

Economy and Enterprise Overview and Scrutiny Committee

24 September 2012



Regeneration and Economic Development Service – Revenue and Capital Outturn 2011/12

Joint Report of Corporate Director – Regeneration and Economic Development and 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 2010/11 at its meeting on 23 February 2011. This report covers the financial position for the following three major accounts maintained by the RED service grouping:
 - *RED Revenue Budget - £42.447 (original £39.617m)*
 - *Housing Revenue Account - £57.631m*
 - *RED Capital Programme – £92.421m (original £107.434m)*
3. The RED General Fund budget has been revised to incorporate a number of budget adjustments as follows:
 - Transfer of budget from AWH £10k
 - Use of ABG Reserve £221k
 - Contribution to Derwentside Training Reserve - £75k
 - Use of Durham City Vision Reserve £35k
 - Use of LEGI Reserve £752k
 - Use of Performance Reward Grant £15k
 - Use of Strategic Reserve for Redundancies £1,271k
 - Use of Family Intervention and Empty Homes Reserves £102k
 - Concessionary Fares reduction - £250k
 - Balance sheet adjustment for Derwentside Training £910k
 - Support charges for use of Depots by RED £101k
 - Transfer of pension augmentation budget previously held centrally £347k
 - Recalculation of capital charges £240k

- Transfer of budget to Resources - £135k
- Transfer of budget for carbon tax £6k
- Reduction in budget to contribute to reserves of £720k

The final revised General Fund Budget in 2011/12 was £42.447m.

4. The summary financial statements contained in the report cover the financial year 2011/12 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 Regeneration and Economic Development Service Grouping was reporting a **£0.569m** cash limit underspend against the revised annual budget of **£42.447m**.
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 Outturn
Employees	26,511	28,404	1,893	(458)	1,435
Premises	1,966	3,808	1,842	(35)	1,807
Transport	1,376	1,355	(21)	1,626	1,605
Supplies and Services	10,370	9,646	(724)	-	(724)
Agency and Contracted	21,005	20,722	(283)	-	(283)
Transfer Payments	105	151	46	-	46
Central Costs	5,375	24,890	19,515	(14,856)	4,659
GROSS EXPENDITURE	66,708	88,976	22,268	(13,723)	(8,545)
INCOME	(24,261)	(51,733)	(27,472)	18,358	(9,114)
NET EXPENDITURE	42,447	37,243	(5,204)	4,635	(569)

Analysis by Head of Service

Head of Service Grouping	Annual Budget	Actual Outturn	Variance	Items outside Cash Limit	Final Outturn
Policy Planning Performance	1,151	1,129	(22)	-	(22)
Economic Development	8,167	1,850	(6,317)	6,087	(230)
Housing	5,441	6,244	803	(1,113)	(310)
Planning	5,919	5,672	(247)	(238)	(485)
Transport	16,601	14,519	(2,082)	1,530	(552)
Central Costs	5,168	7,829	2661	(1,631)	(1,030)
NET EXPENDITURE	42,447	37,243	(5,204)	4,635	(569)

7. The following is a breakdown of items outside of the cash limit:

• Redundancy costs to be met from strategic reserve	73
• Augmentation costs	(26)
• Strike pay, employee insurances and leave adjustments	34
• Equal pay settlements	(539)
• Repairs and maintenance and design service recharges	(35)
• Concessionary fares underspend	77
• Contribution to reserves for specific grants awarded	1,515
• Insurances and technical leasing adjustments	34
• Central administration recharges	(4,698)
• Capital charges	8,200
	4,635

8. 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) / Overspend	(Under) / Overspend
Policy Planning Performance (PPP)	PPP	Staff savings	(5,764)	(22,298)
		Other savings in running costs	(16,534)	
Economic Development	Head of Economic Development / VCD	Overspend approved on Visit County Durham activities	33,688	
		Strategic Investments	Overspend due to revenue costs relating to capital schemes not budgeted for	
	Economic Strategy	Overspend on North Eastern LEP contribution	50,000	
		Under spend due to vacant manager post	(53,718)	
		Under spend on research and evaluation budgets	(356,908)	
	Business Services	Under spend due to vacant posts and secondment of a member of staff	(51,741)	
Overspend approved for Nightsafe Support service until RED restructure finalised		51,557		

