

Report to: Environmental Services Scrutiny Committee

Date: 2nd April 2013

Report of: Director of Development and Regeneration

Report No: ESSC/21/13

Director of Corporate Resources

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Report Title: **Development & Regeneration Services Performance & Finance – Quarter Three 2012/13 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 Scrutiny Committee with information relating to the financial and performance quarter three position for Development and Regeneration including Housing Services for the 2012/13 financial year.

Recommendations: It is recommended that Scrutiny Committee:

- notes the financial and performance outturn position of the Department.
- 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 three position in respect of the Development and Regeneration including Housing Services for the 2012/13 financial year.

Key Issues:**Performance:**

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

Revenue Expenditure:

The projected outturn position for Development and Regeneration including Housing Services is an underspend of £459,000 after reserve movements.

Capital Expenditure:

Capital expenditure for the year is projected to be £7,463,000 against a budget of £13,690,000.

Reserves:

The department has a projected total general reserve of £873,966

Efficiency targets:

Budgeted efficiency savings for the department are £1,269,000. All planned efficiencies are projected to be achieved.

Risk:

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

2 Quarter 3 October to December 2012 Key Performance Findings

External Performance



Bolton's unemployment rate is 4.9% showing a decrease of 0.1% from last quarter



48 households were placed in temporary accommodation this quarter a decrease by 2 from last quarter



81% of all planning applications were determined within 8 weeks

Internal Performance



89.32% of external phone calls were answered in standard



38 Freedom of information requests were answered with 97% standard



Staff sickness rate is at 3.93% this quarter



15 complaints received

1 Introduction

This report provides the Executive Cabinet Member with the financial and performance position relating to the Development and Regeneration department including Housing Services, for quarter three of the 2012/13 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 has been an increasing focus on measures which can help to mitigate the effects of this economic downturn on businesses and residents of the borough.

In addition to progressing key employment sites and supporting local businesses, the most significant activity during this period has been a series of major events which have been part of the Council's response to the economic downturn and in particular have been staged with a view to maintaining or increasing footfall in the town centre. The Olympic Torch Relay is an example of such an event, which attracted over 100,000 people on both days, closely followed by the Queen's Diamond Jubilee celebrations and a number of other events also held during the same period as part of the Bolton 2012 Bolton Year of Sport Programme.

In addition, significant progress has been made on the preparation of a Skills Strategy and associated Action Plan which focuses on key priorities designed to improve skills levels in both the young and adults so that they are positioned to access jobs as the economic recovery takes hold. This aspect was a key part of the Economic Strategy approved by the Council in 2011. The Skills Strategy was shared at the annual Vision Conference in December and a Delivery Plan is being finalised for approval by the Cabinet in Spring 2013.

4 Revenue expenditure

4.1 Revenue budget

The approved revenue budget for the department totals:

Table One : Development and Regeneration Department – Approved revenue budget 2012/13

	£'000	£'000
Original Approved D&R Budget 2012/13		8,581
Recharges 2012/13		1,136
Original Manager's Controllable Budget 2012/13		7,445
Secretary Post	24	
Teachers Pensions	-153	
Strategic Housing	313	
Car Park Pass budgets to Corporate Centre	-18	
Bolton One	20	
Excel Saving	50	
£250's under £21k	-8	
Insurance Revised Estimate	43	
Bolton One	63	
GIS Map Info from Corporate Centre	6	
		340
Adjusted Manager's Controllable D&R Budget as at Quarter 3		7,785
Revised Recharges 2012/13		1,136
Adjusted D&R Budget as at Quarter 3		8,921

Table Two : Strategic Housing Unit – Approved revenue budget 2012/13

	£'000	£'000
Original Approved Housing Budget 2012/13		2,623
Recharges 2012/13		164
Original Manager's Controllable Housing Budget 2012/13		2,459
Secretary Post	-24	
Strategic Housing	-313	
Overhead of Regulatory to Public Health	2	
£250's under £21k	-6	
Former SP funding for Temp Accommodation	230	
Insurance Revised Estimate	11	
		-100
Adjusted Manager's Controllable Housing Budget as at Quarter 3		2,359
Recharges 2012/13		164
Adjusted Housing Budget as at Quarter 3		2,523

Table Three : Total Development and Regeneration – Adjusted revenue budget 2012/13

	£'000
Total Adjusted Manager's Controllable Budget as at Quarter 3	10,144
Recharges	1,300
Total Adjusted Budget as at Quarter 3	11,444

4.2 In year revenue changes

There have been some budget changes within the third quarter.

