2,810,745
To cover key areas of future spend	-4,321,471
To cover key areas of risk	-885,118
Service general contingencies	-38,039
<b>Total</b>	<b>-12,073,520</b>

Outlined above are the closing balances in the Department's reserves for 2015/16 summarised into corporately reported categories based on the reason for holding a reserve. These categories clearly rank the reserves in importance from top down.

Detailed reserve tables can be found in appendix B (i) & (ii)

## 6 Risk area

### 6.1 The work programme

In July 2011, Bolton Council became a sub-contractor for G4S to deliver the Work Programme. This contract sits within the Economic Strategy Division of D&R. The aim of the scheme is to actively facilitate benefit claimants to return to work and to maintain employment. Within the contract there are clear targets which must be achieved. The Workshop is currently over achieving the Job Start, Job Outcome and Continual Sustainment targets set by G4S.

## 7 Conclusions and recommendations

This report has provided information relating to the financial final outturn for the Development and Regeneration Department (excluding Housing Services) (including Corporate Property Services) for 2015/16.

It is recommended that the Corporate and External Issues Scrutiny Committee:

- Notes the financial final outturn position for the Department.
- Notes the key findings in the report

	<b>Original Allocation</b>  2015/16 £000s	<b>Available Budget</b>  2015/16 £000s	<b>Q3 Projection</b>  2015/16 £000s	<b>Q4 Actual</b>  2015/16 £000s	<b>Budget carried forward to</b>  2016/17 £000s
<b>Service/Scheme</b>					
Town Centre Improvement Fund	136	349	297	211	138
Business Expansion Grants	90	90	10	6	84
Development Enabling Fund	411	511	53	10	501
Town Centre Strategy Enabling Fund	112	135	71	64	71
Public Realm Implementation	350	0	0	0	0
Little Bolton Town Hall	27	25	27	25	0
Manchester Growth Points	74	0	0	0	0
Public Art S106	0	4	6	4	0
Departmental ICT	83	83	0	0	83
Strategic Acquisitions	663	1,432	687	163	1,269
Public Realm Schemes & Gateways	2,200	2,588	1,138	316	2,272
Horwich Leisure Centre Cabinet Feb 2015	4,000	4,000	300	138	3,862
Peoples Network Refresh Libraries	0	200	200	185	15
Smithills Hall Major Repairs	0	100	100	0	100
Brownlow Fold		1		1	0
Commission Street		23		4	19
Strengthening the Office Market in Town Centre	500	0	0	0	0
<b>Development &amp; Regeneration Total</b>	<b>8,646</b>	<b>9,541</b>	<b>2,889</b>	<b>1,127</b>	<b>8,414</b>



	<b>Original Allocation</b>	<b>Available Budget</b>	<b>Q3 Projection</b>	<b>Q4 Actual Outturn</b>	<b>Budget carried forward to</b>
	2015/16 £000s	2015/16 £000s	2015/16 £000s	2015/16 £000s	2016/17 £000s
<b>Property Services</b>					
Carbon Management programme	307	631	427	382	249
Asset management plan - urgent works	1,000	870	606	0	870
Glazing Risk assessment & surveys	143	143	55	33	110
Health & Safety surveys	113	113	60	44	69
Town Hall	1,800	1,035	829	1,035	0
Central Library & museum	571	620	620	211	409
Autism Centre	0	0	0	0	0
Westhoughton AO	750	750	0	0	750
Blackrod AO	175	175	0	0	175
Town Centres	400	370	0	0	370
Farnworth Market Precinct	500	500	0	0	500
PS Adelaide St workshop	0	29	0	29	0
Asbestos containment / removal	0	1	0	1	0
Office Development	0	1,500	1,500	1,500	0
<b>Central Service Total</b>	<b>5,759</b>	<b>6,737</b>	<b>4,097</b>	<b>3,235</b>	<b>3,502</b>

**Development & Regeneration Reserves 2014/15****Appendix B**

	<b>Opening Balance @ 1/4/15</b>	<b>Inter- department</b>	<b>Transfer to/ from Revenue</b>	<b>Final Movement</b>	<b>Closing Balance @ 31/3/16</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
DCLG Personal Searches	-34,356	0	0	0	-34,356
Building Control Trading Surplus	-274,592	0	2,064	0	-272,528
Feasibility Study - District Heating	-12,500	0	-12,172	0	-24,672
The Work Programme	-310,626	0	100,000	0	-210,626
Local Development Framework	-208,407	0	0	0	-208,407
Spirit of Sport	-27,544	0	0	0	-27,544
Business Growth Fund	-44,460	0	6,904	0	-37,556
Infrastructure Decommissioning	-53,288	0	53,288	0	0
Farnworth Town Centre Development	-320,750	2,300	0	0	-318,450
Carbon Management	-9,000	0	0	0	-9,000
Newport Street Projects	-10,000	0	0	0	-10,000
Home Solutions	-42,099	0	-21,148	0	-63,247
Leverhulme Sinking Fund	-335,144	0	0	0	-335,144
asset Transfer	-85,342	0	-100,000	0	-185,342
Bolton One	-90,000	0	-80,000	0	-170,000
Bolton Arena	-3,193,232	0	-95,343	0	-3,288,575
Ironman	-93,100	0	93,100	0	0
Broadband	-66,000	0	0	0	-66,000
Town Centre Programmes	-1,969,261	0	-628,214	0	-2,597,475
Car Park Initiatives	0	0	-243,136	0	-243,136
Public Health - Anti Poverty	-36,873	0	36,873	0	0
LMA General Reserve	-111,826	0	68,820	0	-43,006
Hall I'th' Wood	0	0	-150,000	0	-150,000
Peoples Refresh	0	-15,147	0	0	-15,147
Egyptology Reserve	-1,847,012	0	0	0	-1,847,012
Aquarium Refurbishment	-55,000	0	0	0	-55,000
Directorate / Core Balance B/f	-65,551	200,000	-58,070	-114,418	-38,039
	<b>-9,295,963</b>	<b>187,153</b>	<b>-1,027,034</b>	<b>-114,418</b>	<b>-10,250,262</b>

**Property Services Reserves**

	<b>Opening Balance @ 1/4/15</b>	<b>Inter- department</b>	<b>Transfer to/ from Revenue</b>	<b>Final Movement</b>	<b>Closing Balance @ 31/3/16</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Castle Hill	-329,492		0		-329,492
Energy Initiatives	-751,242		569,636		-181,606
Adult Social Care Property	-120,198		-25,000		-145,198
Energy Payments Reserve	-175,000		0		-175,000
BASE Reserve	-136,313		0		-136,313
Property Capital Reserve/Property Schemes	-257,138		-182,011		-439,149
Octagon Kiosks Sinking Fund	-60,000		0		-60,000
Merehall Reserve	-344,500		-12,000		-356,500
	-2,173,883	0	350,625	0	-1,823,258