

Economy and Enterprise Overview and Scrutiny Committee

26 September 2016



Regeneration and Economic Development Service –Revenue and Capital Outturn 2015/16

Joint Report of Corporate Director – Regeneration and Economic Development and Interim Corporate Director - Resources

Purpose of the Report

1. To provide details of the outturn budget position for the Regeneration and Economic Development (RED) service grouping highlighting major variances in comparison with the budget.

Background

2. County Council approved the Revenue and Capital budgets for 2015/16 at its meeting on 25 February 2015. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following major accounts maintained by the RED service grouping:
 - *RED Revenue Budget- £27.391 million (original £25.459million)*
 - *RED Capital Programme- £34.543 million (original £39.747million)*
3. The original RED General Fund budget has been revised to incorporate a number of budget adjustments as follows:
 - Transfer of repairs & maintenance budgets to Neighbourhoods Services -£3,000
 - Transfer of Crimdon Park and beaches budgets from neighbourhoods Services +£15,000
 - Reduction in energy budgets to reflect corporate savings -£32,000
 - Net reduction in Concessionary Fares budget to reflect lower contract payments -£270,000
 - Reduction in Carbon Tax CRC to reflect corporate savings -£64,000
 - Reduction in water charge budgets to reflect corporate savings -£1,000
 - Fleet Depreciation and Insurance adjustment -£15,000
 - Use of strategic reserves for redundancies for MTFP savings +£146,000
 - Use of Corporate Reserve – Office Accommodation +£742,000

- Security costs for Whinney Hill School +£48,000
- Car Allowances +£34,000
- Net contribution from service reserves +£998,000
- Net contribution from service cash limits +£323,000
- Increase in Fleet Recharges +£16,000
- Contribution to Capital Expenditure -£5,000

The revised General Fund Budget now stands at £27.391 million.

4. The summary financial statements contained in the report cover the financial year 2015/16 and show: -
- The approved annual budget;
 - The actual income and expenditure as recorded in the Council's financial management system;
 - The variance between the annual budget and the forecast outturn;
 - For the RED revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

Revenue - General Fund Services

5. The service is reporting a cash limit underspend of **£1.816million** against a revised budget of **£27.391million**. This compares with an estimated underspend of **£1.521million** at Quarter 3 – a difference of £0.295 million.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis £'000

	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Employees	27,801	28,050	249	(185)	64
Premises	3,873	5,927	2,054	(1,785)	269
Transport	951	784	(167)	0	(167)
Supplies and Services	13,618	13,314	(304)	391	87
Agency and Contracted	19,919	19,442	(477)	50	(427)
Transfer Payments	95	1	(94)	0	(94)
Central Costs	10,534	13,284	2,750	(2,037)	713
GROSS EXPENDITURE	76,791	80,802	4,011	(3,566)	445
INCOME	(49,400)	(64,113)	(14,713)	12,452	(2,261)
NET EXPENDITURE	27,391	16,689	10,702	8,886	(1,816)

Analysis by Head of Service £'000

Head of Service Grouping	Annual Budget	YTD Actual	Variance	Items Outside Cash Limit	Final Variance
Strategy Programmes Performance	1,814	1,704	(110)	34	(76)
Economic Development & Housing	7,672	2,997	(4,675)	4,228	(447)
Planning & Assets	5,973	7,026	1,053	(1,581)	(528)
Transport & Contracted	1,815	1,258	(557)	(207)	(764)
Central Managed Costs	10,117	3,704	(6,413)	6,412	(1)
NET EXPENDITURE	27,391	16,689	10,702	8,886	(1,816)

7. Attached in the table below is a brief commentary of the variances with the revised budget analysed into Head of Service groupings. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. concessionary fares) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	(Under) / Overbudget £'000	(Under) / Overbudget £'000
Strategy Programmes Performance	Corporate Director	Minor Variance	(1)	(76)
	Strategy, Policy, Partnerships & Support	£44k under budget mainly due to staff vacancy savings	(44)	
	County Durham Economic Partnership	£18k under budget on supplies and services	(18)	
	Planning & Performance	£13k under budget mainly from savings in employees	(13)	
Economic Development & Housing	Head of Economic Development	Minor Variance	(6)	(9)
	Physical Development	Net additional expenditure on project development	48	
	Visit County Durham	£40k over budget on supplies and services £56k under budget on staffing due to secondment to Visit England	(16)	
	Business Durham	£166k overall under budget which was transferred to the Business Durham Programme Reserve.	0	
	Economic Development	Minor variance	(9)	