Corporately the insurance charges have been revised. The budget identified for insurance that is not required has been transferred back to the Corporate Centre.

4.3 Financial outturn position

Table four below outlines the Development and Regeneration Department's financial position, as at the 31st December 2012.

Table Four–Development & Regeneration Financial Position 2012/13 Quarter Three

Service	Budget	Projected Outturn	Year End Variance	Reserves Movement	Net Variance
	£'000	£'000	£'000	£'000	£'000
Development and Regeneration					
Planning Division	1,432	1,304	-128	18	-110
Strategic Development	1,956	1,839	-117	91	-26
Economic Development	1,591	1,524	-67		-67
Directorate	961	1,114	153	-157	-4
Leisure	2,981	3,059	78	-64	14
Subtotal	8,921	8,840	-81	-112	-193
Housing Services					
Strategy (Handy Persons)	6	6	0		0
Community Housing Services	1,990	1,628	-362	96	-266
Bolton At Home Services	527	527	0		0
Subtotal	2,523	2,161	-362	96	-266
Total for Development and Regeneration Department	11,444	11,001	-443	-16	-459

Variance analysis

The overall financial position for the department amounts to a projected outturn position of an underspend of £459,000.

This variance comprises of an underspend of £193,000 for Development and Regeneration and £266,000 underspend in the Housing Services. Explanations for the main variances are detailed below:

Development and Regeneration Division

Planning Division - £110,000

The major variances within Planning are around increased income and reduced AGMA charges

Housing Services

Community Housing Services - £266,000

The main variance is due to increased income from furnished tenancies. This income is ring-fenced for the future replacement of the furniture packages.

5 Savings and efficiency target

In setting the Strategic Budget for the year the overall saving and efficiency target is £1,269,000. This is made up of £936,000 for Development and Regeneration and £333,000 for Housing Services.

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

Appendix A details the approved options and the year end position. 100% of the approved options are projected to be achieved.

6 Capital programme monitoring

Appendices Bi and Bii outline the capital outturn position for the Department for 2012/13 at quarter 3.

6.1 Development and Regeneration capital programme (Appendix Bi)

The Development & Regeneration capital programme spent £1,473,000 against an available budget of £9,272,000.

Projected expenditure for the year is currently estimated at £4,219,000 as the majority of the Market 2014 funding will be rolled forward into 2013/14 when the main works are expected to proceed.

6.2 Housing Services capital programme (Appendix Bii)

The Housing capital programme spent £1,528,000 against a budget of £4,418,000.

During the quarter an additional £227,000 Disabled Facility Grant has been announced by the Dept. for Communities and Local Government. The Department of Energy and Climate change also announced the allocation of £180,000 from the Fuel Poverty Fund towards capital works.

Projected expenditure is currently estimated at £3,243,000 which includes budget rolled forward from 2011/12 for completion of previous works.

7 Reserve movements

7.1 Table Five – Development & Regeneration reserves position 2012/13

Development and Regeneration Reserves				
RESERVES POSITION 2012/13				
Description	As at 01/04/12	Outturn Movements	Other Movement	As at 31/12/12
<u>Specific Reserves</u>				
<u>Planning</u>				
Census	-11,567		11,567	0
Building Control	-32,185		32,185	0
Sustainable Development	-14,500		14,500	0
DCLG Personal Searches	-34,356			-34,356
Building Control Trading Surplus	-151,228	-18,000		-169,228
<u>R.E.D.D</u>				
Local Development Framework	-165,711			-165,711
THI Match Funding	-37,778	37,778		0
Town Centre Shuttle Bus	-1,500	1,500		0
Employment Skills - Continuation Fund	-20,100		20,100	0
Future Jobs Fund	-12,643		12,643	0
The Work Programme	-260,563			-260,563
Spirit of Sport	-39,600			-39,600
Parking Lines & Signs	-38,813		38,813	0
Year of Sport	-250,000	250,000		0
Town Centre Development Fund	-155,344			-155,344
Website Development	-18,650			-18,650
Business Growth Fund		-30,000		-30,000
<u>Leisure</u>				
Leverhulme Sinking Fund	-126,880	13,000		-113,880
Leisure Reserve	-60,081	51,000		-9,081
Free Swimming	-85,342			-85,342
<u>Cultural Events</u>				
Ironman	0	-93,100		-93,100
Marketing	-100,000			-100,000
Central Bolton Partnership	-182,513			-182,513
Festive Programme	-160,000			-160,000
Promotional Activities	-150,000	-100,000		-250,000
	-2,109,354	112,178	129,808	1,867,368
General Reserves	-215,986	-193,000	-129,808	-538,794
				-
Total Net Deficit Reserves	-2,325,340	-80,822	0	2,406,162

Outlined above are the movements to the Development and Regeneration reserves for 2012/13.

