

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

Finance & Performance Improvement Report: 2013/14 Quarter 1

EXECUTIVE SUMMARY

1. This report presents the Regeneration & Environment Directorate financial and performance information for quarter 1 of this financial year 2013/14.
2. The Directorate revenue spend is projected to underspend by £226k.
3. The forecast Capital spend for 2012/13 is £102.43m.
4. Progress against Council Plan objectives continues the positive trend of the last quarter of 2012/13.
5. Further details on the projected year-end position for revenue and capital and performance progress against the Council's Corporate Plan objectives are provided in the remainder of this report and in Appendix A (finance by exception only).

EXEMPT REPORT

6. This report is not exempt

RECOMMENDATIONS

7. That Members note the Quarter 1 Finance and Performance information.

FINANCIAL POSITION

8. The Revenue Budgets for the Regeneration and Environment Directorate are projected to underspend by £226k.
9. A summary of the variance for Quarter 1 for 2013/14 for the Regeneration and Environment Directorate are provided below, further detail on all the variances is provided at Appendices A.

	Gross Budget £k	Income	Net Budget £k	Year-end Variance £k	Variance as a % of Gross Budget
Regeneration & Environment	80,980	-35,247	45,733	-226	-0.2%

Changes to Fees and Charges

10. Financial Procedure Rules allow changes to be approved by the Chief Financial Officer and reported to Cabinet. The following minor changes have been approved:-

- Trading Standards – Trading Standards Officer (TSO) hourly rate to be increased from £55.85 to £58.85 per hour, this equates to an additional £1,500. The £55.85 rate wasn't correct and did not represent the planned 10% increase.

Housing Revenue Account

11. The Housing Revenue Account (HRA) is projecting a favourable variance of £2.9m as at the end of quarter 1. The main reason for this is lower than anticipated borrowing costs, £2.4m; this is due to interest rates being slightly lower than projected and actual borrowing being less than projected due to delays in the schemes funded from prudential borrowing (new build and acquisitions). SLHD management fee is projected to underspend by £0.6m at this stage and £0.4m additional rent is projected due to less than budgeted empty properties. These underspends are partly offset by an increase in depreciation charge of £0.6m required on non-dwellings which will be included in future years' budgets; this funding is available within the Major Repairs Reserve to fund future capital expenditure. The additional surplus from SLHD is above the budget savings from the management fee in 2013/14 of circa £2m. The projected HRA balance is £7.5m at 31st March 2014.

Capital

12. A summary of the Capital Programme outturn position is below.

Directorate	2013/14 Revised Base Budget	2013/14 Revised Outturn Projection as at Quarter 1	Variance Quarter 1 from Revised Base Budget	2013/14 Actual Spend to 30/06/13
	£m	£m	£m	£m
Regeneration & Environment	108.36	102.43	(5.93)	7.11
Council Total Capital Programme	159.12	149.45	(9.67)	8.87

13. The estimated outturn figure for the 2013/14 Regeneration & Environment Capital Programme is £102.43m.
14. Scheme updates at Quarter 1 (with 2013/14 estimates and the total value of the scheme remaining in the capital programme in brackets) are:-
- White Rose Way £6.30m (£6.96m) – the scheme was substantially completed in May with all lanes open and signals commissioned four weeks ahead of schedule. Some contingent items did not materialise, allowing the associated external funding to be considered for the implementation of additional measures. Around £0.40m of the Council's LTP funding should be released and has been reprioritised within the Transport capital programme. Compensation claims can be made up to six years after completion of the scheme and there is a risk that these could fall outside the timescale of the available funding and strategies are being developed to minimise this risk;