Head of Service	Service Area	Description	(Under) / Overbudget £'000	(Under) / Overbudget £'000
	Housing Solutions	£221k under budget in housing solutions management and admin, after accounting for £207k contribution to earmarked reserves. £75k under budget in respect of other initiatives. £168k under budget on GRT sites mainly due to additional income and lower running expenses	(464)	(447)
Spatial Policy, Planning Assets & Environment	Head of SPPAE	Agreed over budget AONB contribution towards projects	16	(528)
	Spatial Policy	£40k under budget on employees £10k under budget on transport £158k agreed additional spend on County Durham Plan	108	
	Development Management	£104k under budget on employees £20k under budget on supplies and services £499k overachieved planning fee income	(623)	
	Building Control	£23k under budget on employees £54k under budget on supplies and services £91k underachieved building control income	14	
	Environment & Design	£77k under budget on employees £45k under budget on supplies and services £62k overachieved income from FIT and one-off water metering	(184)	
	Asset Management	£39k over budget on employees £40k over budget on supplies and services £62k overall underachieved income, includes £226k underachieved income and business rates re Millennium Square, Brackenhill, Newgate Street, Beveridge Arcade, £47k underachieved income garages, offset by £211k additional income from asset sales	141	
Transport	Head of Transport	£13k share of airport legal costs	13	(764)
	Traffic	£8k under budget on employees £24k under budget on other running costs of the traffic network.	(32)	
	Sustainable Transport	£40k over budget on employees £463k net under budget primarily due to planned savings on bus contracts met early (£343k).	(423)	
	Supported Housing	£97k overs budget on employee costs primarily due to 24/7 cover for holidays and sickness £312k under budget on other running costs £107k over achieved income due	(322)	

Head of Service	Service Area	Description	(Under) / Overbudget £'000	(Under) / Overbudget £'000
		to increased self-paying client numbers and SLA agreements		
Central	Central Costs	Minor Variance	(1)	(1)
TOTAL				(1,816)

8. The final outturn position of £1.816 million underspend will be carried forward under the 'cash limit' regime and utilised to support service priorities. It should also be noted that the MTFP savings target for RED in 2015/16 of £1.3 million was delivered.

Revenue – Housing Revenue Account (HRA)

9. On 13 April 2015, the Council transferred its housing stock of 18,500 dwellings to County Durham Housing Group. Consent was received from the Secretary of State to close down the HRA any time from 30 April 2015 onwards as the Council is no longer a social housing landlord and not required to maintain a ring-fenced HRA.
10. There were some residual transactions taking place reflecting the relatively short period of activity in 2015/16 and also costs associated with delivering stock transfer in April which have been met from available income and reserves. Residual balances have been passed to the General Fund.

Capital Programme

11. The RED capital programme makes a significant contribution to the Regeneration ambitions of County Durham. The programme is relatively large and comprises over 138 schemes managed by around 23 project delivery officers.
12. The outturn position of the Regeneration and Economic Development capital programme has been finalised. The revised budget was £34.543 million compared to actual spend of £31.993 million.
13. Summary financial performance for 2015/16 is shown below.

Service	Final Budget 2015/16 £m	Final Outturn 2015/16 £m	Final Outturn 2015/16 % Spend
Economic Dev & Housing	12.120	11.447	94
Planning & Assets	7.507	6.902	92
Transport & Contracted	14.672	13.644	93
Strategy & Programmes	0.244	0.000	0
Total	34.543	31.993	93

14. **Appendix 2** provides a more detailed breakdown of spend across the major projects contained within the RED capital programme. Most of the RED capital programme is covered by a small number of significant projects which have long lead times, where implementation is over more than one financial year, and 2015/16 has seen significant progress made for a number of major schemes.
15. **Appendix 3** provides a narrative on the major RED capital schemes, describing what has been delivered through the programme.

