

To the Chair and Members of Regeneration & Environment Overview and Scrutiny Panel

Finance & Performance Improvement Report: 2011/12 Quarter 1

Relevant Cabinet Member(s)	Relevant Overview and Scrutiny Panel	Wards Affected	Key Decision
Mayor	Regeneration & Environment Overview and Scrutiny Panel	ALL	No

EXECUTIVE SUMMARY

1. This report presents the financial and performance information for the first quarter of this financial year 2011/12.
2. The general fund budgets in Regeneration & Environment are expected to under spend by £1m. This is largely due to under spends on waste budgets (£2.2m), which can be used to help address one-off in-year overspends. Actions have been put in place to improve the position this year and should bring things in line with the budget for 2012/13.
3. Capital spending is traditionally low in the first quarter of the year with the 2011/12 Regeneration & Environment spend for quarter 1, totalling £7.9m. The revised estimate forecast for 2011/12 is £94.9m, a decrease of £9.9m from the Revised Base Budget. This is mainly due to the re-profiling of the FARRRS project to align expenditure to match when funding is available.
4. This report contains the Regeneration & Environment Directorate's performance progress against their priorities in the Council's Corporate Plan. A perception of value for money is possible using this information together with the financial information.

EXEMPT REPORT

5. This report is not exempt

RECOMMENDATIONS

6. That members:
 - Note and comment on the quarter 1 finance and performance information;

FINANCIAL POSITION

7. The major reason for the projected under spend in the Regeneration & Environment budget relates to Resource Recovery, which includes £1m on the collection budgets due to a full year inflation being allocated which isn't required in 2011/12 and savings due to reduced demand for domestic bulky collections. There are also under spends against the disposal budgets, of £1.1m due to reduced landfill costs following the downward trend of landfill tonnage over the last few years. The landfill saving is ring-fenced for the Waste PFI in future years.

8. The following new initiatives were identified and additional funding allocated through either the budget process for 2011/12 or 2010/11 carry forwards:
 - a) Invest in Doncaster - An additional £300k was provided for in the 2011/12 to replace lost grant funding, this has enabled the current team to continue working to bring additional investment into Doncaster. Although investment in Doncaster is below target to the end of June partly due to collection methods and implementing the new database, the overall forecast for the investment levels in Doncaster look promising;
 - b) Highways (pot holes) - The additional £1.3m funding (2010/11 carry forward and DfT grant) is expected to be fully spent, as a programme of works has now been agreed.
9. Action is being taken to address a projected overspend in public building maintenance, where a deficit is currently projected on income generated to date. Further steps are being put in place to review and manage costs, thereby reducing the potential overspend and improving the medium-term position. These include reviewing overheads, restructure and staffing costs, introducing mobile working and removing the client contractor split
10. Capital projects are in the main delivering as planned. Capital receipts are being secured in line with expectations as a significant source of funding for the Capital Programme.

Projects updates worth noting at quarter 1 are:-

- White Rose Way – Contaminated land has been found at the site and a funding strategy for removal of the soil is being formulated. Phase 1 of the project has commenced and a decision for phase 2 funding is due later in the year;
- FARRRS - Negotiations with Developers are continuing to secure funding for the project. Reprofiling of £10m expenditure to 2012/13 and 2013/14 from 2011/12 in line with revised project plan ;
- CCQ - The project is progressing in line with projections and agreement reached with Yorkshire Forward for the funding settlement on the former college site;
- Transport - Increased costs will be incurred as a result of new regulations for tar which may lead to a reduced number of schemes being delivered in the Transport element of the programme to remain within budget.
- Housing adaptations - Higher levels of requests for adaptations are leading to pressure on the available budgets. This is being closely monitored and may lead to longer assessment times.

PERFORMANCE

11. Overall progress against the delivery of Corporate Plan objectives during the 1st quarter of 2011/12 has been very good across the Regeneration and Environment Directorate. Regeneration and Environment have 15 priorities spread across 5 themes. Twelve of the priorities are on track with minimal, if any, concern about delivery. The other three are mostly on track but with some concerns which, if not addressed, could affect delivery.

More detailed progress against the Corporate Plan is set out in Appendix A of the report.

REVISIONS TO THE CORPORATE PLAN

12. A small number of changes are being considered for inclusion in the Regeneration & Environments areas of responsibility for the Corporate Plan. These revisions to the Corporate Plan are required to take account of:
- The revised Mayoral Priorities for 2011/12 (presented to Full Council 21/7/11);
 - A new “DMBC Narrative” which is being developed; and
 - The Doncaster ‘stock-take’ event.
13. Revisions to the corporate Plan will be reflected in the 2011/12 Quarter 2 Finance & Performance Improvement Report.