- b. FARRRS £24.10m (£51.11m) – the scheme is now expected to start on site in September 2013 following further delays in formalising the agreements with the developers. Expenditure has been re-profiled to reflect this but overall costs and funding remain the same;
- c. CCQ £1.60m (£5.85m) – The main construction of the New Performance Venue has been completed and the fit-out works are continuing, with opening planned for September 2013. The approval route to include the demolition works for a number of CCQ related buildings in the capital programme is being finalised with an estimated start in November 2013;
- d. Bentley Park & Pavilion £1.65m (£2.75m) – the design team were appointed later than anticipated due to EU procurement rules, which has led to the project being re-profiled. Designs and works are still not finalised and need HLF approval, therefore approximately 40% of the remaining costs expected to fall into 2014/15. This is funded by a combination of HLF grant, S106 contributions, and Corporate Resources;
- e. Gypsy and Traveller Pitch extensions £1.65m (£1.65m) – this will contribute to addressing the need for gypsy and traveller site provision across the Borough at the existing sites at Land's End Thorne £0.40m and White Towers Armthorpe £1.25m. All expenditure is expected this financial year. The Authority was successful in securing £1.40m of external funding towards the total cost. Tenders for the work are currently being processed. After initial estimates there is a risk that the current funding will be insufficient to cover the costs of the planned works but this will be reviewed as part of the estimate review process.

PERFORMANCE

- 15. The Regeneration and Environment Directorate contributes to 14 objectives spread across 4 priority themes. At the end of quarter one, ten objectives are on track, three are mostly on track but with some concerns, which if not addressed could affect delivery and one objective is off track. All of the directorate's actions are green and the PI profile is relatively good with 14 data only PIs, 13 green PIs, 5 amber PIs and 7 red PIs. New performance arrangements are currently being considered and will be rolled out further during the next 3 months.
- 16. A summary of the progress we are making against our agreed priorities and the key issues we are facing after the 1st quarter of 2013/14 is set out below. More detailed progress against the Corporate Plan is set out in the dashboard at Appendix A of the report.
- 17. **Priority 1: Doncaster's economy develops and thrives, underpinned by effective education and skills**
 - Visitor numbers for the 1st quarter are 358,546 which is up 48,000 compared to the same period last year.
 - The number of Town Centre social media followers is 15,980 which is already above the target set for the full year.
 - A total of 47 new apprenticeships have been created. The plan is to create 310 this year.
 - The number of JSA claimants aged 18-24 is continuing to reduce and is currently 2,895 (10.9%), which is 20% lower than the same time last year and

the lowest for 2 years. Doncaster is now closing the gap on the rest of Yorkshire & Humber, although it is still higher than the regional average of 8%.

- The number of JSA claimants aged 16-64 has reduced for the fourth month in a row to 9,824, which is 10% lower than the same time last year. Doncaster has the 4th highest claimant rate in Yorkshire & Humber with 5.1% of the working age population claiming JSA. There are currently 1,820 recorded vacancies.
- The number of businesses assisted/supported by Business Doncaster was 54 (target 120) and the number of events held to support the growth of businesses was 2 (planned 4).
- 146 additional homes were provided in the quarter which is 85 more than Q1 2012, but not a high enough rate to achieve the annual LDF target of 1,230.
- The portfolio holder for Regeneration & Growth, Tourism & Veteran's Champion, and Culture & Leisure has requested that cross service working be developed in relation to the visitor economy and engagement with schools.

18. **Priority 3: Stronger families and stronger communities**

- A full review of the Council's enforcement functions is underway.

19. **Priority 5: Effective arrangements are in place to deliver a clean, safe and attractive local environment**

- FARRRS – Financial agreements have been signed which will become operational once outstanding conditions are met. This will allow construction to start in September. Advanced works have commenced on site but progress is slower than anticipated due to completion of developer funding agreements.
- White Rose Way is substantially complete and was opened 5 months ahead of schedule on 31st May and within budget.
- Category 1 hazard complaints (Hazards in occupied properties which the Council has a statutory duty to take enforcement action on) resolved in 6 months is 18.87% against a target of 80%. Performance has been affected by situations where landlords start working to correct hazards that will take longer than 6 months to resolve and where landlords are served with a legal notice that allows more than 6 months to resolve hazards. There is nothing we can do to make these situations fit in our 6 months resolution target. We are therefore exploring options to how resolution of such hazards can best be measured. It is important to note that no hazards have been neglected and resolution of all is being pursued.
- A programme to identify licensable HMOs not previously known to the authority has shown additional properties, which were not included in previous reporting of this PI. This has created a situation where the percentage of homes of multiple occupation licensed is 86% compared to 100% in June last year, but this is against a revised target of 95%.
- The number of empty properties is recorded as 3,863, 87% of which are privately owned. New council tax regulations mean that owners are less likely to report empty properties. 1 property was brought back into use (target 12) and 17 are in the process of renovation.