Recommendations:

16. The Scrutiny Committee is requested to note the contents of this report.

Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn position for 2015/16.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

Appendix 2: RED Capital Programme 2015-16 Outturn Position

GENERAL FUND (GF)

Scheme	Final Annual Budget 2015/16 £m	Final Outturn	
		Amount £m	% Spend
ECONOMIC DEVELOPMENT & HOUSING			
Barnard Castle Vision	0.364	0.262	72%
Durhamgate	0.285	0.270	95%
Industrial Estates	0.560	0.893	159%
North Dock Seaham	0.754	0.827	110%
Office Accommodation	0.066	0.001	2%
Town Centres	2.463	2.481	101%
Minor Schemes	0.672	0.567	84%
Disabled Facilities Grant / FAP	3.531	3.737	106%
Gypsy Roma Travellers	0.027	0.039	144%
Housing Renewal	1.898	1.568	83%
Chapter Homes	1.500	0.800	53%
TOTAL ECONOMIC DEVELOPMENT & HOUSING	12.120	11.447	94%
PLANNING & ASSETS			
Renewable Energy Schemes	0.715	0.706	99%
Structural Capitalised Maintenance	6.527	6.099	93%
Woodham CTC	0.000	0.000	0%
Minor Schemes	0.265	0.097	36%
TOTAL PLANNING & ASSETS	7.507	6.902	92%
TRANSPORT & CONTRACTED SERVICES			
Local Transport Plan	3.233	2.421	69%
Transport Corridors	1.215	1.303	107%
Transport Major Schemes	9.810	9.638	98%
Transit 15	0.104	0.039	38%
CCTV	0.093	0.027	29%
Minor Schemes	0.215	0.215	100%
TOTAL TRANSPORT & CONTRACTED SERVICES	14.670	13.644	93%
STRATEGY AND PROGRAMMES Minor Schemes	0.244	0.000	0%
Total General Fund (GF)	34.543	31.993	93%

Appendix 3: RED CAPITAL PROGRAMME DELIVERY 2015/2016

Barnard Castle Vision - Actual Spend £0.262m

Following the completion of the Witham in 2013 a number of business improvement projects were identified and a grant provided in support of the business plan agreed in January 2015. The improvement projects completed include electrical lighting improvements to the office and Event Hall, screening to the rear of the Event Hall and works to the café/kitchen area to support the expansion of services and generation of additional income.

The NeST, run by Barnard Castle Vision Community Interest Company was closed in December 2015. The premises' have been redeveloped by a local publican with some support of the BCV team to provide a Pizza restaurant creating additional jobs. No financial support was provided by DCC.

The Heart of Teesdale Partnership has completed over 70km of improvements to pathways, in particular, the Teesdale and Greta Way. This has included installation of signage and replacing stiles with gates. A final phase of works in Flatts Woods will soon be completed including interpretation boards and benches.

The Teesdale Views project was commissioned and will see the installation of 11 works of art at views across the partnership area nominated by the local community and identified by the artist, Vic Brailsford. Ant Macari has written haiku poetry in response to place and these are additional sites in the area. An app is being developed to enable broad access to this project and others both remotely and whilst in the area.

A number of historic locations have been improved including works at Eggleston Abbey, the Red Well and Rokeby Church. Work has been planned for 2016 to improve access to Bowes Castle and restore the pack horse bridge at Headlam.

Habitats have also been restored such as Tees riverbanks where invasive species have been removed and a wildflower meadow created next to the Tees Railway Path.

The traditional farm building survey project has included the surveying of over 175 barns, an exhibition of works and training of 12 volunteers. The results will be submitted to the Historic Environment Record. The group is continuing even after HoT funding has ceased.

The Birds and Farm Landscapes project has worked with over 250 farmers to improve field boundaries, plant trees, create natural habitats and provide a food source for passerines across the dale's agricultural areas.

Since 2011 over 800 volunteers have been involved in projects and over 1,500 people involved in training and workshops. The Scheme ends in October 2016.

DurhamGate - Actual Spend £0.270m

Expenditure has been spent on final payment to the contractor and legal fees associated with provision of a design warranty. The warranty is ready for execution which will trigger CAST's payment to the Council of monies outstanding under the Development Agreement.

Industrial Estates - Actual Spend £0.893m

Industrial Properties Refurbishment Programme:

A range of environmental and electrical works to Stainton Grove Industrial Estate together with a targeted marketing campaign has helped increase occupancy to 91% with only one unit remaining empty at the end of March 2016.

NETPark - Grow on Space:

A design feasibility study has been progressed for a regional business looking to relocate to a bespoke office and lab space at NETPark. Confirmation is expected in April 2016.

NETPark - Infrastructure Phase 3:

Design costs associated with the development of road and utility infrastructure to support the development of an additional 13 hectares of land at NETPark. This programme is being funded with £6.83m from the North East LEP. Physical construction will be undertaken during 2016/2017 and 2017/2018.