Head of Service	Service Area	Description	(Under) / Overspend	(Under) / Overspend	
		Overspend on Industrial Estates due to budget pressures on income and increased NNDR costs on vacant units due to change in Government legislation	309,897		
	Regeneration Funding	Underspend due to 2 members of staff on maternity leave	(26,804)		
	Economic Regeneration	Underspend on project development costs	(73,998)		
		General underspend on transport and supplies costs	(34,542)		
		Underspend due to vacant posts, maternity leave and long term sickness	(136,201)	(230,300)	
	Housing Management	Overspend on supplies and services	2,565		
	Housing Solutions	Mediation Services stopped in 2011/12 - budget to be used for HTASS contract which was delayed in starting	(40,000)		
		Savings on Temporary Accommodation results from a re-negotiated contract with Derwentside Homes plus the increased ability for clients to recover costs through the Benefits System. In addition as a result of the pending HTASS contract less money was spent on the various Temp Accom buildings used.	(109,940)		
		Dellside (Temporary Accommodation Building) was badly damaged through fire - therefore not used during 10/11/12	(10,000)		
		Savings on the Rent Deposit Guarantee Scheme resulting from less defaulters than anticipated for in the original estimates	(26,400)		
		Staff and car allowance savings resulting from vacant posts through out the year - delays in filling posts following the Service review	(79,100)		
		General underspend on Choiced Based Lettings and Joint Protocol	(10,050)		
		Savings resulting from less clients requiring financial assistance to pay rent arrears	(2,290)		
		Contribution to DASH no longer being made	(1,170)		
		Other general efficiency savings - primarily savings on printing, stationery and postages	(65,635)		
		Additional spend on Prevention Initiatives to be met from savings identified above	95,500		
		Supported Housing	Original salary saving not materialised - resulting from additional costs of covering for absent staff	16,746	
			Savings on staff training - training delayed due to staff movement in 2011/12 following service review	(65,000)	
	Premises savings resulting from the closure of offices at Easington and the withdrawing of the rent allowance for staff		(47,000)		
	Increased vehicle costs resulting from higher fuel costs than estimated for plus the use of additional vehicles		66,604		
	Additional purchase of essential equipment - financed from other savings		164,532		
	Revenue Contribution to Capital - this is to finance additional equipment purchased in the capital programme - met from savings identified		130,000		
	Savings on Contract Payments resulting from the rationalising and centralising of the service		(259,940)		
	Loss of income resulting from a lower than anticipated client base on Care Services. Additional loss of income from Parish Councils withdrawing support for CCTV		116,000		
	Housing Strategy	Staff savings results from an Officer seconded to Housing Options and savings on the training budget	(33,382)		
		Savings in audit fees and software budgets - no longer required	(63,200)		
		Other general efficiency savings	(4,607)		

Head of Service	Service Area	Description	(Under) / Overspend	(Under) / Overspend
	Housing Regeneration	Underspend on salaries in Housing Regeneration Delivery (71k) offset by reduced capital contribution (service fully financed from Capital) - i.e. no impact on GF	0	(310,300)
		Original salary saving not materialised	37,000	
		Saving on staff training as a result of RED review	(14,000)	
		Additional Landlords Initiative income received in year	(37,000)	
		Income brought forward from previous years for Energy Efficiency initiatives not used	(61,500)	
		General net savings on supplies and services	(9,033)	
Planning	Head of Planning	Overspend on supplies & services arising from North Pennines contribution	6,849	(484,726)
	Planning Policy	Underspend on employees due to vacant posts, maternity leave and reduced working hours £36k Underspend on supplies and services £50k Underspend on transport £22k Overspend due to loss of Habitats Income £17k	(90,826)	
	Local Development Framework	Approved overspend on Local Development Framework programme	187,859	
	Development Management & Admin	Underspend on employees £47k Overspend on transport £18k	(29,699)	
	Development Management	Underspend on employees (payroll) £65K Underspend on training £18k Underspend on transport £86k Underspend on blight works £148k Underspend on supplies and services £10k Underspend due to additional planning fee Income £174k	(501,141)	
	Planning Appeals & Inquiries	Overspend on :Bradley Open Cast from UK Coal Hamsterley Hall from Barratts	15,632	
	Building Control	Overspend due to under achieved income on building control fees (£296k) Underspend on dangerous structures £76k General underspend on supplies and services £88k Underspend on employees budget £47k Underspend on transport £18k	68,029	
	Conservation and Design	Underspend due to additional Income generated £3k Underspend on employees & transport £8k Underspend on supplies and services 22k	(32,587)	
	Archaeology	Overspend agreed on Archaeology projects	91,994	
	Landscape and Ecology	Underspend on employees due to vacant posts £61k Underspend on training £5k Overspend on transport £1k Underspend on supplies and services £49k (Surveys not carried out and Consultant Fees)	(115,264)	
	Sustainability	Underspend on employees due to vacant posts £56k Underspend on supplies & services £11k Underspend on Project Fund £2k	(68,261)	
	Heritage Coast	Underspend due to additional income generated	(17,311)	
	Transport	Head of Transport	Employees - Underestimated employers NI contributions	
Transport - Car Allowances are lower than budgeted			(1,875)	
Supplies -Small saving in supplies and services			(999)	
Strategic Transport Planning		Employees - The under spend is due to the reduction in the number of staff	(85,158)	
		Transport - Car Allowances are lower than budgeted	(2,520)	
		Supplies -Small saving in supplies and services	(33,937)	
		Income - Fees and charges will be higher than budget	(4,238)	
Traffic Management		Employees - The under spend is due to the reduction in the number of staff.	(3,691)	
		Premises - Lower Expenditure for Repairs & Maintenance	(68,716)	