20. **Priority 6: The Council is operating effectively, with change embedded and sustained with robust plans in place to operate within future resource allocations**

- All Council building stock has been reviewed and a proposed strategy for rationalisation developed as part of the Councils Improvement Programme - Assets strand.

OPTIONS CONSIDERED

21. Not applicable.

REASONS FOR RECOMMENDED OPTION

22. Not applicable.

IMPACT ON THE COUNCIL'S KEY PRIORITIES

Council Plan Priority Theme 2013/14	Implications of this initiative
1. Doncaster's economy develops and thrives, underpinned by effective education and skill	Regeneration & Environment Directorate budget and performance monitoring impacts on these priorities
3. Stronger families and stronger communities	
5. Effective arrangements are in place to deliver a clean, safe and attractive local environment	
6. The Council is operating effectively, with change embedded and sustained with robust plans in place to operate within future resource allocations.	

RISKS & ASSUMPTIONS

23. Specific risks and assumptions are included in the Performance Improvement Report at Appendix A. A strategic risk report is also prepared on a quarterly basis.

LEGAL IMPLICATIONS

24. There are no legal implications of this report.

FINANCIAL IMPLICATIONS

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

CONSULTATION

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

27. 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

28. Council Report – Revenue Budget 2013/14, 21st February, 2013
- Council Report – Capital Programme 2013/14 – 2016/17, 21st February, 2013
- Council Report – Treasury Management Strategy, 21st February, 2013
- Council Report – Housing Revenue Account Budget 2013/14, 21st February, 2013
- Finance & Performance Improvement Report 2012/13 Quarter 4, 17th June, 2013

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Appendix A

Finance & Performance Improvement Report – Quarter 1 2013/14



Doncaster
Metropolitan Borough Council

**Quarterly Regeneration & Environment Performance
Management Report**




Quarter 1 2013/14

(April 2013 – June 2014)




Understanding the Quarter 1 Performance Report

Symbols are used within this report to give a visual representation of performance. These symbols, and what they represent, are detailed below.

Status - Status gives an overall rating for the objective taking into account the progress against activity, performance indicators and mitigating risks

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


Actions - This shows what progress has been made against the delivery date for each action linked to the objective and is demonstrated with the following symbols

		
Progressing and on track	Check progress on milestone dates	Milestone dates have been missed

Performance Indicators - Performance indicators (PI) have been structured on Covalent with red, amber and green thresholds being personalised for each PI

	OK – Performance on target – denotes current value is between the amber/green threshold and the best value. If the data value is equal to the amber threshold, and the amber threshold is equal to the target, the PI status will be green
	Warning – Performance below target – denotes current value is between the amber/red threshold and the amber/green threshold. If the data value is equal to the amber threshold, and the amber threshold is not equal to the target, the PI status will be amber
	Alert – Performance significantly below target – denotes current value is between the amber/red threshold and the worst value. If the data value is equal to the red threshold, the PI status will be red.
	Unknown – These performance indicators are data only (do not have targets and are therefore not measurable in traffic light terms) or are unable to assess a traffic light rating due to missing data.

Finance – Finance is reported by exception only.