NETPark - Explorer Village:

Design and planning costs associated with the development of additional speculative units at NETPark.

NETPark - National Centre:

Design feasibility and ground investigation costs associated with the development of the National Centre for Healthcare Photonics by CPI at NETPark.

NETPark - Polyphotonix:

The Council investment has supported the development and production of the Noctura 400 sleepmask.

North Dock, Seaham - Actual Spend £0.827m

Expenditure has been incurred on establishing a further 19 berths for boats in the marina. This means the marina has a total of 96 berths available. Further expenditure has been incurred on commissioning the design and manufacture of a boat hoist to serve a new boatyard. The hoist will be installed during May/June and this is followed by access road improvements and construction of boat sheds/workshop/tractor store.

The remaining expenditure has been spent on the design of a new Water Sports Centre. This scheme is out to tender and will commence on site during June/July 2016.

Office Accommodation - Actual Spend £0.001m

Expenditure during the financial year 2015/2016 supported the following projects:

- Direct Services Meadowfield Depot - Construction of extension to house ICT staff relocated from County Hall.
- Provision of a new surgery style CAP in Bishop Auckland Town Hall.

Although OAP1 is coming to an end, there are still continuing commitments in support of the following projects:

- Production of a new part-time surgery style CAP in Newton Aycliffe Leisure Centre.
- Legal fees in connection with Chester-le-Street CAP.
- A provision for the demolition of Hopper House and associated properties to assist facilitate the development of the new Durham Bus Station.

Town Centres - Actual Spend £2.481m

The town centres capital programme seeks to support and stimulate private sector investment across the County's main centres.

Bishop Auckland - Laurel Building:

To support the restoration of this Grade II listed building the design team completed a scheme design and a costing plan to redevelop the building into an enterprise centre with 26 units. A consultation exercise was undertaken in May 2015 and received overwhelming support from the general public.

A bid was submitted for Heritage Lottery funding in June 2015 for £5/6million. This bid was unsuccessful due to the high level of the request however feedback suggested a further submission should be made in 2016 when other match funding may be available. The potential to secure European funding from the 2016 round of ESIF has been identified and further funding submissions to ERDF and HLF will be made in Summer 2016.

Bishop Auckland - Bondgate:

As part of the overall infrastructure improvements which DCC are undertaking to support the Auckland Castle Trust's long term ambitions for the Town, the existing North Bondgate car park was extended into the adjoining former bus depot site in 2015/2016. Parking capacity subsequently increased from 175 to 315 spaces and the Trust took over the management and operation of the newly extended facility from 1st April 2016. Looking ahead, improvements to the infrastructure will continue. The detailed design is currently underway to clear the former petrol station site and expand parking provision further. It is also proposed to improve the footpaths leading from the North Bondgate car park to the Market Place.

Peterlee - North East Industrial Estate:

During 2015/2016 work continued towards facilitating the regeneration of an identified area of the industrial estate. This area is contiguous with the boundary of the site for which outline planning consent for new housing was granted in July 2014. Likewise, the actions undertaken throughout the financial year follow the strategy endorsed by Cabinet in January 2014.

The principal points of note from the year are:

- The council has worked with other major landowners and stakeholders to work towards a collaborative agreement which aims to secure a land assembly and site disposal mechanism that will facilitate matters for a future developer. As part of this, the whole site has been offered as a development opportunity and a national housebuilder has been identified as a prospective purchaser and developer, with plans for 430 new homes. Work is continuing to refine the arrangements for site assembly and disposal.
- Work has continued towards securing the acquisition of a number of smaller properties, previously identified as suitable for purchase by the council as a precursor to a full land assembly exercise. The council is now over 50% of the way through this process and has, to date, acquired and demolished 5 properties. A further two properties have been bought but not yet cleared. 8 further properties have still to be acquired with (at time of writing) agreement close on 3 of them. Negotiations are taking place with agents for all remaining properties. It is expected that these negotiations can be concluded in a timely fashion, in default of which the council will proceed by way of Compulsory Purchase (subject to Cabinet endorsement on a full Statement of Case).

- A financial injection of £50,000 was secured from other sources for expenditure in 2016/2017 towards project development and site investigation work that will better inform likely land receipts from a developer. Discussions are continuing with the funder towards trying to secure a far more significant investment (potentially for land acquisition, decontamination and/or infrastructure and service provision).

Crook - Queen Street Development

Site assembly at Queen Street/Elliott Street progressed with the purchase of the Baptist Union Building. Planning for demolition was approved and work started August 2015. The site is now cleared and ready for sale.

