

Report to: Corporate and External Issues
Scrutiny Committee

Date: 10th October 2013

Report of: Director of Development and
Regeneration

Report No: CEISC/02/13

Director of Corporate Resources

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Report Title: **Development & Regeneration Services (excluding Housing Services)
Performance & Finance – Quarter One 2013/14 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 financial and performance quarter one position for Development and Regeneration excluding Housing Services for the 2013/14 financial year.

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

- notes the financial and performance position of the Department as at quarter 1.
- 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 and performance quarter one position in respect of the Development and Regeneration excluding Housing Services for the 2013/14 financial year.

Key Issues:**Performance:**

In line with the Community Strategy all performance targets are being met.

Revenue Expenditure:

The quarter one position for Development and Regeneration excluding Housing Services was an underspend of £127,000 after reserve movements.

Capital Expenditure:

Capital expenditure at quarter one is £261,000 against a budget of £6,990,000.

Reserves:

The service has a projected year end general reserve of £514,779.

Efficiency targets:

Budgeted efficiency savings for the department are £709,000. All planned efficiencies have been achieved.

Risk:

Specific areas of financial risk relate to areas such as loss of income due to the economic downturn, loss of grants and occupancy within the accommodation services

2 Quarter 1 April to June 2013 Key Performance Findings

External Performance



**Bolton's unemployment rate is 4.7%
showing a decrease of 0.2% from
last quarter**



**74% of all planning
applications were
determined within 8 weeks**

Internal Performance



**89.06% of external
phone calls were
answered in standard**



**Staff sickness rate is
at 3.4% this quarter**



**20 complaints
received**

1 Introduction

This report provides the Executive Cabinet Member with the financial and performance quarter one position relating to the Development and Regeneration department excluding Housing Services, for the 2013/14 financial year.

The information covers performance, financial information and risks for the department.

2 Background

The Bolton Vision Partnership agreed the current Community Strategy back in 2007. During the last four years, there has been a fundamental change with economic forecasts becoming more challenging, public sector funding being reduced and public services being reformed. In response a new Economic Strategy was prepared which focuses on key deliverables over the short to medium term. In addition a refreshed Community Strategy, Bolton: Our Vision 2012-15 has been agreed which develops a 'Bolton first' response to the new environment.

The commitment to secure economic prosperity and narrowing the gap remains and this will be achieved across six priority themes:

- Prosperous
- Health and well-being
- Children and young people
- Clean and green
- Safe
- Stronger

3 Strategic narrative

As members will be aware there are still economic challenges for the UK and Bolton is by no means immune to this situation. During this financial year there is an increasing focus on measures which can help to mitigate the effects of this economic downturn on businesses and residents of the borough.

Works have started to build the new Science, Technology, Engineering and Mathematic Centre (STEM) as part of the Bolton College Phase 3 scheme. The works went out to tender and Heron Brothers were the preferred contractor. The building will be situated adjacent to the College on part of the old Commission Street site. The contract duration is for 44 weeks and the new building should be operational by April 2014.

During the first quarter the Strategic Development Service savings and efficiency review was approved. The report has been underpinned and driven by an explicit focus on ensuring that the skills, knowledge and expertise are in place to enable the completion of the Council's current development portfolio. This will enable the organisation to bring forward and deliver the priorities identified in the revised Economic Strategy for Bolton, focused upon the continuing commitment to securing economic prosperity and narrowing the gap.

There have been a number of achievements related to the Economic Strategy during quarter one.

A commitment to increase the number of service users who have been able to remain in their home as a result of an intervention by the Bolton care and repair initiative to an average of 1,000 per year is on target. In this quarter there were 324 service users helped.

A process commenced to identify properties that are at 70% risk of failing the decent homes standard and are lived in by vulnerable people. Marketing has started and the first 200 properties were sent letters.

The Skills Strategy and Delivery Plan has been finalised and approved by Cabinet. This strategy document responds to the skills challenges and opportunities for Bolton, as a significant economic driver for Greater Manchester and the North West. It recognises that, in order to maximise the potential and competitiveness of Bolton and its communities, we need to achieve the right levels and mix of skills for our businesses.