Head of Service	Service Area	Description	(Under) / Overspend	(Under) / Overspend
		Transport - Car Allowances are lower than budgeted	(1,355)	
		Supplies - Higher than expected Annual Service contracts and software licenses.	70,291	
		Third Party - Higher costs for Parking Services	100,743	
		Central - Bad Debt write off	3,454	
		Income - grant income from the DoT for sustainable travel and addition income from other local authorities.	(15,296)	
		Income - Fees and charges were lower than expected due to lower than anticipated usage of Parking services.	180,249	
	Network Management	Employees - The under spend is due to the reduction in the number of staff.	(74,641)	
		Premises - Repair and Maintenance costs	250	
		Transport - Car Allowances and Vehicle costs higher than budgeted	14,240	
		Supplies - General savings on supplies and services	(7,032)	
		Third Party - Small saving on third party costs	13,384	
		Central - Bad Debt write off	3,292	
		Income - Government Grants unexpected grant income	(23,465)	
		Income - Fees and charges will be higher than budget due to Section 72 & 74 and Fixed Penalty Notices on Utility companies	(199,805)	
	Passenger Transport	Employees - Under spend is due to the loss of staff in the Fleet	(51,008)	
		Premises - Higher rate costs and Cleaning contract	30,022	
		Transport - Vehicle cost are going to be higher than budgeted	(22,124)	
		Supplies - General savings on supplies and services	14,797	
		Third Party - Saving fixed contract	(18,760)	
		Income - Government & Other Grants higher than expected	(55,717)	
		Income - Miscellaneous sales	(5,445)	
		Income - Fees and charges is higher which is mainly due to additional Departure Charges, Fleet income and recharge to the Health Authority	(361,304)	
		Income - Rents are higher than anticipated for Bus Stations	(10,000)	
		Income - Recharges for the Fleet are lower than budget due to the staff savings	49,943	
		Income - Misc Income is lower than anticipated	12,372	(551,770)
Central	Central Costs	Contingency and other expenses overspend	10,140	
		Contribution to RED restructure reserve	500,000	
		Contribution to RED Regeneration Reserve	520,000	1,030,140
TOTAL				(569,254)

9. Budgetary control reports during the year identified shortfalls in income from building control fees and industrial estate rental income as the main budgetary pressures which has been reflected in the actual outturn position. The under spend of £0.569m will be carried forward under the 'cash limit' regime and will be available to support the RED service grouping priorities over the medium term.

Revenue – Housing Revenue Account (HRA)

10. The Authority is responsible for managing the HRA which is concerned solely with the management and maintenance of its housing stock of around 19,000 dwellings. The HRA comprises the housing stock inherited from former Easington, Wear Valley and Durham City councils. Two arms length management organisations (ALMOs) have been established to manage Easington and Wear Valley housing stock (East Durham Homes and Dale and Valley Homes respectively) whilst Durham City is managed in-house. The responsibility for managing the HRA lies solely with the Authority and this is not delegated or devolved to the ALMOs.
11. Council approved the HRA budget on 23rd February 2011. The 2011/12 budget set a balanced budget which included rental income of £56.610m, direct expenditure on ALMO fees, repairs, maintenance, management and supervision of £30.137m and a revenue contribution to the capital programme of £4.659m. Also included was a negative subsidy payment of £4.514m, depreciation of £11.696m and interest payments on housing debt of £6.624m. The rent increase approved by Council was an average of 7.0% which equated to an average rent of £59.37 per week – an increase of £3.87 per week from 2010/11.
12. The table in **Appendix 2** shows the outturn position on the HRA showing the actual position compared with the original budget. In summary it identifies a surplus outturn position on the revenue account alongside a balance on the general HRA reserve of **£7.82m**. The following table summarises the position.

Housing Revenue Account	Budget £'000	Actual £'000	Variance £'000
Income			
Dwelling Rents	(56,610)	(56,840)	(230)
Other Income	(931)	(1,082)	(151)
Interest and investment income	(89)	(113)	(24)
	(57,630)	(58,035)	(405)
Expenditure			
ALMO Fees	18,266	18,266	0
Repairs, Supervision and Management Costs	11,871	12,843	972
Negative Subsidy Payment to CLG	4,514	3,790	(724)
Depreciation	11,696	11,696	0
Interest Payable	6,624	6,327	(297)
Revenue contribution to capital programme	4,659	4,980	321
	57,630	57,902	272
Net Position	-	(133)	(133)

13. The figures above include the use of earmarked reserves for Stock Options (£342k) and Capital (£400k).
14. In summary, the main variances with the budget are explained below and relate to the figures and corresponding notes shown in Appendix 2:

- a) **Dwelling Rents £230k additional income** – this is due to void rates being lower than anticipated in the original estimates.
 - b) **Charges for Services and Facilities £81k additional income** – this results from the receipt of administration charges from furniture packs (not previously budgeted for) at Durham City Homes ;
 - c) **Repairs £418k overspend** - arising from additional works carried out by Durham City Homes, financed from savings made in Supervision & Management budgets. Also additional works were carried out to void properties in an attempt to reduce re-let times;
 - d) **General Management £588k overspend** – this includes £342k on Stock Options which is financed from an earmarked reserve (see note k). In addition there is a provision for £600k included for a court case regarding an outstanding issue with the former Wear Valley District Council and an amount attributable to the cost of rent rebates to tenants above a threshold set by the Government – these costs are partly offset by other efficiency savings;
 - e) **Special Management £251k underspend** – this is due to savings on cleaning charges and running expenses from the closure of Communal Halls.
 - f) **Negative HRA Subsidy £724k underspend** – this is due to additional subsidy received from the Government to cover interest payments on Decent Homes funding of £18.6m allocated in 2011/12;
 - g) **Bad Debt Provision £635k overspend** – arising from an increased provision required for an increased rent arrears position at the year end
 - h) **Net Cost of Services not Allocated to Specific Services £153k underspend** – this results from reduced pension costs for former employees.
 - i) **Interest Payable £297k underspend** – due to reduced interest payable on housing debt arising from a lower interest rate being charged and the housing debt being lower than originally anticipated for in the budget.
 - j) **Direct Revenue Financing £721k overspend** - £321k of the net savings identified above together with an additional £400k from the Capital reserve has been used to support the capital programme and reduce the level of borrowing required.
15. The final position on HRA earmarked balances as at 31 March 2012 was as follows:
- HRA Capital Reserve £2,000k – after expending £400k in 2011/12.
 - Stock Options Reserve £60k – after expending £342k in 2011/12
 - Durham City Homes Improvement Plan £400k – no change