Heads of Terms have been agreed, however further investigation across the site was required by the developer, therefore delaying the sale. DCC are still working with the end user and negotiations are taking place regarding the site survey outcomes and associated remedial works, if proven they are required.

Targeted Business Improvements:

The scheme is a non-repayable grant scheme to support business premises improvements, promote investment and enterprise, and improve the viability of the major centres across our County. The scheme has continued on a rolling programme through 2015/2016 in the centres of Chester-le-Street; Seaham & Murton; Peterlee; Stanley; Consett, Bishop Auckland and Barnard Castle.

The above schemes returned the following outputs:

- 15 new businesses attracted to our centres and supported at start-up stage
- 66.5 Full time equivalent jobs created
- 42 town centre properties improved, 11 of which were empty
- £1,065,597 of private investment attracted
- 40 retail employees accessed training as a direct result of TBI intervention

Four shop dressings were delivered in Bishop Auckland, Consett and Durham City attracting positive media coverage.

Public Realm:

In Seaham, work continued to finalise designs for schemes to be delivered to improve access to the railway station for both pedestrians and vehicles, and to improve the links from the Railway, along the boulevard toward the town's retail area and Marina. These works are scheduled for delivery 2016/17. Wayfarer signage was installed to improve movement across the centre and to promote the retail offer to visitors.

Consett received major improvements along both sides of Front Street, continuing from works undertaken on Victoria Road. The works will strengthen the linear access to the existing retail centre; bus station and new development at Hermiston.

Shildon works were put on hold to allow the Council to determine if intervention would be required following the closure of Morrison's in the centre. The project is once again progressing and aligned for completion early July 2016 to coincide with the arrival of the Flying Scotsman at Locomotion. Crook saw public realm improvements at the major junction of the A690 and B6298. The works were to improve the quality of the public realm to reflect that across the market area and at Croft Street. The rest of this area, directly in front of the old TSB building site, will be aligned to the development at Queen Street.

A quick win project was delivered in Peterlee to improve signage across the centre. Design and consultation progressed to determine public realm improvement schemes, and discussions are being undertaken with private landowners to determine final delivery options.

New wayfinding signage has been installed throughout Bishop Auckland Town Centre in 2105/2016. The highly visible branded signs incorporate street maps with walking distances to help visitors and tourists navigate their way around the town's attractions/facilities and also clearly signpost both the bus and railway terminals.

Working with The Bowes Museum a second phase of tourism banners have been erected in Barnard Castle.

Minor (ED&H) Schemes - Actual Spend £0.567m

St Johns Square, Seaham (Public Realm):

The Public Realm works to install a car park with associated landscaping at St John's Square, Seaham are now substantially complete. Some minor snagging works remain.

Disabled Facilities Grants (DFG's) & Financial Assistance Policy (FAP) - Actual Spend £3.737m

Disabled Facilities Grants:

The number of referrals for DFG has risen slightly this year compared to the previous year and this together with the £900k commitment at the start of the year has seen a budget spend greater than anticipated requiring £186k being accelerated at the year-end. In total 476 DFG's were completed in the year with a further 183 committed at year end (the value of the commitment is circa £1m). Whilst the target number of DFG's per year is 500 the service is demand led therefore with the increase in the number of ground floor extensions provided and the rise in building costs the spend was achieved with fewer number of cases.

Financial Assistance Policy (Decent Homes Assistance):

The loans administration process was brought in house in June 2015 which meant many cases were held until such time as processes and systems were in place. The lead in time for loans is a lengthy process therefore it was identified at six month review that re-profiling was necessary. The target DHA's was 16 in year and 13 were achieved.

Travellers Sites Refurbishment - Actual Spend £0.039m

Overall completion was achieved within 2014/2015 within the programme timeframe and the following sites were re-opened for the return of residents:-

Adventure Lane, West Rainton - achieved 9th June 2014

Tower Road, Stanley - achieved 28th July 2014

Drum Lane, Birtley - achieved 27th October 2014

Green Lane, Bishop Auckland - achieved 2nd February 2015

The refurbishment programme across the 4 sites in total has seen the replacement of 68 pitches, the creation of 8 new pitches and the build of 4 new communal buildings.

Payments made in 2015/2016 relate to contract / fee payment to Neighbourhood and Direct Services, audit and external consultants, boundary fencing and testing of sewers at the Green Lane, Bishop Auckland Site.

