

Report to: Environmental Services Scrutiny Committee

Date: 16th October 2012

Report of: Director of Development and Regeneration
Director of Corporate Resources

Report No: ESSC/08/12

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Report Title: **Development & Regeneration Services Performance & Finance – Quarter One 2012/13 Report**

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 Environmental Services Scrutiny Committee with information relating to the financial and performance quarter one 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 one 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 £225,000 after reserve movements.

Capital Expenditure:

Capital expenditure for the year is projected to be £9,641,000 against a budget of £13,508,000.

Reserves:

The department has a projected total general reserve of -£644,084.

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 Benjamin Court.

Quarter 1 April to June 2012

Key Performance Findings

External Performance



Bolton's unemployment rate is 5.0% showing a rise of 0.1% from last quarter



52 households were placed in temporary accommodation this quarter; a reduction of 5 from last quarter



74% of all planning applications were determined within 8 weeks

Internal Performance



89.77% of external phone calls were answered in standard



52 Freedom of information requests were received



Staff sickness rate is at 3.47% this quarter



56 complaints received

1 Introduction

This report provides the Executive Cabinet Member with the financial and performance position relating to Development and Regeneration including Housing Services, for quarter one of the 2012/13 financial year.

The information covers performance, financial information and risk 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, the approval of 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 the first quarter of 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.

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.

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 Managers 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	
		<u>186</u>
Adjusted Managers Controllable D&R Budget as at Quarter 1		7,631
Revised Recharges 2012/13		1,136
Adjusted D&R Budget as at Quarter 1		8,767

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 Managers Controllable Housing Budget 2012/13		2,459
Secretary Post	-24	
Strategic Housing	-313	
Overhead of Regulatory to Public Health	2	
		<u>-335</u>
Adjusted Managers Controllable Housing Budget as at Quarter 1		2,124
Recharges 2012/13		164
Adjusted Housing Budget as at Quarter 1		2,288

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

£'000	
Total Adjusted Managers Controllable Budget as at Quarter 1	9,755
Recharges	1,300
Total Adjusted Budget as at Quarter 1	11,055

4.2 In year revenue changes

There have been some budget changes within the first quarter. A secretary post and strategic Housing section have transferred from Housing Services in to Economic Strategy.

The other movements are budgets being transferred to / from the Centre.

4.3 Financial outturn position

Table four below outlines the Development and Regeneration Department's financial position, as at the 30th June 2012.

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

Service	Budget	Projected Outturn	Year End Variance	Reserves Movement	Net Variance
	£'000	£'000	£'000	£'000	£'000
Development and Regeneration					
Planning Division	1,613	1,549	-64	35	-29
Strategic Development	1,945	1,784	-161	0	-161
Economic Development	1,347	1,334	-13	0	-13
Directorate	1,014	1,264	250	-250	0
Leisure	2,848	2,865	17	-17	0
Subtotal	8,767	8,796	29	-232	-203
Housing Services					
Strategy (Handy Persons)	6	6	0	0	0
Community Housing Services	1,755	1,674	-81	59	-22
Bolton At Home Services	527	527	0	0	0
Subtotal	2,288	2,207	-81	59	-22
Total for Development and Regeneration Department	11,055	11,003	-52	-173	-225

Variance analysis

The overall financial position for the department amounts to a projected outturn position of an underspend of £225,000.

This variance comprises of an underspend of £203,000 for Development and Regeneration and £22,000 underspend in the Housing Services. Explanations for the main variances are detailed below:

Development and Regeneration Division

Strategic Development - £161,000

Strategic Development is currently operating with temporary staff arrangements.

Housing Services

There are no major variances to report.

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 ongoing 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 1.

6.1 Development and Regeneration capital programme (Appendix Bi)

The Development & Regeneration capital programme spent £573,000 against an available budget of £10,033,000.

Projected expenditure for the year is currently estimated at £5,746,000 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 £463,000 against a budget of £3,475,000.

Projected expenditure is currently estimated at £3,895,000 which includes budget rolled forward from 2011/12 for completion of previous works.

There is an addition to the capital programme this quarter that relates to a new Housing Corporation Grant funding of £250,000 for works at Union Road.