OPTIONS CONSIDERED

14. Not applicable.

REASONS FOR RECOMMENDED OPTION

15. Not applicable.

IMPACT ON THE COUNCIL’S KEY PRIORITIES

- 16.

Priority Theme	Mayor’s Priorities for 2011/12	Implications of this initiative
1. Creating a strong, connected and inclusive economy	<ul style="list-style-type: none">• Drive forward the Doncaster economy• Get the balance of public and private transport right• Promote Doncaster as a tourist destination• Regenerate Doncaster's town centres	Work of the Regeneration & Environment Directorate impacts on all of these initiatives, with implications for the Council’s budget and the quality of life for Doncaster’s residents.
3. Increasing and improving housing	<ul style="list-style-type: none">• Raise housing standards	
6. Tackling crime and anti-social behaviour	<ul style="list-style-type: none">• Reduce crime and all forms of anti-social behaviour	
7. Creating a cleaner and better environment	<ul style="list-style-type: none">• Continue to protect the environment from developers, decay and architectural vandalism	
8. Internal Transformation	<ul style="list-style-type: none">• Ensure local people get value for money from council services	

RISKS & ASSUMPTIONS

17. Specific risks and assumptions are included in the Performance Improvement Report at Appendix A. There is a more general risk in the over-dependence on Performance Indicators from the National Indicator set which are not necessarily the best measures of our priorities, will no longer be required by Central Government and, in some cases, will not be collected.

LEGAL IMPLICATIONS

18. There are no legal implications of this report.

FINANCIAL IMPLICATIONS

19. Financial implications are contained in the body of the report.

CONSULTATION

20. Consultation has taken place with key managers and Directors at the Directorate Finance & Performance Challenge meetings and Capital Monitoring meetings.

21. This report has significant implications in terms of the following:-

Procurement		Crime & Disorder	
Human Resources		Human Rights & Equalities	
Buildings, Land and Occupiers	✓	Environment & Sustainability	✓
ICT		Capital Programme	✓

BACKGROUND PAPERS

22. Council Report – Revenue Budget & Council Tax 2011/12, 21st February, 2011.

Council Report – Financial Strategy: Capital Budget 2011/12 – 2014/15, 21st February, 2011.

Council Report – Treasury Management Strategy Statement, Annual Investment Strategy 2011/12, and the Minimum Revenue Provision Policy, 21st February, 2011.

REPORT AUTHOR & CONTRIBUTORS

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Regeneration and Environment Finance & Performance Improvement Report – Quarter 1 Report

Key for Performance Red, Green and Amber Rating




	Corporate Objective on track with minimal, if any, concern about delivery
	Corporate Objective mostly on track but some concerns, which if not addressed could affect delivery.
	Corporate Objective currently off track with significant concerns about delivery.


Theme 1 - ECONOMY

Status	Objective	Latest Note
	CP1a - R&E Creating the conditions for Economic Engagement	Processes are in place to deliver the Work and Skills Plan, with accountability in place across the Work and Skills Group. Work Programme Prime Contractors are in place and engaging with local partners through the Work and Skills Group. A series of major elements of the revised Success Doncaster programme have been successfully commissioned, and remaining elements are currently being finalised. LDF Core Strategy to be submitted to Government during July.
	CP1b - R&E Promote Economic Engagement	<p>Waterfront Project - Yorkshire Forward's Board has agreed that we can pursue private-sector led development and infrastructure and YF are currently amending the Waterfront Funding Agreement to formalise the change. Once this is completed we will explore options to deliver the remaining milestones. CCQ Project - The project is progressing in line with the programme and budget.</p> <p>All milestones (delivery of Waterfront project, Civic and Cultural Quarter and Work, Skills and Enterprise programme) are on track for completion in agreed timescales.</p> <p>Success Doncaster, Work, Skills and Enterprise Programme - lot 3 (Support for individuals) has now been agreed and the specification has gone out to market. The contract for this is due to start on 1st Sept. lot 1 (support for new business) and lot 2 (support for existing business) have now been awarded and contracts are in place with Doncaster Chamber, Doncaster CVS, and Beta Technology. These contracts started on the 1st July 2011. Interim contract extensions were in place from 1st April - 30th June (Q1) to ensure no break in service and to enable existing client caseload to be managed. Indicative targets were set for the interim period, which were challenging and based on strong performance in 2010/11. Jobmates employment starts was positive achieving 29 against a target of 21, business starts was slightly behind target with 52 delivered against a target of 58 and jobs created from SD (within the total jobs created from SD and IID) produced 27 against a target of 45. This is consistent with the wider picture in terms of limited job creation and reluctance of business to create new jobs. The new contracts should improve the support to new and existing business and therefore improve on the yield of new business start ups and new jobs created. Early quarter 2 data suggests that performance will be back on track against profile by the end of September.</p>
	CP1c - R&E Supporting strong partnerships	The review of the Enterprising Doncaster Board has been successfully completed. Roles and Responsibilities have been agreed and new Board members recruited. As a founder member Doncaster has played an active role in the LEP from its inception. Local networks will be continued through the new Success Doncaster programme and will involve organisations other than directly contracted organisations.
	CP1d - R&E Increase Inward Investment &	The Invest in Doncaster Marketing Budget for 2011 - 12 has now been finalised and approved, which concentrates on