Volatility Reporting (Risk Based Reporting)

16. There are certain budgets, both income and expenditure, that can be volatile in nature and require close scrutiny throughout the year. These include budgets that are subject to external demand beyond the immediate control of the Council and also include income which can be affected by economic pressures. Efforts are specifically directed at these areas, which pose the greatest financial risk to budget management and managing our cash limits effectively.
17. The following items currently form part of the 'volatility' reporting framework and the outturn position on these for the RED Service Grouping was as follows:

Cost Centre	Description	2011-12 Budget £'000	2011-12 Outturn £'000	Variance £'000	Status
Development Control	Planning Fees	-1,634	-1,808	-174	GREEN
Building Control	Building Control Fees	-1,100	-804	+296	RED
Concessionary Fares	Contract Payments	10,250	10,173	-77	GREEN
Bus Contracts	Contract Payments	4,141	4,141	-	GREEN
Business Space	Rental Income	-2,237	-1,863	+374	RED

18. The volatility status indicates the outturn on the specific budget head, with red indicating that the target is not being achieved, amber indicating that the target is not being achieved but the overall variance is within acceptable tolerances and green indicating that the target is being achieved or exceeded.
19. The outturn position shows that the outturn position was broadly in line with forecasts although planning fee income came in higher than expected. The key budgetary control pressures going forward will be building control income and rental income from the industrial estate portfolio.

Capital Programme

20. The RED capital programme makes a significant contribution to the Regeneration ambitions of County Durham. The programme is relatively large and comprises over 200 schemes managed by around 40 project delivery officers.
21. The outturn position of the 2011/12 Regeneration and Economic Development capital programme has been finalised. The revised budget was £92.421m - consisting of £49.267m for the General Fund and £43.154m for the HRA.
22. Actual spend for 2011/12 amounts to **£79.293m** – consisting of **£37.264m** General Fund and **£41.735** for the HRA. This is shown in the following table:

Service	Final Annual Budget 2011/12 £m	Final Outturn	
		Amount £m	% Spend
General Fund			
Economic Development	18.977	16.699	88%
Housing	11.737	9.103	78%
Planning	7.150	4.144	58%
Transport	6.654	5.351	80%
Minor Schemes	4.749	1.967	41%
Total General Fund	49.267	37.264	76%
HRA	43.154	41.735	97%
Total General Fund & HRA	92.421	79.293	85%

23. **Appendix 3** 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 2011/12 has seen significant progress made for a number of major schemes.
24. **Appendix 4** provides narrative on the major RED schemes, by describing what has been delivered through the programme.

Recommendations:

25. 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.

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: 2011-12 Housing Revenue Account Outturn Position

	2011/12 Budget £000	2011/12 Outturn £000	Variance £000	
Income				
Dwelling Rents	(56,610)	(56,840)	(230)	a
Non Dwelling Rents				
- Garages [net of voids]	(769)	(813)	(44)	
- Shops/Other	(96)	(92)	4	
Charges for Services & Facilities	(66)	(147)	(81)	b
Contributions Towards Expenditure	0	(30)	(30)	
Total Income	(57,541)	(57,922)	(381)	
Expenditure				
ALMO Management Fee + Outsourced Contract	18,266	18,266	0	
Repairs & Maintenance	4,156	4,574	418	c
Supervision & Management - General	4,592	5,180	588	d
Supervision & Management - Special	1,066	815	(251)	e
Rents, rates, taxes & other Charges	42	64	22	
Negative HRA Subsidy	4,514	3,790	(724)	f
Depreciation & Impairment of Fixed Assets	11,696	11,696	0	
Debt Management Costs	120	175	55	
Increase/Decrease in bad debt provision	250	885	635	g
Total Expenditure	44,702	45,445	743	
			0	
Net cost of HRA services per Authority I&E Account	(12,839)	(12,477)	362	
HRA services share of Corporate & Democratic Core	1,085	1,085	0	
HRA share of other amounts included in the whole authority				
Net Cost of services but not allocated to specific services	560	407	(153)	h
Net cost of HRA Services	(11,194)	(10,985)	209	
Interest payable & Similar Charges	6,624	6,327	(297)	i
Direct Revenue Financing [Balancing Item on HRA]	4,659	5,380	721	j
Interest & Investment Income	(89)	(113)	(24)	
[Surplus] / Deficit for the year on HRA services	0	609	609	
Contribution from Stock Options Reserve	0	(342)	(342)	
Contribution from Capital Reserve		(400)	(400)	
Actual Position for Year	0	(133)	(133)	

HRA Reserves:

