

**Report to:** Environmental Services,  
Regeneration, Housing and Skills  
Scrutiny Committee

**Date:** 1<sup>st</sup> December 2011

**Report of:** Director of Development and  
Regeneration

**Report No:** ESRHSSC/15/11

Director of Corporate Resources

**Contact Officer:** Janet Pollard – Policy Accountant

**Tele No:** 01204 336710

**Report Title:** **Development and Regeneration Department – Financial and  
Performance Report 2011/12 – Quarter Two**

**Confidential /  
Non Confidential:**  
(delete as approp)

(**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 Executive Member with information relating to the financial and performance position for Development and Regeneration for the 2011/12 financial year, as at the end of Quarter Two.

**Recommendations:**

It is recommended that the Executive Member:

- notes the financial and performance position of the Department as at Quarter Two
- note the key findings in the report

**Decision:**

**Background Doc(s):**

(for use on Exec Rep)

**Signed:**

\_\_\_\_\_  
Leader / Executive 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 position in respect of the Development and Regeneration and Housing Services portfolio for the 2011/12 financial year as at the end of Quarter Two.

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

Revenue expenditure for both Development and Regeneration and Housing Services is projected to underspend against the budget by £183,000 but this includes a contribution to reserves of £28,000.

**Capital Expenditure:**

The Capital programme for the Department amounts to £14,436,000.

The actual capital spend at the end of quarter two totals £4,645,000.

**Reserves:**

The Department's projected surplus reserve position at 31<sup>st</sup> March 2012 is £2.89m.

**Efficiency targets:**

Budgeted efficiency savings for the department are £1,093,000. The current projection is to fully achieve the options.

**Risk:**

Specific areas of financial risk relate to loss of income due to the economic downturn, loss of grants and occupancy within Benjamin Court.

## 1 INTRODUCTION

This report provides the Executive Member with information relating to the financial and performance position of the Development and Regeneration and Housing Services portfolio, for the 2011/12 financial year, as at the end of Quarter Two.

The financial information within this report 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 department totals:

#### Total Development and Regeneration – Adjusted Revenue Budget 2011/12

	£'000
<b>Total Adjusted Managers Controllable Budget as at Quarter 2</b>	<b>11,060</b>
Recharges	1,448
<b>Total Adjusted Budget as at Quarter 2</b>	<b>12,508</b>

### 2.2 IN YEAR REVENUE CHANGES

As a result of the recent realignment of services across the council a budget transfer has been made of £191k to reflect the transfer of the Arts and Adult Learning.

### 2.3 FINANCIAL POSITION – AS AT QUARTER TWO

The table below outlines the Development and Regeneration Department's financial position, as at the 30<sup>th</sup> September 2011.

#### DEVELOPMENT AND REGENERATION FINANCIAL POSITION 2011/12 QUARTER TWO

Service	Budget	Projected Year End Outturn	Year End Variance	Reserves Movement	Net Variance
<b>Development and Regeneration Subtotal</b>	<b>9,301</b>	<b>9,006</b>	<b>-295</b>	<b>165</b>	<b>-130</b>
<b>Housing Services Subtotal</b>	<b>3,207</b>	<b>3,291</b>	<b>84</b>	<b>-137</b>	<b>-53</b>
<b>Total for Development and Regeneration Department</b>	<b>12,508</b>	<b>12,297</b>	<b>-211</b>	<b>28</b>	<b>-183</b>

VARIANCE ANALYSIS

The overall financial position for the department amounts to a projected quarter two year end position which is £183,000 in surplus of the net budget.

This variance comprises of an underspend of £130,000 for Development and Regeneration and £53,000 underspend in the Housing Services. Explanations for the main variances are detailed below:

### **Development and Regeneration Division**

The main variance is an underspend of £114,000 within REDD this is mainly due to staffing changes such as maternity leave and secondments.

### **Housing Services**

The main variance relates to 2 vacant posts being held for future reviews.

## **3 REDIRECTIONS**

In setting the Strategic Budget for the year the overall redirection target is £1,093,000. This is made up of £685,000 for Development and Regeneration and £408,000 for Housing Services. The details are shown at Appendix A to the report.

## **4 CAPITAL PROGRAMME MONITORING**

Appendices Bi and Bii outline the capital outturn position for the Department for 2011/12 at quarter 2.

### **4.1 DEVELOPMENT AND REGENERATION CAPITAL PROGRAMME (APPENDIX Bi)**

The available budget of £10.5 million comprises of:

- £8.207 million of new approvals for 2011/12,
- £2.130 million of slippage from 2010/11 programme and
- £194k of additions in year.

The main areas of slippage are revisions to the cashflow on Bolton One, Commission Street and Little Bolton Town Heritage Initiative.

The additions in year comprise of additional grant and section 106 contributions brought into the programme less £40k transferred to Housing Services capital programme.

The information highlights that the Development and Regeneration capital programme is projected to be £9.601 million against an available allocation of £10.5 million. Spend to date including quarter 2 is £3.578million

### **4.2 HOUSING SERVICES CAPITAL PROGRAMME (APPENDIX Bii)**

The available budget of £3.905 million comprises of:

- £3.255 million of new approvals for 2011/12,
- £650k consisting of slippage from 2010/11 programme and additions in year

Additional resources have been received from Health to help address the backlog around Disabled Facilities Grants.

The key focus this year is to complete the agreed work on renewal areas and purchase a number of properties in the Union Road area with the aim to complete the clearance programme during 2012/13.

Committed spend to date including quarter 2 is £1.067 million

## **5 RESERVE MOVEMENTS**

### **Use of General Reserves**

It is anticipated that £53,000 will be contributed to the general reserves during the financial year 2011/12.