In 2016/2017 works will be undertaken to retrofit water meters across five of the Traveller Sites: Adventure Lane, West Rainton, Tower Road, Stanley, Drum Lane, Birtley, East Howle, Ferryhill and St Phillips, Coundon

Housing Renewal - Actual Spend £1.568m

The Housing Regeneration Delivery Section resources are targeted on holistic regeneration projects in areas with the worst concentrations of housing problems. Each element plays its part in co-ordinated local action focused on sustainable improvements.

The delivery of capital investment programmes for the Housing Regeneration Delivery Section in 2015/2016 included acquisition and demolition of private sector housing stock, group repair and energy efficiency schemes and environmental improvements.

Schemes include Craghead, Dawdon, West Chilton, South Moor.

Craghead:

27 properties in Ousterley and Holmeside Terrace, Craghead benefitted from external solid wall energy efficiency measures in 2015/2016. Funding was levered into the programme via Energy Company Obligation (ECO) funding through Warm up North (British Gas) our delivery partner. Final regeneration defects liability works will be completed in 2016/2017 along with administration of the retention payment.

South Moor:

48 properties in Pine Street, South Moor benefitted from external solid wall energy efficiency measures within 2015/2016. Funding was levered into the programme via Energy Company Obligation (ECO) funding through Warm up North (British Gas) our delivery partner. Environmental Improvement works will be completed throughout 2016/2017.

Dawdon, Seaham:

Dawdon Phase 10 Group repair scheme was completed in 2014/2015 with external improvements being undertaken to properties within Shrewsbury, Maglona, Chaplin, Embleton, Margaret and Stavordale Streets. In total across this programme 99 properties have benefitted from the scheme. Payments in relation to this scheme made in 2015/2016 have covered works required under the defects liability period of the contract which were undertaken by Direct Services due to the original contractor going into administration.

West Chilton:

The acquisition of one property enabled the demolition of 3 properties in Dene Terrace which was completed in 2015/2016. The remaining programme from 2016-2018 will see the acquisition of a further 2 properties, the demolition of 5 properties, 12 garages and a range of obsolete outbuildings. A proportion of these covering Hunter Terrace will however be subject to a future Compulsory Purchase Order process.

Empty Homes Cluster Bid (Environment):

Environmental improvement works have been concluded in Easington Colliery 'B' Streets and works undertaken within West Chilton in order to support the wider return of empty private sector properties back into use through the grants and loans element of the empty homes cluster programme.

Empty Homes Cluster Bid (Grants & Loans):

The nature of the loans is a lengthy process and whilst the applications are in place in year expenditure was slightly lower than anticipated. However 86 loans and grants were provided to bring properties back into use and the year ended with a further 53 loans in progress with a committed value of £453k.

Chapter Homes - Actual Spend £0.800m

Chapter Homes is a new housing company incorporated in August 2015 and owned 100% by the Council for the purpose of developing new housing to meet the housing needs of the area. The Company commenced its first development in 2015/2016 after obtaining planning permission in November 2015 for the development of 125 houses at a pilot site in Newton Aycliffe. Construction activity commenced in January 2016 and the expenditure incurred during 2015/2016 reflects the drawdown of loan and equity funding on commercial terms from the Council.

Renewable Energy Technology - Actual Spend £0.706m

Energy Efficiency Fund:

Whole building energy efficiency retrofits to three depots: Hackworth, Morrison Busty and Chilton. Works include lighting and heating controls, lighting schemes, heating and air conditioning improvements. The works was designed to reduce the combined annual electricity consumption by 49% and the combined annual gas consumption by 14% from the baseline year.

Away From G:

An energy efficiency lighting retrofit was delivered at Meadowfield Service Direct building, designed to reduce energy costs and improve light conditions.

Boiler Optimisation:

M2G boiler optimisation units have been installed at Barnard Castle Social Services building, Durham Abbey Day Centre and NETPark 2. This completed the boiler optimisation programme as all currently feasible sites have now been addressed. The financial savings are expected to enable a financial payback of between 2 and 3 years.

Structural Capitalised Maintenance - Actual Spend £6.099m

This includes the budget areas of Structural and Capitalised Maintenance (to all non-schools assets), and the School Demolition Programme.

The final outturn figure comprises of over 90 schemes.