	Opening	Closing
Stock Options Reserve	402	60
Durham City Homes Improvement Plan Reserve	400	400
Capital Reserve	2,400	2,000
HRA General Reserve	7,688	7,821

Appendix 3: RED Capital Programme 2011-12 Outturn Position
GENERAL FUND (GF)

Scheme	Final Annual Budget 2011/12 £m	Final Outturn	
		Amount £m	% Spend
ECONOMIC DEVELOPMENT			
Barnard Castle Vision	0.743	0.783	105%
Durham City Plus	0.369	0.347	94%
Durham City Vision	2.688	1.607	60%
Durhamgate	4.834	5.173	107%
Eastgate	0.525	0.000	0%
Industrial Estates	0.506	0.265	52%
NETPark	5.452	5.726	105%
North Dock Seaham	1.094	0.493	45%
St John's Square	0.295	0.605	205%
Town Centres	2.470	1.700	69%
TOTAL ECONOMIC DEVELOPMENT	18.978	16.699	88%
GENERAL FUND HOUSING			
Disabled Facilities Grants (DFG's)/Financial Assistance Programme (FAP)	5.570	3.902	70%
Gypsy Traveller Sites	0.592	0.770	130%
Housing Renewal Programme	5.576	4.431	79%
TOTAL GENERAL FUND HOUSING	11.738	9.103	78%
PLANNING			
Energy Schemes (Efficiency/Renewable)	5.251	2.756	52%
URRI Programme	1.899	1.388	73%
TOTAL PLANNING	7.150	4.144	58%
TRANSPORT			
CCTV	0.350	0.017	5%
East Durham Rail Halt	0.060	0.015	25%
Integrated Transport (LTP)	3.454	3.252	94%
Major Schemes (Transport)	1.710	1.041	61%
Transit 15	1.050	1.002	95%
Transport Corridors	0.030	0.023	76%
TOTAL TRANSPORT	6.654	5.351	80%
Minor Schemes	4.749	1.967	41%
Total General Fund (GF)	49.269	37.264	76%

HOUSING REVENUE ACCOUNT (HRA)

Scheme	Final Annual Budget 2011/12 £m	Final Outturn	
		Amount £m	% Spend
Dale & Valley Homes	6.900	6.821	99%
Durham City Homes	6.700	6.235	93%
East Durham Homes	23.667	23.566	100%
Housing Regeneration (Demolitions)	1.223	0.758	62%
New Build	4.664	4.356	93%
Total Housing Revenue Account (HRA)	43.154	41.735	97%

Overall Total GF & HRA	92.423	78.999	85%
-----------------------------------	---------------	---------------	------------

Appendix 4: RED CAPITAL PROGRAMME DELIVERY 2011/2012

RED CAPITAL PROGRAMME DELIVERY 2011/2012

Barnard Castle Vision – Actual Spend £0.783m

The Barnard Castle Vision has had an award winning year in which several projects have come to fruition and two major capital projects have secured funding.

£1.9 million was secured from the Heritage Lottery Fund to deliver the Heart of Teesdale programme of landscape improvements and £3 million to refurbish and extend the Witham Hall and Barnard Castle Library. Construction works begin at the Witham Hall in June 2012. The 'new' Witham Hall will include studios to let to small businesses; a 225 seat auditorium with professional stage sound and lighting; meeting rooms and networking areas and WiFi workspace; gallery retail and visitor information point and outdoor landscaped space for occasional events.

A Heritage Activities Programme is being delivered during and after construction in conjunction with The Bowes Museum to help interpret the rich history of the area and to engage people in the process.

These projects will retain the 'spirit of place' while at the same time providing access to state-of-the-art facilities and an experience that will appeal to a new generation of residents and visitors. A shop share opened in April, fitted out and restored and shared by 3 businesses.

Three Action for Market Towns awards were received for strategic and partnership working, in the business and economy category and environment and culture.

A former car salesroom converted to the NeST Studios and Digital Hub has become firmly established as a business hub supporting digital and creative businesses, underpinned by a WiFi café.

The Digital Dale 4G broadband infrastructure has been completed and residents and businesses are now utilising this service.

The shop front programme and Barney Guild activity has reinvigorated the town centre and attracted new businesses, bucking the national trend.

Durham City Plus – Actual Spend £0.347m

The highway works to Bow Lane were completed at the start of December. The project has been well received by adjacent landowners, partners and the construction industry. The adjacent Dun Cow Lane will be improved during 2012/2013 by Neighbourhood Services using similar techniques and materials. Once completed, this will provide a high quality pedestrian route for people to access Durham Cathedral and Palace Green from the Elvet area of the City.

Durham City Vision – Actual Spend £1.607m

Schemes within this programme are coming to a conclusion. Ongoing and new developments will be taken forward in future through the Durham City Plus and Towns programmes.

Refurbishment works to the Market Place and Vennels are almost complete, however there are a number of contractual issues still to resolve before this scheme can be concluded.