Work is underway to take this activity forward, with the appropriate partnership groups / partner leads for each strand. Ongoing partnership leadership and challenge of this work will be provided by Bolton's Employment and Skills Board.

A number of Departments and Services are supporting the delivery of the key employment sites. The Service is supporting the Town Centre Strategy Action Plan and the draft environmental scoping report for Logistics North and Locoworks in order that planning applications can be submitted in 2013. The service is supporting the identification and justification/bidding for funds to support all three strategic sites and as potential occupiers are brought forward, the Service is actively supporting their employment and skills requirements which has a 100% success rate to date at Logistics North.

4 Revenue expenditure

4.1 Revenue budget

The approved revenue budget for the department excluding Housing Services totals:

Table One: Development and Regeneration Department (excluding Housing Services) – Approved revenue budget 2013/14

	£'000
Original Approved D&R Budget 2013/14	8,335
Recharges 2013/14	1,005
Original Manager's Controllable Budget 2013/14	7,330

4.2 In year revenue changes

There have been no budget adjustments in quarter one.

4.3 Financial outturn position

Table two below outlines the Development and Regeneration Department's financial position, as at the 30th June 2013 excluding Housing Services.

Table Two–Development & Regeneration excluding Housing Financial Position 2013/14 Quarter One

Development and Regeneration	Budget 13/14	Projected Outturn	Year End Variance	Reserves Movement	Net Variance
	£'000	£'000	£'000	£'000	£'000
Planning Division	1,365	1,269	-96	25	-71
Strategic Development	1,465	1,446	-19	19	0
Economic Development	1,634	1,550	-84	3	-81
Directorate	844	896	52	-104	-52
Leisure	3,027	3,104	77	0	77
Total for Development and Regeneration Department	8,335	8,265	-70	-57	-127

Variance analysis

The overall financial position amounts to a projected outturn position of an underspend of £127,000.

There are no major variances in this quarter.

5 Savings and efficiency target

In setting the Strategic Budget for the year the overall saving and efficiency target is £709,000.

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

Appendix A details the approved options and the final outturn position. 100% of the approved options have been achieved.

6 Capital programme monitoring

Appendix B outlines the capital spend position for the Department for 2013/14 at quarter one.

6.1 Development and Regeneration capital programme (Appendix B)

The Development & Regeneration capital programme for 2013/14 has an available budget of £6.990m comprising £5,491m as approved in the strategic budget report and a further £1,499m of budget rolled forward from 2012/13. Capital spend at quarter 1 totals £261k.

7 Reserve movements

7.1 Table Three – Development & Regeneration reserves position 2013/14

Development and Regeneration Reserves				
RESERVES POSITION 2013/14				
Description	As at 01/04/13	Outturn Movements	Other Movement	As at 31/03/14
<u>Specific Reserves</u>				
<u>Planning</u>				
DCLG Personal Searches	-34,356			-34,356
Building Control Trading Surplus	-162,209		-25,303	-187,512
Planning Obligations	-60,000			-60,000
<u>R.E.D.D</u>				
Local Development Framework	-179,991		74,300	-105,691
The Work Programme	-308,256		-112,380	-420,636
Spirit of Sport	-39,600			-39,600
Business Growth Fund	-30,000			-30,000
Infrastructure decommissioning	-70,000			-70,000
Home Solutions	-143,852		35,000	-108,852
Learning and Disability	-7,236			-7,236
<u>Leisure</u>				
Leverhulme Sinking Fund	-126,880			-126,880
Free Swimming	-85,342			-85,342
Bolton One	-30,000			-30,000
<u>Cultural Events</u>				
Ironman	-93,100			-93,100
Marketing	-100,000		100,000	0
Town Centres	-254,496			-254,496
Central Bolton Partnership	-255,063		-66,678	-321,741
Festive Programme	-29,198			-29,198
Promotional Activities	-113,209		52,542	-60,667
	-			-
	2,122,788	0	57,481	-2,065,307
General Reserves	-387,779	-127,000		-514,779
	-			-
Total Net Deficit Reserves	2,510,567	-127,000	57,481	-2,580,086

Outlined above are the movements to the Development and Regeneration reserves for 2013/14.

The outturn movement's column represents the impact upon reserves of the outturn position shown at Table two of the report.

8 Risk area

Areas of future financial risk that have not been reported elsewhere within this report:

8.1 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.