Major schemes completed in 2015/2016 included:

Capitalised Maintenance Schemes:

- Reroofing of Crook Civic Centre.
- Reroofing of Stainton Grove Teesdale Depot office block.
- Replacement of external cladding to Tanfield Lea Business Centre.
- Renewal of internal gutters and lift at Chilton Depot.
- Major Refurbishment works at Newton Aycliffe Leisure Centre including internal alterations to changing rooms.
- Legionella works in Spennymoor Leisure Centre, Abbey Leisure Centre and Freemans Quay Leisure centre.
- Boiler plant replacement at The Gala Theatre.
- Brickwork repairs and repointing works and renewal of floors in Seaham Youth Centre.
- Demolition of 3 old units in Stainton Grove Industrial Estate.
- Demolition of various redundant toilets and storage buildings in Stanhope Crosshill Cemetery, Bishop Auckland Cemetery, Esh Winning Cricket Pavilion site.

- Demolition of 11 and 12 Brough Close on Aycliffe Young Peoples School site.
- Demolition of The Dene Community Centre in Meadomsley.
- Demolition of Peterlee Shinwell Centre due to fire damage.
- Demolition of the Cubby in Newton Aycliffe Leisure Centre.
- Access improvement works in Newton Aycliffe Leisure Centre including provision of accessible changing facilities.
- New Automatic Detection System at Hartside Primary.
- Fire alarm installation at Bishop Auckland Town Hall, Durham Community Business College and Seaham Harbour Nursery School.
- Fire Alarm and emergency lighting installation at Broom Cottages Primary and Woodland Primary.
- Emergency lighting at Lumley Junior School.
- Fire safety works at Chilton Depot

School Demolition Programme:

Demolition works have progressed to varying stages on 13 school sites. 5 schemes are now complete, as below, however at some locations there have been delays in obtaining DfE approval and vacating the sites which has delayed design and tendering processes.

- Stanley
- Tudhoe - Charles Road
- Tudhoe - Durham Road
- Demolition of Roseberry Community College in Pelton
- Demolition of Ouston Infant School

Woodham CTC - Actual Spend £nil

The acquisition of 1.98 hectares of land at Woodham Community Technology College is on hold pending the outcome of a Playing Pitch Strategy by the Sports Council.

Minor (P&A) Schemes - Actual Spend £0.097m

Cobblers Hall Surface Water Drainage:

Drainage installation and earthworks to improve the holding pond nature reserve in Cobblers Hall development site, Newton Aycliffe are complete.

Mines & Minerals Rights:

Payment negotiated with the Church Commissioners to permit a DVR site in Bowburn to be developed.

Holliday Park, Langley Moor - Play Area:

Installation of the new play area is now complete.

War Memorials:

The programme included refurbishment works at Annfield Plain, South Moor, Leasinghorne, Iveston, Leadgate, Medomsley, Bishop Auckland and St Johns Chapel.

Local Transport Plan - Actual Spend £2.421m

LTP covers a wide range of transport schemes and is split into three areas, Sustainable Travel, Economic/Transport Corridors and Whole-Town Approach.

Sustainable Travel - Focuses on alternative modes of transport to the private car and improving information for transport users.

This has involved bus infrastructure improvements, new and improved walking and cycling routes, road casualty reduction schemes and supporting the Community Transport sector. Improving driver information, developing Urban Traffic Control, electric vehicle infrastructure and rail station improvement works have also taken place. The Local Sustainable Transport Fund programme has been supported with match funding to provide facilities at schools and workplaces being engaged in the projects.

Economic/Transport Corridors - Involves the improvement to the principal road network and major transport routes throughout the county.

Works this year have included improvements to the A177/B1278 Junction at Sedgefield, further design and assessment works for Durham Western Relief Road and advance works for A688 Thinford Widening.

Cycling Super Route schemes have included the completion of A690 West Rainton to Carrville Phase 1 along with the development and advance vegetation clearance for A167 Riverside to Hermitage Roundabout and A167 Sunderland Bridge Link schemes.

Whole-Town Approach - looks at the twelve main settlements in the county, aiming to improve transport to regenerate the town and attract businesses. Schemes that have been undertaken this year include improvements to Peterlee bus station, CCTV installation at Bishop Auckland bus station, advance works at Bishop Auckland Market Place and completion of payments for Chester-le-Street Leisure Centre car park.

In addition LTP contributed funding to the Spennymoor A688 subway improvements.

Transport Corridors - Actual Spend £1.303m

There were two active schemes in 2015/2016:

- A167/A693 Northlands Roundabout Signalisation - Following completion of the scheme in 2014/2015, additional works were carried out following a further safety audit of the scheme.
- A167/B6300 Sunderland Bridge Roundabout - construction of the scheme was completed and the roundabout opened to traffic.