Durhamgate – Actual Spend £5.173m

This 2011/2012 financial years spend supported the following works:-

- Construction of a new fifth leg off the A167/A688 Thinford roundabout junction to create a new access into the development. Throughout 2011/2012 these works have been progressing with the alignment of the new roundabout visible on site. Works to create the new splitter islands has also begun. Outstanding works to this area include, drainage, kerbing, street lighting and surfacing.
- Construction of a new access into Green Lane Industrial Estate off York Hill road. These works were undertaken and completed over the past year.
- Construction of a new roundabout at the A167/York Hill Road junction; During 2011/2012 the new roundabout has been built with only street lighting and signage left to complete.
- Improvement of the existing road network within Green Lane Industrial Estate and construction of new roads to serve commercial and residential areas of the scheme. The new access to the residential site has been completed. Paving works associated with the new road to serve the commercial elements have been progressing over the last few months and are to be completed over the summer months.
- Provision of foul and surface water sewers and new services infrastructure within the highway corridor for the wider development. These works were undertaken and completed over the past year.
- Construction of ancillary 'non-adoptable' public realm works including car parking, high quality paving, lighting, installation of street furniture and soft landscaping. During 2011/2012 these elements of the works have been progressing and will be finished over the summer months in 2012.
- Installation of all highway drainage, street lighting, signage, road markings, bus shelters and soft landscaping associated with the site. Progress has been made with the highway drainage works with only a few remaining elements at Thinford roundabout left to complete.

Street lighting, signage, road markings, bus shelters and soft landscaping have not been progressed to date as they are the last phases of the programme and will be completed by October 2012.

- The diversion of public utility apparatus- These works were undertaken and completed over the past year apart from a gas diversion at Thinford roundabout which is currently on going.
- Minor accommodation works associated with adjacent land affected by the scheme were undertaken and completed over the past year.

Industrial Estate – Actual Spend £0.265m

The final phase of managed offices at Consett Business Park totalling 2,000m² reached tender stage during March 2012, with a start on site anticipated for June 2012 and completion by March 2013. The scheme will deliver BREEAM excellent business accommodation for over 35 new SME's (small to medium sized enterprises) and create over 120 jobs in the Consett area.

A number of minor factory refurbishment schemes were carried out during 2011/2012, including the following:

- Unit 41-46 Stella Gill Industrial Estate - Roof Replacement across 5400sq ft of floorspace.
- Unit 50-51 Stella Gill Industrial Estate - new heating system installed, unit size 1400 sq ft
- Unit 5 Tanfield Lea South Industrial Estate - Removal of old heating system and replacement installed, unit size 2720 sq ft
- St Stephens Court - heating and automatic gate improvements across floorspace of 13477 sq ft
- Unit 13-16 Chilton Industrial Estate - replacement forecourts

NETPark – Actual Spend - £5.726m

Grow on accommodation totalling 5,600m² was completed at NETPark. These include two buildings - Discovery 1 and Discovery 2 - providing high quality office and production space for science and technology based businesses. The first unit was completed in 2010 and is now occupied by Kromek Ltd. Each of the three units is expected to accommodate some 50 high quality jobs in advanced technologies.

North Dock, Seaham – Actual Spend £0.493m

The first phase of the construction work to provide a new marina facility at Seaham North Dock is now complete. The development provides floating pontoons to accommodate up to 76 leisure craft, supported by business workspace for up to 12 marina related businesses, an improved slipway and the reinstatement of dock gates.

Work is currently ongoing to complete the health and safety works at the marina with the installation of the new fencing, seating, signage, litter bins and floorscaping works. The marina is expected to be complete and open to the public in July 2012.

St John's Square, Multi User Centre – Actual Spend £0.605m

The building was completed and opened in May 2012. Public Realm and Art works will continue into 2012/2013.

Town Centres – Actual Spend £1.700m

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

Projects undertaken during 2011/2012 include targeted business improvements grants which have supported 41 businesses at over 50 units. We have assisted in safeguarding over 100 jobs, and assisted in bringing derelict and underused floor space back into use. The scheme has attracted over £880,000 investment into the centres from property and business owners.

The scheme continued to be well received by businesses in Spennymoor and the town saw another 13 engaging with the project. 12 properties in and around the market place in Bishop Auckland were improved, including the 'blight' that was Fortune Court. Seaham also had significant interest and 12 businesses took up the offer of grant support to improve the retail infrastructure.

Alongside the physical element of the project, we are able to offer support to assist businesses in becoming more sustainable, by means of one to one mentoring. We are also working with DCC and other training providers to offer training opportunities for the retail sector including, customer service training, NVQ in Retail, and apprenticeships.

The public realm works in the Market Place at Bishop Auckland are now substantially complete. Phase 5 and phase 7 were completed in the Spring with the exception of the installation of the new street lights which have been purchased and will be installed by June 2012. The Market Place is now fully available as an events space and street market.

Targeted Business Improvements, public realm, and Highway improvements will continue to be developed in the major centres in line with the priorities of the emerging Master Plans

Disabled Facilities Grants (DFG's) & Financial Assistance Policy (FAP) – Actual Spend £3.902m

DFG - This is a mandatory grant awarded under the Housing Grants, Construction and Regeneration Act 1996 to eligible applicants who have been assessed by an Occupational Therapist as having an essential need for an adaptation to make the properties safer and applicants more independent in their own homes. The maximum DFG award is £30,000 and each applicant (except where the adaptation is for a child) is subject to a test of resources to determine their financial contribution (if any).

533 Disabled Facilities were completed by financial year end. Total DFG spend is £3,296,823.

FAP - Durham County Council are a key partner in the North East Regional Loans Scheme and working together have procured the Five Lamps organisation to administer the loans across the region.