	An underspend of > 5% or an overspend of >1%
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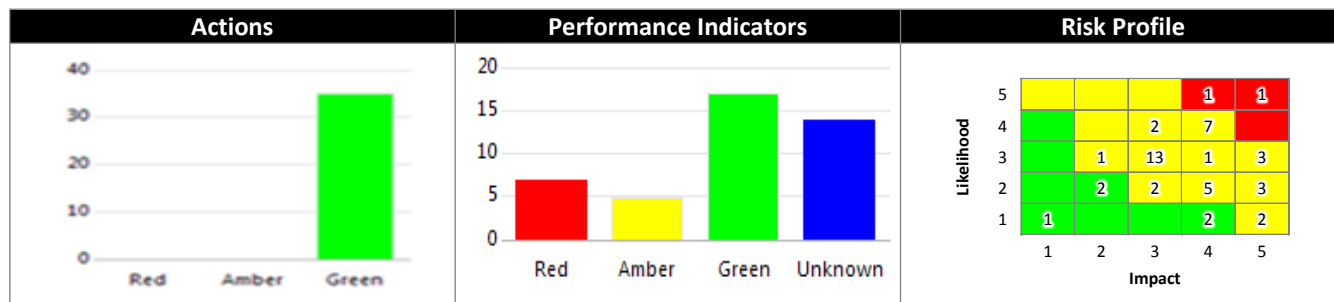
Risk Profiles - Risks are profiled in line with the Corporate Risk Management Framework and the risk profile score determines the overall status.

Low level risks with a profile score between 1 and 4	Medium level risks with a profile score between 5 and 19	High level risks with a profile score between 20 and 25

Direction of Travel - The direction of travel looks at whether things have improved stayed the same or become worse when we compare performance with data reported in the previous quarter

↑	↔	↓
Getting better	Exactly the same as previously	Getting worse

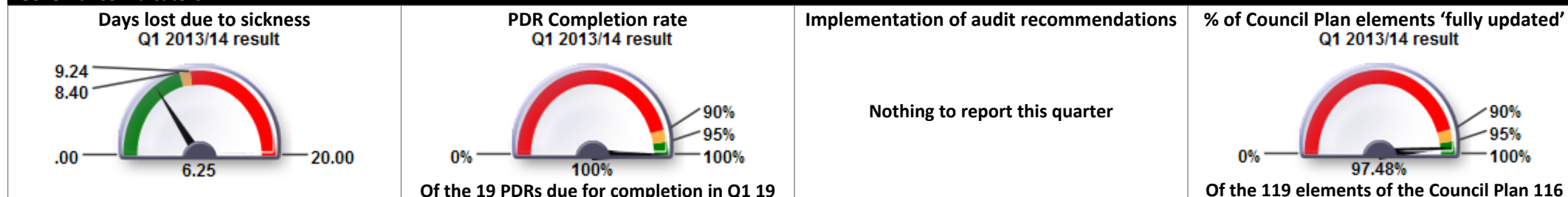
1. Regeneration & Environment Performance Profile



Direction of	Status	Council Plan Objectives	Actions	PIs	Unknown	Risks
-	⚠️	P1 Obj 1 – Exploit the full potential of Doncaster's visitor economy, including tourism, whilst protecting our heritage.	1			3
-	✅	P1 Obj 2 - Support the development of place marketing to promote the borough and raise awareness of the Economic opportunities to residents.	2	1	2	1
-	⚠️	P1 Obj 3 - Supporting business growth and driving inward investment into Doncaster.	1	2	4	3
-	✅	P1 Obj 4 - Enable growth through investment in infrastructure and assets.	6		1	3
-	✅	P1 Obj 5 - Prioritise actions to get young people into work.	4		6	3
-	✅	P1 Obj 6 - Strong engagement with Doncaster's school sector, including the development of better links between businesses, schools, young people and their families to increase the skills required by employers.	1		1	1
-	✅	P1 Obj 7 - Strong and effective partnerships including within and beyond Sheffield City Region.	4		1	4
-	✅	P1 Obj 8 - Better, more cost effective, public transport linking people to jobs.	1			1
-	✅	P1 Obj 9 - Increase building in Doncaster.	4		1	1
-	✅	P3 Obj 3 - Effectively support and deliver services and interventions to reduce Anti-Social Behaviour and ensure support to vulnerable victims.	1			1
-	✅	P5 Obj 1 - Manage assets and the transport infrastructure to improve local places and support investment in the borough.	3			1
-	❌	P5 Obj 2 - Improve the quality of housing and reduce the number of empty properties in Doncaster.	1	3	2	1
-	✅	P5 Obj 3 - Effective arrangements in place for a clean and safe environment, healthy and sustainable food chain; and a fair, responsible trading environment.	4	1		2
-	⚠️	P6 Obj 11 - Fewer Council buildings, used more efficiently and effectively.	3	1		1

NB: The above Dashboard relates only to Active and Current Actions, PIs and Risks as required to be reported in this quarter

Governance Indicators



	have been achieved		have been updated in Q1
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Regeneration & Environment Directors Comments

The first quarter of 2013/14 has seen a positive start for Regeneration & Environment's progress against most of our Corporate Plan objectives.