7 Reserve movements

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

RESERVES POSITION 2012/13				
Description	As at 01/04/12	Outturn Movements	Other Movement	As at 30/06/12
<u>Specific Reserves</u>				
Census	-11,567			-11,567
Building Control	-32,185		-35,000	-67,185
Sustainable Development	-14,500			-14,500
Building Control Trading Surplus	-151,228			-151,228
Local Development Framework	-165,711			-165,711
DCLG Personal Searches	-34,356			-34,356
THI Match Funding	-37,778			-37,778
Town Centre Shuttle Bus	-1,500			-1,500
Employment Skills - Continuation Fund	-20,100			-20,100
Marketing	-100,000			-100,000
Future Jobs Fund	-12,643			-12,643
The Work Programme	-260,563			-260,563
Central Bolton Partnership	-182,513			-182,513
Spirit of Sport	-39,600			-39,600
Parking Lines & Signs	-38,813			-38,813
Year of Sport	-250,000		250,000	0
Festive Programme	-160,000			-160,000
Promotional Activities	-150,000			-150,000
Town Centre Development Fund	-155,344			-155,344
Visit Bolton Website	-18,650			-18,650
Leverhulme Sinking Fund	-126,880		10,000	-116,880
Leisure Reserve	-60,081		7,000	-53,081
Free Swimming	-85,342			-85,342
	-2,109,354	0	232,000	-1,877,354
General Reserves	-215,986	-203,000		-418,986
Total Net Deficit Reserves	-2,325,340	-203,000	232,000	-2,296,340

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.

The other movement's column represents:

- Utilisation of the work programme reserve
- Movement of balances to Leisure Services Reserves
- Utilisation of the Year of Sport reserve

7.2 Housing Services reserves position

Table Six – Housing Services reserves position 2012/13

Description	As at 01/04/12 £	Receipts In Year £	Payments In Year £	As at 30/06/12 £
Specific Reserve				
LA Housing Association	-86,908			-86,908
Beacon Status	-39,913			-39,913
Home Improvement Agency	-36,418			-36,418
Neighbourhood Wardens	6,079			6,079
Supporting People	-223,482			-223,482
ESF	-83,452			-83,452
Affordable Housing	-347,651			-347,651
Pinpoint	-183,298			-183,298
Homeless	-288,386			-288,386
Learning & Disability	-32,236			-32,236
Furnished Tenancies	-373,934	-481,000		-854,934
Mental Health Discharge	-15,366			-15,366
% For Art	-14,955			-14,955
Private Sector Renewal	-40,000			-40,000
Grant Exit Strategy	-50,000			-50,000
Home solutions	-241,292			-241,292
Lease Management	-6,593			-6,593
Private Sector Stock Condition Survey	-81,176			-81,176
Housing & Public Health	-88,217		28,000	-60,217
Housing Options Recession Fund	-301,226		50,000	-251,226
Works in Default - Empty Properties	-7,806			-7,806
British Gas CERT	-51,665			-51,665
Neighbourhood Management Grant	11,344	-11,344		0
	-2,576,551	-492,344	78,000	-2,990,895
General Reserves				
Reserve	-238,172		18,000	-220,172
Houses in Possession - non susp	-4,926			-4,926
	-243,098	0	18,000	-225,098
Total	-2,819,649	-492,344	96,000	-3,215,993

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 Economic Development. 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.

8.2 Housing occupancy levels

81 properties were under lease management at the end of quarter 1

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

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:

April	6%
May	6%
June	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 May 2012, Bolton had 8,460 Job Seekers Allowance Claimants, a decrease of 29 from the previous month (April).

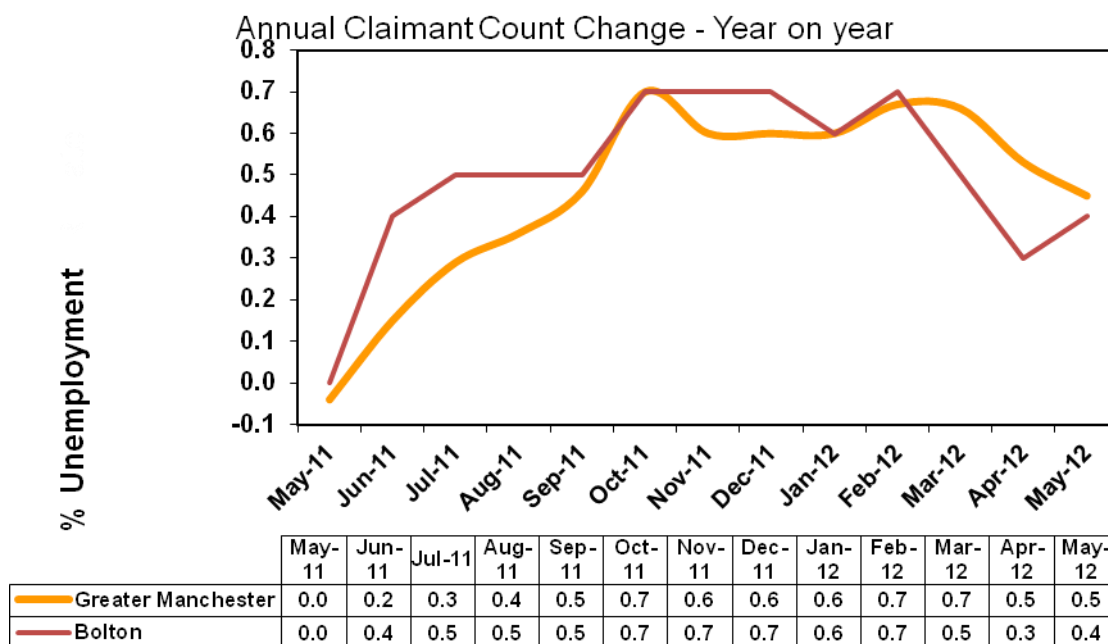
Bolton had an unemployment rate of 5.0%, which is the sixth highest rate in Greater Manchester, showing no change from the April figure.