9 Performance

9.1 Departmental context

Within the refreshed Community Strategy there are clear priorities to which the department makes a significant contribution such as economic prosperity and narrowing the gap.

Securing economic prosperity and maximizing the local benefit continues to be a main aim. By 2015 the aim is to protect and maintain the town centre economy and jobs, and have an agreed development agreement for Logistics NW and strong progress on Horwich Loco Works.

In addition, supporting skills development continues to be an essential part of improving employment. The department has developed a skills strategy in conjunction with our strategic partners.

9.2 Key performance and service updates

9.2.1 Worklessness

The Council continues to deliver employment support activity through the work shop. This focuses on helping those claiming benefits to return to work and sustain their employment.

Job Seekers Allowance Claimant Counts and Rates

In June 2013, Bolton has 8,255 Job Seekers Allowance Claimants, a decrease of 260 from the previous month May. Also Bolton had an

unemployment rate of 4.7%, which is the sixth highest rate in Greater Manchester, showing a 0.1 percentage point decrease from the May figure.

Bolton recorded a decrease of 114 claimants between June 2012 and June 2013. This is the second lowest decrease across Greater Manchester districts. It represents no percentage point change which is the joint highest increase in Greater Manchester and 0.2 percentage points greater than Greater Manchester as a whole, which is -0.2%.

There are clear priorities identified through the Community Strategy around employment and qualification levels of Bolton. These are shown in table four below.

Table Four – Qualifications and employment

Priority	Target	Quarter 1	Comment
Working age qualified to at least NVQ level 2 or higher	71.2%	*Dec 2012 67.7%	The 2012 figure was 2% up on 2011. Trend over time is a gradual increase which has been more steep since a 2008 low of 60.7%
Working age qualified to at least NVQ level 4 or higher	27.3%	*Dec 2012 25.9%	The 2012 figure was the same as 2011 and is above the 9 year average (23.6%) but below the 2010 peak. Trend over time is a gradual increase since the 2005 low (19.6%). Bolton's Skills Strategy identifies the % population achieving higher level qualifications as a key long term aim and there is a gap between performance regionally (NW=30.3%) and nationally (34.4%)
Maintain working age employment rates	65%	Dec 2012 65.7%	The data set measures the number of economically active people in employment. We are awaiting the latest data release which is normally quarterly. In Bolton the trend has fallen over time since 2005 high (73.7%) albeit risen from 2010 low (64.8%). Nationally and regionally the trend is falling over time.
Keep levels of worklessness below 17%	16.9%	May 2012 14.9%	This data is sourced quarterly from DWP (with a lag >12m) as a % of the working age population on key out of work benefits. The trend over time (since 2000) locally, regionally and nationally is downwards. In Bolton the August 2009 peak was 17.1% and since February 2012 there has been a quarterly fall.

* This data set is taken from the annual population survey by ONS and released in December each year.

9.2.2 Planning Applications

The department regular monitors the speed in which planning application are processed. Below is this quarter's performance:

Table Five: Planning Applications

Planning Applications	Target	Quarter 1
% of all applications determined within 8 weeks	65.00%	74.00%
% of householder applications determined within 8 weeks	80.00%	78.85%
% of all major applications determined within 12 weeks	60.00%	84.62%
% of minor applications determined within 8 weeks	78.00%	61.90%

9.2.3 Bolton Market Refurbishment

Works are continuing on both the refurbishment of the Eastern Hall and the construction of the new outdoor market with progress in quarter one as follows:

- Ashburner Street elevation almost totally re-slatted
- External perimeter gutters replaced to Ashburner Street and Blackhorse Street
- Rooflight working platforms in Eastern Hall almost completed
- Rusted trusses behind louvres to East Hall repainted along with strip out
- 25% outdoor market canopy foundations poured and this work is continuing

The timetable remains on track for all works to the Eastern Hall and outdoor market to be completed by end November 2013.

9.3 Internal Business Performance

9.3.1 Sickness Absence

Table Six: sickness

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2013-2014	3.4			
2012-2013	3.47	5.33	3.93	4.73
2011-2012	2.7	3.33	3.47	3.23
Departmental Target	3.95	3.95	3.95	3.95

Table six shows the sickness statistics for the first quarter. The quarter sickness is lower than the previous year and is below the departmental target of 3.95%.