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

7.2 Housing Services reserves position

Table Six – Housing Services reserves position 2012/13

Description	As at 01/04/12 £	In Year £	Final Outturn £	As at 30/06/12 £
Affordable Housing	-1,322,852	55,000		-1,267,852
Pinpoint	-183,298	16,172		-167,126
Homeless	-288,386	326,000		37,614
Learning & Disability	-32,236			-32,236
Furnished Tenancies	-373,934	-494,117		-868,051
Mental Health Discharge	-15,366			-15,366
Home solutions	-241,292			-241,292
Lease Management	-6,593	-32,797		-39,390
Traveller Pitch improvements	-50,000			-50,000
Private Sector Stock Condition Survey	-81,176			-81,176
Housing & Public Health	-88,217	26,190		-62,027
Works in Default - Empty Properties	-7,806			-7,806
British Gas CERT	-51,665			-51,665
Neighbourhood Management Grant	11,344	-11,344		0
	-2,731,477	-114,896	0	-2,846,373
General Reserve	-88,172	19,000	-266,000	-335,172
Other Total	-88,172	19,000	-266,000	-335,172
Grand Total	-2,819,649	-95,896	-266,000	-3,181,545

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.

8.2 Housing occupancy levels

91 properties are being managed by the lease management team at the end of quarter 3.

5 of the 26 pitches at the Gypsy site were vacant at the end of the quarter

There are risks associated with setting void targets for temporary accommodation provision. However, whilst Benjamin Court currently has a 10% void level built into its budget, the actual void levels have been:

October	9%
November	4%
December	8%

9 Performance

9.1 Departmental context

Within the refreshed Community Strategy there are clear priorities which the department can contribute to 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 Cutacre and strong progress on Horwich Loco Works.

In addition, supporting skills development continues to be an essential part of improving employment. The department is currently developing 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.

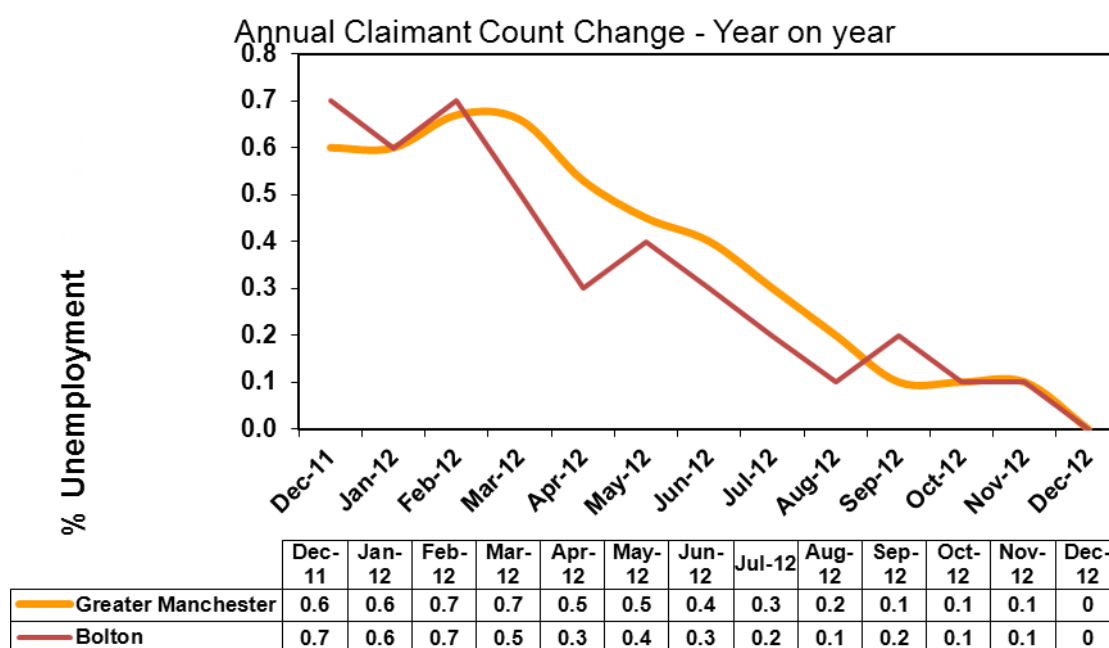
Job Seekers Allowance Claimant Counts and Rates