Transport Major Schemes - Actual Spend £9.638m

There has been works carried out on a number of major capital transport schemes across the county in 2015/2016.

Shildon to Newton Aycliffe Cycleway:

The route was opened last financial year and the next phase of works in association with Network Rail is expected to take place in 2017/2018. This year, an interpretation panel was installed along with route signage along with feasibility of crossing point options at Spout Lane.

Horden (Peterlee) Railway Station:

Network rail feasibility study related to site selection is now complete. This has identified two viable sites, with consultation and demand forecasting, to identify the favoured site early in the new financial year.

Demand forecasting work nearing completion, with feedback given to the rail operator and Rail North.

Progression into GRIP Stage 3 to progress in Spring 2016.

Highington Railway Station:

Design of the shared-use route linking Highington Rail Station to the Hitachi development and the existing cycle network around Newton Aycliffe was progressed. Construction of the route commenced with completion to be in 2016/2017.

Villa Real:

Advanced utility diversion works undertaken. Detailed design for this major highway improvement scheme has been amended following ground investigations and findings, with works to recommence early in the new financial year.

Local Pinch Point - Chester-le-Street A167:

Construction of the scheme was completed including additional resurfacing works in conjunction with Aone+.

Durham City Urban Traffic Control:

Construction work commenced on the reconfiguration of Gilesgate roundabout with completion expected in May 2016. Design works and investigations continued for Leazes Bowl Roundabout reconfiguration with construction to commence early 2016/2017.

Pelaw Woods - Land Slip:

Stabilisation works took place to restore the embankment and footpath. A further slip took place in February 2016 delaying the completion of the scheme further into next financial year. A subsequent amended design and programme is being determined.

Forrest Park - Power & Junction:

Power requirements established for the projected floor uses, with an independent connections provider appointed for the contestable elements, following a tender. Detailed design and procurement of materials are to commence early in the 2016/2017 financial year. Payment for non-contestable elements made to the distribution network operator, with detailed design early in the new financial year.

Detailed design complete for the highways elements and loading requirements determined for other utilities, including gas and foul. Ground investigations are to commence early in the new financial year, which will help inform the tender for the ground re-profiling exercise.

Forrest Park (JV):

Joint Venture and related board set up involving Durham County Council officers and land owners of the wider site. The board will provide governance related to the progress of the enabling works and inform decisions of the development of the wider site.

Dalton Park Phase 2 - Traffic Signals:

Construction works, external to DCC, to upgrade two junctions as part of the Dalton Park Phase 2 development were underway this year with completion due in 2016/2017. As part of the works to the junctions, traffic signals are being introduced. The signals have been installed but will not be connected until early 2016/2017.

Durham Rail Station Gateway Improvements:

The works carried out this initial year of the project involved completion of the detailed design, vegetation clearance, ground investigations and geotechnical works. This will allow the construction of both the new and improved routes in 2016/2017.

Schemes in Development:

Durham Bus Station:

Preliminary design work and traffic modelling are nearing completion in coordination and liaison with the bus operators. Upon approval, detailed design work would advance for the highways and building elements. A Cabinet update and public consultation will follow.

Discussions are ongoing regarding necessary building acquisitions.

Sherburn Road Retail Link Road

The preliminary design of the highway route is complete. A developer is reviewing the new building layout and car parking arrangements, which will inform the highways detailed design.

Transit 15 - Actual Spend £0.039m

Further real time information displays and brackets were purchased in advance of expanding the number of on-street real-time displays.

CCTV - Actual Spend £0.027m

Care Connect have reviewed the connectivity of the former Sedgefield public space cameras and are replacing the costly Redcare lines with Next Generation access lines. Due to delays with BT this has not been completed within the financial year, however 50% of the cameras have now been transferred to the new lines and the project will be completed in July/August 2016. Once works are complete revenue budget savings will be generated.

Minor (T&CS) Schemes - Actual Spend £0.215m

Intercom Purchases - Supported Housing:

Care Connect have a programme of intercom replacement for their vulnerable customers. As a new charging mechanism will be implemented from April 2016, for all of the customers on the service, the installation of new intercoms has been delayed until the final numbers of customers receiving the service can be confirmed in June 2016. 1,683 units have however been purchased in advance of the replacement programme commencing in June/July 2016.