9.3.2 Complaints

During quarter one the department received 17 complaints and 3 cross departmental complaints. These were recorded within the Council's corporate complaints system. 9 of the 17 complaints were answered in standard.

There are several reasons for those not answered in standard including:

- Complexity of case requiring additional time for investigation
- Additional information required from complainant
- Court case or other action underway which impacted on potential outcome / ability to comment

All complainants have been kept advised of reasons for any delays and provided with revised response dates as per the Customer Care promise.

9.3.3 Telephony

Appendix D shows the external and internal telephone calls for the quarter comparing with each quarter of 2012/13. 89.77% of external calls were answered in 30 seconds and 5.46% were lost. 86.52% of internal calls were answered within standard which is a slight decrease from the previous quarter.

10 Conclusions and recommendations

This report has provided information relating to the projected financial and performance outturn, as at quarter one for the Development and Regeneration Department excluding Housing Services for the 2013/14 financial year. It is recommended that the Corporate and External Issues Scrutiny Committee:

- Notes the financial and performance outturn position for the Department.
- Note the key findings in the report

DEVELOPMENT AND REGENERATION DEPARTMENT
Efficiency Options for 2013/14

Proposed Savings (£'000)	Strategic Options 13-14	Substitution	Achieved	Variance
Deficit Reserve Repayment Budget	100		100	0
Management of Cash Limited Budgets	62		62	0
Senior Management Restructure	100		100	0
Reduction in Training Budget	42		42	0
Reduction in Operational Budgets	35		35	0
Strategic Development Operational Budgets	270		270	0
Planning Operational Budget	28		28	0
Vacancy Management	72		72	0
Total Strategic Options	709	0	709	0

Development and Regeneration Capital 2013/14**Appendix B**

Project Name	Total Current Prog 13/14	30-Jun-2013 Actual Spend 13/14	Total Projected Exp 13/14
	£000	£000	£000
Town Centre Improvement Fund	285	0	285
Business Expansion Grants	60	0	60
Development Enabling Fund	640	5	640
Bolton Innovation Zone	116	0	116
Public Realm Implementation Framework	823	0	823
Little Bolton THI	91	45	91
Manchester Growth Points	92	0	92
Public Art S106	57	6	57
Total REDD	2,164	56	2,164
Departmental ICT Hardware	71	0	71
D&R Capital Bid Totals	2,235	56	2,235
<u>Additional Items :</u>			
Commission Street	1,293	205	1,293
Westhoughton Leisure Centre Fitness Suite	15	0	15
Market 2014	3,447	0	3,447
D&R Overall Capital Programme 13/14	6,990	261	6,990

Appendix C**Telephone Statistics**

External Telephone Calls 2012/13					
	Total calls received	Total answered in 30 seconds	% answered in 30 seconds	Lost calls (unanswered)	% of lost calls
Qtr 1	7,324	6,575	89.77%	400	5.46%
Qtr 2	7,660	6,924	90.39%	419	5.47%
Qtr 3	6,892	6,156	89.32%	439	6.37%
Qtr 4	7,120	6,455	90.66%	368	5.17%

External Telephone Calls 2013/14					
	Total calls received	Total answered in 30 secs	% answered in 30 seconds	Lost calls (unanswered)	% of lost calls
Qtr 1	7,474	6,656	89.06%	463	6.19%
Qtr 2					
Qtr 3					
Qtr 4					

Internal Telephone Calls 2012/13					
	Total calls received	Total answered in 30 secs	% answered in 30 seconds	Lost calls (unanswered)	% of lost calls
Qtr 1	5,832	5,046	86.52%	608	10.43%
Qtr 2	5,595	4,917	87.88%	522	9.33%
Qtr 3	5,110	4,476	87.59%	434	8.49%
Qtr 4	4,659	4,055	87.04%	430	9.23%

Internal Telephone Calls 2013/14					
	Total calls received	Total answered in 30 secs	% answered in 30 seconds	Lost calls (unanswered)	% of lost calls
Qtr 1	4,813	4,217	87.62%	410	8.52%
Qtr 2					
Qtr 3					
Qtr 4					