All participating local authorities pay their FAP funding to the Loans Administrator who manages payments to and from the loan portfolio on behalf of the Council. The Policy provides a range of loan types for property owners who are excluded from mainstream sources of finance. Eligible works can include bringing properties up to the Decent Homes Standard, measures to make the property more energy efficient, relocation loans and measures to help qualifying owner-occupiers and landlords to bring long-term empty properties back into use.

£604,993 was spent from our budget in 2011/2012, along with a further £856,338 spend from the budget held by the Five Lamps Organisation.

Housing Renewal (including Gypsy Traveller Sites) – Actual Spend £5.201m

The Housing Regeneration Delivery section resources are targeted on holistic regeneration projects in areas with the worst concentrations of housing problems. Each element of the overall Housing Renewal and Improvement Service therefore plays it's part in co-ordinated local action focused on sustainable improvements.

The delivery of capital investment programmes for the Housing Regeneration Delivery Section include both private and social sector housing stock and include selective acquisition, demolition of housing, group repair schemes, environmental improvements, new housing development and the future refurbishment of the Council's owned Gypsy Roma Traveller sites. In 2011/2012 179 properties have either, been acquired, demolished or benefited from improvements via group repair schemes and environmental improvements on cleared land.

The refurbishment of East Howle Gypsy Roma Travellers site was completed in 2011/2012 and the refurbishment of a further four sites over the next three years is at design stage and procurement options are being considered.

There are ongoing schemes in Craghead, Esh Winning, Wheatley Hill, Easington and Chilton. Schemes in Dawdon, Ferryhill and Ferryhill Station are complete.

Craghead - 139 properties have received boundary wall and Group repair work since the scheme commenced in 2010 including 89 properties receiving free solar panels. The scheme won a prestigious National Home Improvement Council Award in November.

Easington - A total of 39 properties were group repaired in the Wembley and Dawdon areas of Easington Colliery in 2011/2012 further phases of the master plan will progress in 2012/2013.

Wheatley Hill - 18 council properties have been demolished in St Cuthberts and St Bedes Thornley as part of the master plan making available land for new housing in the longer term.

Esh Winning - One property has been acquired in the regeneration area and 7 demolished. The master plan is progressing in association with our partner Keepmoat and further new homes are programmed to be built on the cleared land.

West Chilton - The acquisition of properties in Dean Terrace is progressing, two properties were acquired in 2011/2012 and a further 12 acquisitions have been made in this financial year to progress the stalled masterplan.

Ferryhill Ferryhill Station - The environmental improvement schemes to these areas are now complete, resident feedback has been good and a nomination was made to the Councils 2011 Environmental Awards programme for the Ferryhill Station scheme.

Energy Schemes – Actual Spend £2.756m

The SPA project has successfully installed solar photovoltaic (pv) panels onto 35 DCC buildings, with a spend of £2.75 million. The panels in total give a capacity of 865.87 kilowatt peak which are expected to generate around 707,104 kilowatt hours of energy every year.

The Government Feed In Tariff is guaranteed to pay back a generous amount for every kilowatt generated (rates vary according to the size of the individual pv system) over 25 years, whether or not the building consumes that energy itself, with an additional 3p for every kilowatt that is exported to the grid.

This means that the Council will earn income and savings of at least £8 million over the 25 years period against its £2.8 million investment, and this figure could rise as electricity prices rise.

The project used local companies Esh Construction, John N Dunn and Barrier for most of the installations and survey work.

The project is therefore generating green, low carbon energy, protecting its community buildings, supporting local jobs and the low carbon economy, reducing its energy costs and creating guaranteed income for 25 years.

Energy Efficiency Fund:- This is part of the Carbon Management Plan to reduce CO2 emissions from council operations by 40% by 2015. The fund is to enable capital schemes with a good return on investment, generally of 8 years or less.

For 2011/12 the fund was for the Building Energy Efficiency Retrofit (BEER) scheme phase 1, to improve the energy efficiency of three leisure facilities; Chester-le Street Leisure Centre, Newton Aycliffe Leisure Centre and Stanley Indoor Bowls Centres, as well as Crook Civic Centre. There has been no spend in 2011/2012 as the procurement for the project has been more difficult than envisaged. However, the contractor should be appointed in May 2012.

Away From G:- This was fund was to enable the improvement of our most energy inefficient buildings. This project has been delayed by the BEER project, as it had been intended that this would follow on once its procurement was complete. The surveys have been completed on five of the most inefficient buildings, and this project will commence in May 2012.

Biomass Boilers:- £250,000 has been expended on installing a new Biomass Boiler at Ferryhill Broom Cottages School. Total spend was over £300,000 so the balance was covered by CYPS maintenance budgets. The installation will save around 90 tonnes of CO2 per year, compared to gas boilers.

Gas Boilers:- £250,000 expended on replacing inefficient gas boilers at Annfield Plain Infants, Burnhope Primary ,Evenwood School and Yoden Primary, reducing CO2 emissions and energy costs.

Urban and Rural Renaissance Initiative (URRI) – Actual Spend £1.388m

During the 2011/2012 financial year the URRI delivered environmental improvements to 3 Major Centres, 11 Small Towns and Villages, and 10 Member Schemes. Key schemes in 2011/2012 included:-

Stanhope - completion of improvements to the entrance and access to the outdoor pool including car park works, creation of designated pedestrian footways and planting, plus similar works to the station.