Status	Objective	Latest Note
	Deliver Business Support Activity	Marketing Inward Investment opportunities in priority Business Sectors. The South Yorkshire Sector Growth Enhancement Programme being part funded by ERDF and delivered by Invest in Doncaster along with Creative Sheffield, Rotherham Investment Office and Barnsley Development Agency has now received full approval. The programme delivers Business Support to high growth SME companies in priority Business Sectors as well as trying to lever in new inward investment from those sectors. The sectors covered in Doncaster are Manufacturing and Aerospace, Energy and Environmental and Logistics. Investment into Doncaster to the end of June 2011 was below target. This is partly due to collection methods and the implementation of a new Invest in Doncaster property database. Things are now back on track, data collection is being improved and forward investment levels in Doncaster look promising. This will be reflected in the Investment levels over the next few months. During Q1, 68 key companies received business support and assistance from the team. These include, Cooplands, Cooper Lighting, DHL, Bridon, Pegler, Powerfuel, Sentry Doors and Don Valley Engineering. As well as HR support, companies were also supported with supply chain activity following the Meet the Buyer Event with Wates in January. Work is continuing on this with Cooper Lighting and Sentry Doors. In April Shipston a supplier to DFS opened their new manufacturing site in Doncaster. We assisted them with property and recruitment. An event organised in conjunction with the FSB attracted 186 local companies. The team also exhibited at Multimodal in Birmingham in April 2011, this is the major logistics show for the UK, at which 70 visitors expressed an interest in Doncaster and follow up action with 8 key suspects are on going.
	CP1e - R&E Review of Work, Skills and Enterprise Programme	Existing Business and New Business support contracts of the WSEP procured, awarded and operational. Lot 3 - Ready for Work contracts went out to tender on Friday 22nd July 2011. Tenders will be returned noon Friday 5th August 2011. Evaluation of tenders to commence w/c 8th August
	CP1f - R&E Promotion of our key cultural assets	The Doncaster Tourism Board continues to meet on a bi monthly basis. A new Business Plan for Tourism is currently being produced with a target date of the end of July 2011. This Business Plan will cover a number of areas of work and involve the public/private sector working together to promote Doncaster. Data Collection methods for Hotel Occupancy is still being discussed by the Board and regional Tourism Agencies. Visitor numbers to key Tourism sites remain above target with the expansion of the Yorkshire Wildlife Park having an positive effect on these figures.

Theme 3 - HOUSING




Status	Objective	Latest Note
	CP3a - R&E Implementation of housing strategy and housing improvement plan priorities	Only 64% of identified Cat 1 hazards have been resolved within 6 months (against a target of 100%); unresolved hazards are being progressed as a priority (where the property has become empty, Suspended Improvement Notices are issued). Homeless prevention performance is below target (41% vs target 50%) but initiatives in place to achieve target by year end. Total empty properties have increased slightly; a series of initiatives are beginning to show impact (e.g. SLHD management of grant-improved properties). Bids submitted to HCA for external funding, decision expected end of July. Series of staff/partner/customer focus groups scheduled to increase stakeholder engagement.
	CP3b - R&E Developing links between low carbon economy and housing investment schemes	Performance against this priority is reliant on internal and external data. Therefore the true results of achievement of this priority will not be realised until after the end of 2011-12. Final results are usually made available in the June of the following financial year. Proxy measures are being developed to monitor in-house performance; the data will be available for Q2.
	CP3c - R&E Make progress on affordable housing initiatives	New build programme scheduled to deliver 130 units this year. Currently ahead of schedule with 56 units delivered in Q1. This is due to 27 being delivered early (originally profiled for Q2) and an additional 29 unprofiled units being delivered via various mechanisms. Redevelopment of Six Streets and Kirby Street is now underway. Sites in Thorne (The Willow) and Edlington (Granby Estate and Thomson & Dixon) were successfully tendered and the winning bids approved by cabinet. Over the next few years, these schemes will contribute a total of 703 new homes of which 322 will be 'affordable' and include the 'exemplar' Extra care scheme providing 86 bungalows and apartments in Edlington.