In December 2012, Bolton has 8,309 Job Seekers Allowance Claimants, a decrease of 77 from the previous month November. Also Bolton had an unemployment rate of 4.9%, which is the joint fifth highest rate in Greater Manchester, showing a 0.1 percentage point decrease from the November figure.

Bolton recorded an increase of 46 claimants between December 2011 and December 2012, which is the sixth highest increase across Greater Manchester districts. This represents no percentage point change which is the joint fifth highest increase in Greater Manchester and the same as Greater Manchester as a whole, which is 0.0%.

Jobcentre Plus (JCP) Vacancies

There were 1,724 JCP notified vacancies in Bolton in November 2012, and a decrease of 156 compared to November 2011. Greater Manchester as a whole experienced an increase of notified vacancies compared to November 2011, with an increase of 4064 vacancies to 23,300. *The November 2012 Jobcentre Plus Vacancies were the last jobcentre statistics provided by NOMIS.*



9.2.2 Money Skills and Advice

16 people attended accredited workshops during this quarter

5 accredited workshops have been held during the quarter

52 participants whose financial management awareness and skills have been improved

Housing

9.2.3 Households in Temporary Accommodation

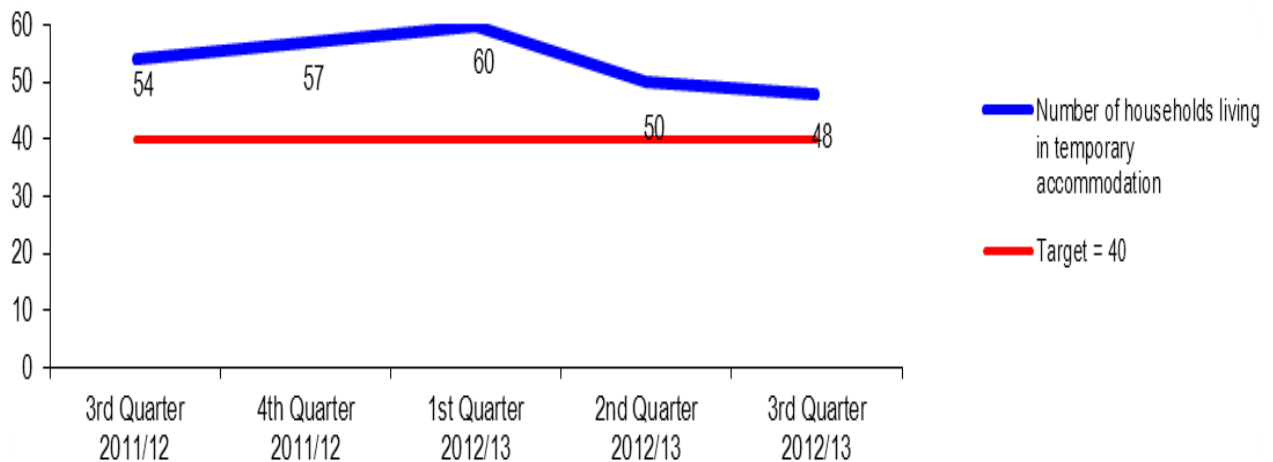
There were 133 homeless applications compared to 199 during the last quarter.

Bolton Council accepted a main duty in 65 cases, a decrease of 24 compared to last quarter.

48 Households were provided with temporary accommodation.

26 cases were accepted with domestic violence an increase by 2 compared to the last quarter.

Table Eight: Number of households living in temporary accommodation



9.2.4 Housing Advice

Housing advice to customers decreased this quarter to 697 from 902 in the last quarter, a 23% decrease.

The number of enquiries decreased to 1,412 from 1,594 compared with the last quarter.

Enquiries around Housing Benefit increased to 222 from 220 last quarter.

9.2.5 Housing & Public Health

So far this year with the intervention of the Council 146 empty properties have been brought back into use against an annual target of 227.