The Regeneration and Environment Directorate contributes to 14 objectives spread across 3 priority themes. At the end of quarter one, ten objectives are on track, three are mostly on track but with some concerns, which if not addressed could affect delivery and one objective is off track. All of the directorate's actions are green and the PI profile is relatively good with 14 data only PIs, 13 green PIs, 5 amber PIs and 7 red PIs. Of particular note are:

Jobs Created - Good progress is evident in the number of jobs created through the Business Doncaster teams with a first quarter outturn well above target. If this trend continues in q2, we will review and uplift the year-end target.

Visitor Numbers – Visitor figures have been strong at the start of the year despite the poor overall economic climate. Provisional figures currently show a year to date increase of 16%

Sickness Absence – Despite having the largest number of full time equivalent (FTE) staff, with 6.25 FTE days absence, the directorate has the second lowest sickness absence level in the Council, behind Public Health, which has the lowest number of FTE staff.


However, I recognise that performance needs to improve in the following areas:

1. **Tourism** – Cross service working needs to be further developed, to ensure a more co-ordinated approach to this area of work.
2. **Place Marketing** – Council teams needs to be more proactive in the development of a Place Marketing Strategy and Action Plan for the borough.
3. **Investment in Doncaster** – We need to ensure that the process for capturing the number of businesses supported to invest in Doncaster is fully established so that we can better measure and develop this area of work.
4. **Events to support the growth of Doncaster Businesses** – Work is needed to ensure that the number of events held is improved and outcomes from events are captured.
5. **Major Infrastructure Projects** – We need to develop ways of measuring the outcomes for Doncaster's citizens from the investments made in major regeneration projects.
6. **Strong engagement with Doncaster's school sector** – All of the Council's service areas that are involved in this objective need to ensure that actions agreed in the Work & Skills Board are implemented.
7. **Better, more cost effective, public transport** – We will work with SYPTTE to develop indicators that measure the outcomes and service improvement needs for the people of Doncaster.
8. **Hazards, in occupied properties, which the Council has a statutory duty to take enforcement action on** – Managers from Housing, Enforcement and Performance will work together to develop how the resolution of category 1 hazards can best be measured, monitored and improved.
9. **Licensable HMOs** - A programme to identify licensable HMOs not previously known to the authority has identified additional properties. It is intended that the identification programme will continue and that more unlicensed properties will be found, therefore consideration may need to be given to adjustment of the quarterly targets to a more appropriate level to reflect the time span of the licensing process.
10. **Empty properties in to HRA** – By the end of Q1 we have one tenanted property against a target of 12. However, we have a further 17 that are in the process being renovated and believe we will be on track to bring 50 properties back into use this year.
11. **New social houses built** – The Q1 target was missed due to 16 units at Mexborough being delayed because of inclement weather and contractor issues. These were completed on 15th July, so we should be on track at the end of Q2.
12. **Fewer Council buildings** – The indicator that measures achievement of this objective needs to be reviewed so that it better reflect the work done by the directorate

Regeneration & Environment Corporate Policy & Performance Team Comments

I am working with the Director of Regeneration & Environment and his senior managers to ensure that actions and measures in the Council Plan are robust and reflect the objectives. This work will continue in quarter two and some minor amendments will be made that will strengthen how the directorates' elements are profiled in the plan.

Regeneration & Environment Revenue Report

	Development Revenue Variance		Gross Budget (£000s)	Net Budget (£000s)	Variance
		Q1 2013/14	8,492	3,121	587

The main projected overspends are Assets & Property £476k, where it is assumed that the Review and Release of Assets saving will not be fully achieved, and Development Management £222k.

For information, the revenue budgets in Regeneration & Environment overall are expected to underspend by £226k.

Regeneration & Environment Capital Report

There are no significant issues to report at Quarter 1.