Coundon area - resurfacing the unmade road on William Street and bringing the access road up to adoptable standard, provision of gateway features through planting schemes, improvements to the car park in the village and improving access to the surrounding countryside walks. URRI also provided a new access to the recently installed Community Transport Hub in Dene Valley.

Burnhope - reinstatement of a footpath, this was a member led scheme predominantly funded by member match funding.

Blackhill - completed a second phase of public realm improvements to the commercial centre in Blackhill including resurfacing the footpath, providing new bins and bollards moved the existing bus stop onto a build out and widened the available footpath for pedestrian use.

Burnopfield - replacing tarmac surfaces with paved footpaths, new railings and dropped crossings to improve access.

Cockfield - outside the village co-op installed natural Yorkstone paving and new bollards to prevent vehicular over-run.

Pelton Fell Shops - removal of existing poor quality tarmac outside the commercial area in Pelton Fell and replacement with paving flags, new street furniture and street trees.

West Auckland - assistance on improvements to the car park and targeted building improvement grant scheme resulting in the refurbishment of a number of key buildings around the village green including listed buildings, commercial premises and buildings at key entry points into the village.

Consett - works started on Newmarket Street taking up uneven tarmac footpaths and replacing them with paved footpaths, the creation of a new seating area and a gateway feature.

Chester-le-Street - phase 1 improved access links between the station, Front Street shopping area and the cricket ground. Works included resurfacing of footpaths, provision for pedestrians and cyclists and provision of new signage.

Bowburn - the final section of Durham Road received treatment including the removal of existing tarmac footpaths and replacement with paved footpaths and new street furniture.

Newton Aycliffe - a member led scheme focused on the commercial centre of Neville Parade. Works included the take up of the existing patched tarmac footpath and replacement with paving flags, provision of new street furniture and provision of additional parking.

Member Schemes - included creation of a number of play areas; parking and landscaping schemes at Holly Hill and Easington; gateway feature provision and parking at Langdale Oval; nature area creation; and footpath link provision.

Local Transport Plan (LTP3) – Actual Spend £3.252m

LTP3 is split into three areas, Sustainable Travel, Economic/Transport Corridors and Whole-Town Approach.

Sustainable travel focuses on modes of transport other than the private car such as Public Transport, Walking & Cycling, Taxis etc. as well as reducing casualties on the highway network, providing improved driver information and investing in electric vehicle infrastructure.

Economic/Transport Corridors involve improvements to the principal road network and major transport routes throughout the county. Also under this title within LTP3 are the more substantial Transit 15 and Sunderland Bridge schemes which are funded separately.

Whole-Town Approach deals with the twelve main settlements in the county, aiming to improve transport to regenerate the town and attract businesses.

There are links with the Masterplans along with the Destination Development Plan and Place Shaping activities.

Major Schemes – Actual Spend £1.041m

The construction of Drum Industrial Estate Roundabout is now complete. West Auckland Bypass, Wheatley Hill to Bowburn, Chilton Bypass and Durham Park & Ride are schemes that have all been completed for some time now. The nature of these schemes has meant that a slippage of funding continues due to the ongoing Land Compensation Act: Part 1 claims and land acquisition claims which can be made up to 7 years after scheme completion.

The negotiations of the Part 1 claims have been underway for some time and they are being pursued directly by Assets and/or on their behalf by an external valuation agency. Unfortunately updates have not been received regarding their current status.

Shildon to Newton Aycliffe Cycleway is at the developmental stage. This replaces the scheme originally being developed at Belmont to secure the additional funding from Sustrans.

Transit 15 – Actual Spend £1.002m

Three further schemes have been completed this year (Durham High School, North Road/B6532 Durham and Barley Mow) along with a number of Corridor Infrastructure schemes.

Design and advance works have been carried out for other T15 schemes but due to the consultation process, there are a number of schemes where construction has been delayed and will now be carried out in 2012/2013. These include Croxdale, South Road and Gilesgate Bank.

Housing Revenue Account Decent Homes – Actual Spend £36.622m

The Councils core housing programme is geared around modernising and refurbishing the Councils housing stock. The 2011/2012 budget is supported with £18.6m of Decent Homes Funding and £11.7m of Major Repairs Allowance. Our three housing management providers have made good progress on refurbishing our dwelling stock and some 2,500 properties have been brought up to the decent homes standard.

Housing Regeneration (Demolitions) – Actual Spend £0.758m

This work is being undertaken by the Housing Renewal Team. The Esh Winning and Wheatley Hill acquisition and demolition programmes have continued, however further work will now be required within 2012/13 in order to commence the process of acquiring several properties.

New Build – Actual Spend £4.356m

Greenside Place, Crook consists of 17 Affordable 2 and 3 Bedroom houses. The scheme is now completed and all of the properties have been let to local people through a local lettings policy. Grant has been received from the HCA to assist in the delivery of the scheme.

Park Avenue Close, Crook is a scheme of 46 Apartments and 4 Bungalows. As of the 1st April a total of 36 units have been completed with the remaining units being scheduled for completion in June 2012. Grant has been drawn down for the full scheme.