Table Ten: The current level of empty properties

Number of empty properties as of quarter 3 – 2012/13	
Total number of empty properties in Bolton	5,418
Number of properties that have been empty for less than 6 months	2,429
Number of properties that have been empty for more than 6 months	2,989

9.2.6 Planning Applications

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

Table Eleven: Planning Applications

Planning Applications	Target	Quarter3
% of all applications determined within 8 weeks	65.00%	81.00%
% of householder applications determined within 8 weeks	80.00%	90.00%
% of all major applications determined within 13 weeks	60.00%	62.50%
% of minor applications determined within 8 weeks	78.00%	63.52%

9.3 Internal Business Performance

9.3.1 Sickness Absence

Table Twelve: sickness

	Qtr 1	Qtr 2	Qtr 3
2012-2013	3.47	5.33	3.93
2011-2012	2.70	3.33	3.47
Departmental Target	3.95	3.95	3.95

Table twelve shows the sickness statistics for the third quarter. The quarter sickness is higher than the previous year but is lower than the departmental target of 3.95%.

9.3.2 Complaints

During quarter three the department received 15 complaints which were recorded within the Council's corporate complaints system and 5 of these 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 2011/12. 89.32% of external calls were answered in 30 seconds and 6.37% were lost. 87.59% of internal calls were answered within standard which is a slight decrease from the previous quarter. Work is being undertaken to reduce the level of lost calls.

9.3.4 Freedom of Information (FOI)

We received 38 freedom of information requests for quarter 3. 24 of these were for the department alone and 14 were cross cutting across the Council. The majority of the freedom of information requests received by the department were for Planning who received 10 requests.

97% of the FOIs were answered on time.

10 Conclusions and recommendations

This report has provided information relating to the projected financial and performance outturn, as at quarter three for the Development and Regeneration Department including Housing Services for the 2012/13 financial year. It is recommended that the Executive Cabinet Member:

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

Recommendations:

It is recommended that Scrutiny Committee:

- notes the financial and performance outturn position of the Department.
- note the key findings in the report

DEVELOPMENT AND REGENERATION DEPARTMENT
Efficiency Options for 2012/13

Service	Strategic Options	Total Savings 12-13 '000s	Substitution £000's	Achieved £000's	Variance £000's
Dev and Regen	Work Programme Income Generation	277		277	0
Dev and Regen	Leisure review of facilities	500		500	0
Dev and Regen	Vacancies deleted	74		74	0
Dev and Regen	Cash Limited Budgets	85		85	0
Housing	Review of Choice Base Lettings	70		70	0
Housing	Reduction in Mgt Fee Bolton at Home	80		80	0
Housing	Post transfer consolidation of activity	100		100	0
Housing	Vacancies deleted	83		83	0
	Total Strategic Options	1,269	0	1,269	0

<i>Project Name</i>	Total Current Prog 12/13	Actual Spend 12/13	Total Projected Exp 12/13	Balance Roll Forward 2013/14
Town Centre Improvement Fund	97	72	20	77
Business Expansion Grants	40	10	10	30
Development Enabling Fund	612	28	28	584
Bolton Innovation Zone	90	0	0	90
Public Realm Implementation Framework	323	0	0	323
Little Bolton THI	341	151	341	0
Manchester Growth Points	92	(21)	92	0
Public Art S106	136	59	136	0
Total REDD	1,731	299	627	1,104
Departmental ICT Hardware	62	4	62	0
D&R Capital Bid Totals	1,793	303	689	1,104
<u>Additional Items :</u>				
Commission Street	2,551	739	2,133	418
Westhoughton Leisure Centre Fitness Suite	441	424	428	13
Market 2014	4,487	7	969	3,518
D&R Overall Capital Bid 11/12	9,272	1,473	4,219	5,053

Housing Services Capital 2012/13

Project Name	Total Current Prog 12/13	Cumulative Committed Spend 12/13 Month 9	Total Projected Expenditure 12/13	Roll Forward to 2013/14
	£000	£000	£000	£000
Environmental / Renewal Work				
Carry over schemes				
- Tonge	655	415	655	0
- Queens Park	291	76	291	0
- Great Lever	93	29	93	0
New development	481	0	0	481
Total Renewal Area	1,520	520	1,039	481
Energy Efficiency Schemes	431	122	431	0
Disabled Facilities Grants	1,577	756	1,400	177
Home Repair Grants	160	100	144	16
Work in Default	30	30	30	0
New affordable Housing	700	0	200	500
Housing Capital Forecast 12 / 13	4,418	1,528	3,244	1,174