Bolton has recorded an increase of 683 claimants over the last year between May 2011 and May 2012, which is the fifth lowest increase across Greater Manchester districts. This represents an increase of 0.4%, which is the joint second lowest increase in Greater Manchester, and a lower increase than Greater Manchester as a whole, which is 0.5%.

Jobcentre Plus (JCP) Vacancies

There were 1,215 JCP notified vacancies in Bolton in May 2012, and an increase of 278 compared to May 2011. Greater Manchester as a whole experienced an increase of notified vacancies compared to May 2011, with an increase of 537 vacancies to 18,846.

Table Seven: Annual Job Seekers Allowance Claimant Count Change



9.2.2 Money Skills and Advice

45 people attended accredited workshops during this quarter

9 accredited workshops have been held during the quarter

51 participants whose financial management awareness and skills have been improved

Housing

9.2.3 Households in Temporary Accommodation

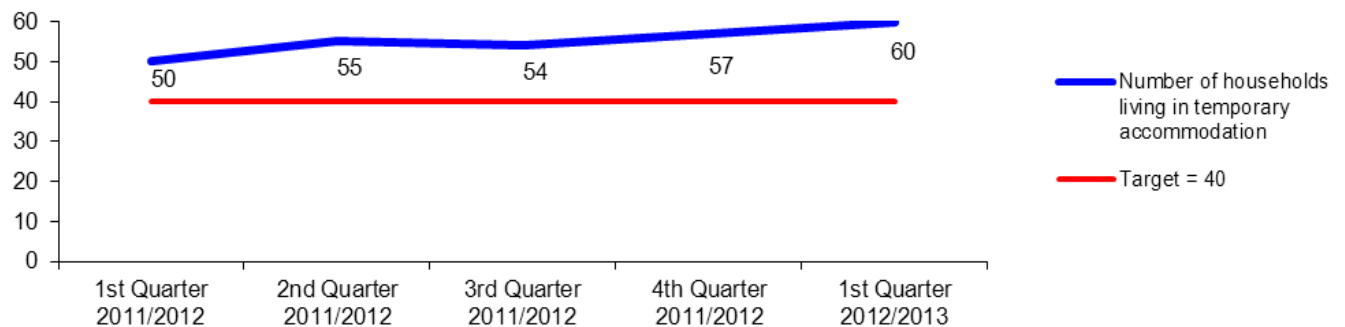
There were 134 homeless applications compared to 172 during the last quarter

Bolton Council accepted a main duty in 67 cases, a decrease of 11 compared to last quarter

60 Households were provided with temporary accommodation

23 cases were accepted with domestic violence which has decreases by 7 compared to the last quarter