## **6 RISK AREAS**

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

### **6.2 Housing Occupancy Levels**

There is always a risk associated with furnished tenancies around the level of voids built into the budget. Benjamin Court currently has a 10% void level built in.

The actual void level has been:

July	8%
August	5%
September	5%

The actual void levels will be reported each quarter within the finance and performance report.

### **6.3 Grant Income**

Many service areas within Development and Regeneration Department rely on grant income to support some of their activity. Where we are aware of any changes, this has been reflected in the projected outturn position.

There is a risk to service delivery and delivering the current budget projections should further grants be lost in year or in future years.

## Key Performance Issues



Bolton's unemployment rate is 4.9% up 0.5% from this time last year



55 households were placed in temporary accommodation this quarter an increase by 5 from quarter one



66.67% of major planning applications were determined within 12 weeks and 78.79% of minor applications were determined within 8 weeks



89.18% of external phone calls were answered in standard



45 Freedom of information requests were answered with 100% standard



Staff sickness rate is at 3.16% this quarter



20 complaints received and all answered within standard

### 7. Worklessness

#### 7.1 Job Seekers Rates

In September 2011, Bolton had an unemployment rate of 4.9%, which is joint fourth highest rate in Greater Manchester, showing no increase from the August figure

#### 7.2 The Work Programme

In June, "The Workshop" based in Farnworth and Bolton, began to deliver the Government's new initiative Work Programme, which replaces all existing Welfare to Work Programmes. Since the launch of the workshop, 27 job starts have been achieved to date.

### 8. Housing

Households in temporary accommodation

There were 168 customer applications compared to 141 during the last quarter

Housing advice to customers decreased this quarter to 1,006 compared to 1,044 in the last quarter, a 3.64% decrease

#### 9. Planning speeds

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

Planning application	Target	Quarter 2
% of all applications determined within 8 weeks	65%	85%
% of householder applications determined within 8 weeks	80%	90%

#### 10. Internal Business Performance

##### 10.1 Sickness Absence

Sickness rate is at 3.16% and continues to fall, 0.2% better than the previous quarter

##### 10.2 Complaints

The department received 20 complaints in the last quarter and all were responded to within standard

##### 10.3 Telephony

The department answered 89.18% of external calls within 30 seconds which is a 0.46% improvement on quarter one. Internal calls were running at 87.74% which is 2.54% better than the council average

##### 10.4 Freedom of Information

The department received 45 freedom of information request in this quarter and have responded to all within standard which is 20 working days

## CONCLUSIONS AND RECOMMENDATIONS

This report has provided information relating to the projected financial and performance outturn, as at quarter two for the Development and Regeneration Department portfolio (including Housing Services) for the 2011/12 financial year. It is recommended that the Executive Member:

- Notes the financial and performance position for the Department as at Quarter Two.
- note the key findings in the report

DEVELOPMENT AND REGENERATION DEPARTMENT  
Efficiency Options for 2011/12

Development & Regeneration Options 2011/12					
Service	Proposed Savings	Type	Savings	Achieved	Variance
			£000's	£000's	£000's
D & R	Planning Division Value for Money Review	Efficiency	400	400	0
	Management of Cash Limited Budgets	Efficiency	89	89	0
	Additional REDD Vacancies	Efficiency	123	123	0
	Additional Vacancy Management	Efficiency	73	73	0
Housing	Vacancy Management	Efficiency	60	60	0
	Mini Procurement Exercises	Efficiency	59	59	0
	Bolton at Home Sheltered Housing Review	Efficiency	162	162	0
	Additional Vacancy Management	Efficiency	127	127	0
Total Strategic Redirections			1,093	1,093	0



Project Name	Total Current Programme 11/12	Actual Spend 11/12	Total Projected Expenditure 11/12	Balance carried forward 12/13
Town Centre Improvement Fund	63	11	63	0
Business Expansion Grants	50	0	40	10
Deane Community Business Park	18	0	18	0
Development Enabling Fund	438	15	403	35
Bolton Innovation Zone	58	0	8	50
Industrial Estates Partnership	20	0	20	0
Public Realm Implementation Framework	554	1	554	0
Little Bolton THI	554	0	554	0
Little Bolton Town Hall	20	1	1	19
Manchester Growth Points	421	310	421	0
Public Art S106	149	13	83	66
<b>Total REDD</b>	<b>2,345</b>	<b>351</b>	<b>2,165</b>	<b>180</b>
Dilapidated buildings	10	0	10	0
Departmental ICT Hardware	82	3	82	0
<b>D&amp;R Capital Bid Totals</b>	<b>2,437</b>	<b>354</b>	<b>2,257</b>	<b>180</b>
Additional Items :				
Town Centre Pool	6,300	2,973	6,300	0
Commission Street	1,794	251	1,044	750
<b>D&amp;R Overall Capital Bid 11/12</b>	<b>10,531</b>	<b>3,578</b>	<b>9,601</b>	<b>930</b>

## Housing Services Capital

Housing General Fund Capital Programme 2011/2012		
Project Name	Total Current Programme 11/12	Cumulative Committed Spend 11/12
	£0	£0
Environmental / Renewal Work		
Queens Park	250	33
Tonge / Union Road	1,388	535
Great Lever	361	23
<b>Total Renewal Area</b>	<b>1,999</b>	<b>591</b>
Clearance	0	0
Energy Efficiency Schemes	245	80
Disabled Facilities Grants	1,350	366
Home Repair Grants	160	30
Work in Default / Outside area	0	0
Fees for above works	151	0
<b>Housing Capital Forecast 11 / 12</b>	<b>3,905</b>	<b>1,067</b>