Status	Objective	Latest Note
	CP3d - R&E Support the City Region Housing and Regeneration Board, respond to advice and challenge from the Housing Improvement Board	<p>Officers from Doncaster have taken over the Secretariat and facilitation role for the SCR Joint Housing and Regeneration Board. The Officers meeting was held on 20th June, and the Joint Board was held on 4th July. Meetings to be arranged quarterly, following the LEP board. Officers from Doncaster have visited Officers and their Housing Portfolios across the SCR LA's. A report highlighting key issues, opportunities and barriers was well received by the Board, who have requested a strategic away day in Early September.</p> <p>Officers at Doncaster provide the lead role for the SCR Empty Homes Work Theme Group. Joint working includes the establishment of a training and development programme of bite size sessions to focus on operational policies and procedures, investigating options for shared services across the SCR, collaborative working with our Council Tax Depts. and the progression of a joint Expression of Interest to the HCA for a SCR Empty Property Loans project. The Housing Improvement Board has recently reviewed its membership and appointed a new independent Chair. The Board continues to provide advice, support and challenge.</p>


Theme 6 - CRIME & ASB

Status	Objective	Latest Note
	CP6a - A&C-R&E Effectively tackle Anti-Social Behaviour	Council recorded incidents of FLAG (Fly tipping, Litter, Abandoned Vehicles and Graffiti) have continued to reduce in Quarter 1 compared with the same Quarter last year; we believe our approach to widely communicating our commitment to investigate incidents reported (60% of fly tipping incidents were investigated in Quarter 1) is contributing to this. Performance in taking enforcement action against Fly tipping perpetrators will improve in future Quarters.


Theme 7 - ENVIRONMENT

Status	Objective	Latest Note
	CP7a - R&E Barnsley, Doncaster and Rotherham (BDR) waste treatment facility	Following the appointment of preferred bidder the focus is now on fine tuning the submission and completion of the project documents to be in a position to close the project later this year.
	CP7b - R&E Implementation of the Local Development Framework	The Publication stage raised a limited number of issues and a report is being taken to the LDF Project Board on the 18th July recommending that submission to government take place under delegated authority shortly.
	CP7c - R&E Development of continued partnership approaches to carbon management and flood prevention	<p>Operational work in relation to carbon management and flood prevention continues in earnest. The Strategic review of the multi-agency flood plan, tested through a full multi-agency exercise, was completed on the 8th of March; the results of this informed a review of the plan that was completed the 7th of April. This plan is now in operation.</p> <p>Carbon management within Council is established through the CRC Energy Efficiency Board. Further links with partners regarding best practice and MoU are yet to be developed but were established in 2010; these links will need re-opening.</p> <p>Our approach to both flood prevention and Carbon Management, in addition to how we approach aspects of Planning and the Environment, will eventually be sponsored by the authority's first Environmental Strategy. The scope of Environmental Strategy to be agreed with Director of Regeneration & Environment and all relevant Cabinet Members by the start of August; the Head of Street Scene and the Service Improvement Manager will be responsible for its development and eventual implementation from 1 April 2012.</p>

Theme 8 - INTERNAL TRANSFORMATION

Status	Objective	Latest Note
	CP8 PWA - R&E Engagement with the private sector to ensure business influences improvements to the economy	Enterprising Doncaster has initiated an innovative new project to guide the future provision of business support in the Borough. The approach represents new ways of working which will enable continuous progress and greater flexibility to changing economic needs & political priorities. Grounded in evidence, the desired outcome is a model that will deliver long term economic benefits to Doncaster.