Table Eight: Number of households living in temporary accommodation



9.2.4 Housing Advice

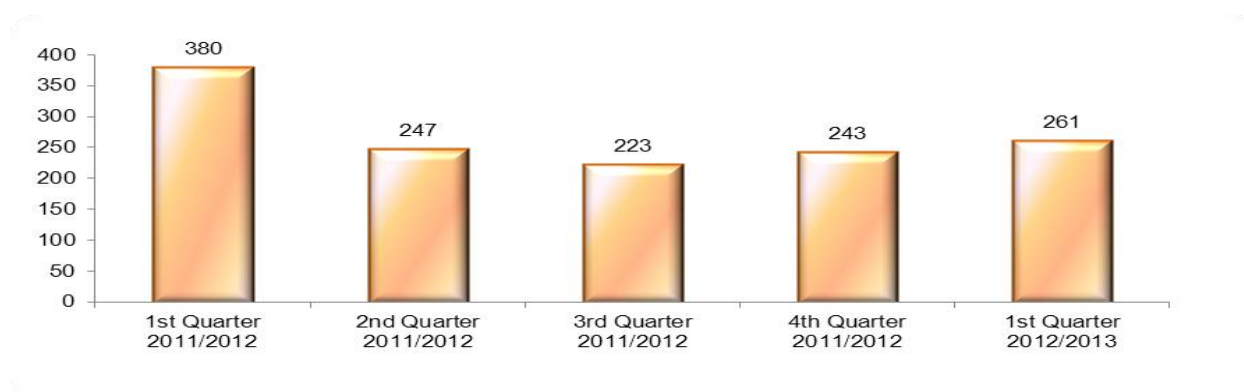
Housing advice to customers increased this quarter to 842 from 801 in the last quarter, a 5% increase

The number of enquiries reduced to 1,423 from 1,624 compared with the last quarter

Enquiries around Housing Benefit decreased to 250 from 259 last quarter.

Table Nine: Number of households who considered themselves as homeless

BV 213, the number of households who considered themselves as homeless, who approached the local housing authority's housing advice service(s), and for whom housing advice casework intervention resolved their situation



9.2.5 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 Applications	Target	Quarter 1
% of all applications determined within 8 weeks	65.00%	74.00%
% of householder applications determined within 8 weeks	80.00%	80.00%
% of all major applications determined within 12 weeks	60.00%	None received
% of minor applications determined within 8 weeks	78.00%	58.75%

9.3 Internal Business Performance

9.3.1 Sickness Absence

Table Eleven: sickness

	Apr	May	June
2012-2013	3.4	3.5	3.5
2011-2012	2.4	3.1	2.6
Target	3.95	3.95	3.95

Table eleven shows the sickness statistics for the first quarter. Compared to the same period in 2011/2012 sickness is higher but is still lower than the departmental target of 3.95%

9.3.2 Complaints

During quarter 1 the department received 56 complaints which were recorded within the Council's corporate complaints system.

Due to the implementation of a new IT system the statistics are not available at this time to report the number of complaints answered in standard.

9.3.3 Telephony

Appendix D shows the external and internal telephone calls for the quarter comparing with each quarter of 2011/12. 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 improvement from the previous quarter. Work is being undertaken to reduce the level of lost calls.

9.3.4 Freedom of Information

The department received 52 freedom of information requests in this quarter which is 10% of the Councils requests for information with 97% of these being answered on time. 45% of the requests were relating to Planning. We also contributed to a further 8% of the Councils request which were cross cutting.

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 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

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

Project Name	Total Current Prog 12/13	Actual Spend 12/13	Total Projected Exp 12/13	Balance roll forward to 13/14
	£000's	£000's	£000's	£000's
Town Centre Improvement Fund	397	4	397	0
Business Expansion Grants	40	0	40	0
Development Enabling Fund	598	14	598	0
Bolton Innovation Zone	90	0	90	0
Public Realm Implementation Framework	323	0	323	0
Little Bolton THI	341	146	341	0
Manchester Growth Points	92	(38)	92	0
Public Art S106	126	0	126	0
Total REDD	2,007	126	2,007	0
Departmental ICT Hardware	62	0	62	0
D&R Capital Bid Totals	2,069	126	2,069	0
<u>Additional Items :</u>				
Commission Street	3,036	102	3,036	0
Westhoughton Leisure Centre Fitness Suite	441	344	441	0
Market 2014	4,487	1	200	4,287
D&R Overall Capital Bid 12/13	10,033	573	5,746	4,287

Housing Services Capital 2012/13

Project Name	Total Current Prog 12/13	Spend Month 3	Projected Exp 12/13
Environmental / Renewal Work	£000	£000	£000
Carry over schemes			
- Tonge	400	182	650
- Queens Park		0	100
- Great Lever		10	70
New development	600	0	600
Total Renewal Area	1,000	192	1,420
Energy Efficiency Schemes	245	64	245
Disabled Facilities Grants	1,350	180	1,350
Home Repair Grants	160	25	160
Work in Default	20	2	20
New affordable Housing	700	0	700
Housing Capital Forecast 12 / 13	3,475	463	3,895