Regeneration & Environment Governance Indicators

Governance Indicator	Traffic Light	Current Value	Current Target	Q3 2010/11		Q4 2010/11		Latest Note
				Value	Target	Value	Target	
IA R&E Internal Audit - Implementation of Critical and Major Audit Actions		No	Yes					Collecting and Reporting Energy Consumption - agreed management actions over data input and reconciliation have not been met.
Govern R&E 1 Regeneration & Environment days lost due to sickness.		10.41	10.90	12.05	6.00	12.85	6.00	Sickness absence in Q1 is much improved on the previous two quarters and is below the target. Although this is good news, Managers are working with the Directorate's attendance champion to continue the improvement of staff attendance within the Regeneration & Environment Directorate.

Finance Indicators:

Revenue budgets are:

✔ Green where under-spent (-ve figure) or on budget.

⚠ Amber where overspend is less than £250k

🛑 Red where overspend exceeds £250k

Revenue Position	Traffic Light	Q1 2011			Commentary	2010/11
		Gross Budget (£000's)	Net Budget (£000's)	Overspend/(-)Underspend (£000's)		Overspend/(-)Underspend (£000's)
Development	⚠	10,024	4,744	139	The Review and Release of Assets saving is included in Development budgets and though that isn't expected to be achieved in full other savings in Assets and Property are being used to offset it. Income in Building Control and Development Management is £385k less than budgeted.	-3,683
Director Of R&E	⚠	141	87	72	Overspend of £60k relates to be allocated to Development once the revised structure is finalised.	0
Environment	✔	50,943	39,860	-2,142	Waste disposal expected to under spend by £1.1m based on latest tonnage figures - these budgets are ring fenced to the waste PFI project. Waste Collection, HWRCs and other budgets expected to under spend by £1.39m.	-2,203
Strategic Housing	⚠	3,075	1,408	222	Currently forecast to overspend by £222k but actions around the restructure may well reduce this.	117
Trading & Support Services	🛑	17,089	-1,179	666	The main areas of overspend are in Facilities Management due to delay in implementing the new car park policy £255k, reduced income within Construction Services for buy back and capital £300k and DSC increased provision costs of £175k.	-913
Regeneration & Environment Total	✔	81,272	44,920	-1,043	The general fund budgets in Regeneration & Environment are expected to under spend by £1m. This is largely due to under spends on waste budgets (£2.2m), which can be used to help address one-off in-year overspends. These include £255k relating to the income target for staff car parks; the target of £400k will not be fully realised due to delays in implementing the policy. The trading accounts are expected to underachieve their budgeted surpluses by £428k, largely due to overspends on Public Buildings Maintenance (£380k). Actions have been put in place and have improved the PBM position this year and should bring it in line with budget for 2012/13. This variance is shown under Council-Wide.	-6,682

Capital budgets are:

- ✔ Green where projects or programmes are in line with projections
- ⚠ Amber where a project(s) requires significant remodelling to be able to be delivered due to increased costs, removal of funding or failing to meet key deadlines
- 🔴 Red where a project(s) is in serious doubt of being able to be delivered due to increased costs, removal of funding or failing to meet key deadlines

Capital Programme	Traffic Light	Q1 2011/12			Commentary
		Revised Base (£000's)	Forecast Outturn (£000's)	Expenditure to date (£000's)	
Development	✔	52,993	41,135	4,025	LEGI project officer not funded past 31/03/12, after which risk that outcomes will not be achieved. Negotiations ongoing for developer contributions for FARRRS. £10m movement in estimate due to re-profiling of spend in line with available resources. WRW - Contaminated land has been found at the site and a funding strategy is being developed to fund the removal of the soil. Phase 1 commenced, funding decisions for phase 2 expected late 2012. If not agreed, only phase 1 will be delivered. Waterfront ERDF funding bid submitted for £3.2m. Digital Region recovery plan in place to focus on first phase of 80% coverage.
Environment	✔	14,173	11,515	1,348	New regulations for tar content and disposal for highways schemes are likely to cause significant extra costs for schemes, reducing the number of schemes delivered. QBC land compensation claims not yet settled and DFT funding not confirmed past 2011/12. If funding not rolled forward, Council will have to fund. The Transport element of this section is RAG rated as Amber
Strategic Housing	✔	35,093	39,632	2,490	Increase in estimate results mainly from re-profiling of Decency works £3.5m and inclusion of new Granby works for Pathfinder £0.6m.
Trading & Support Services	✔	2,258	1,695	4	Reduced estimate due mainly to re-profiling of £540k for Mercury Abatement scheme to 2012/13 resulting from procurement complications.
Revenue Costs of Capital		230	891	14	The increased estimate is fully funded from existing resources and has resulted from revised profiles and classification of spend that is not capital.
Regeneration & Environment Total	✔	104,747	94,868	7,881	The programme overall is on target