

Economy and Enterprise Scrutiny Committee

22 September 2014



Regeneration and Economic Development Service – Revenue and Capital Outturn 2013/14

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

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 2013/14 at its meeting on 20 February 2013. 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 three major accounts maintained by the RED service grouping:
 - *RED Revenue Budget - £41.352m (original £41.801m)*
 - *Housing Revenue Account - £65.203m*
 - *RED Capital Programme – £86.991m (original £99.765m)*
3. The RED General Fund budget has been revised to incorporate a number of budget adjustments as follows:
 - Contribution to budget for electrical equipment testing -£5k
 - Job evaluation adjustment +£14k
 - Transfer of budget to Neighbourhoods for horse impounding -£13k
 - Contribution to corporate training programme -£4k
 - Reduction in staffing budget for purchase of annual leave -£31k
 - Reduction in stationary budgets -£36k
 - Increase in Assets budget relating to security at former Whinney Hill School +£83k
 - Use of RED Cash Limit +£187k
 - Use of Strategic Reserve for redundancies +£87k
 - Use of Durham City Vision Reserve +£29k
 - Use of Performance Reward Grant Reserve +£179k
 - Use of Visit County Durham Reserve +£53k

- Use of Economic Development Employability Reserve +£127k
- Use of Repossession Reserve +£46k
- Use of Housing Solutions Reserve -£10k
- Use of Growth Point Reserve +£16k
- Use of Town Team Partners Reserve +£20k
- Use of Funding and Programme Reserve +£50k
- Use of LSVT Reserve +£11k
- Contribution to Durham Employment & Skills Reserve -£150k
- 1% increase for pay award +182k
- Transfer of budget relating to corporate highways savings -£25k
- Transfer of budget regarding fleet and depot recharges -£51k
- Increased capital and central support recharges +£776k
- Use of Seaside Towns Reserve +£48k
- Contribution to Family Interventions Programme Reserve -£51k
- Contribution to Public Health Reserve -£1,106k
- Contribution to ER/VR and Redundancy Reserve -£875k

The revised General Fund Budget now stands at £41.352m.

4. The summary financial statements contained in the report cover the financial year 2013/14 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 is reporting a cash limit spend which is **£0.249m** over budget against the revised annual budget of **£41.352m**. The forecast outturn position reported at Quarter 3 was a cash limit spend of £0.273m over budget – a variance of £0.024m under the previous forecast.
6. The outturn position includes an in year cash limit contribution to the corporate ERVR reserve of £0.875m, therefore the underlying cash limit outturn position is a £0.626m underspend in 2013/14 (£0.602m at Quarter 3).
7. 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	29,027	29,497	470	-197	273
Premises	2,748	5,185	2,437	-2,149	288
Transport	1,349	1,102	-247	0	-247
Supplies and Services	10,775	11,375	600	659	1259
Agency and Contracted	19,707	20,342	635	-61	574
Transfer Payments	200	1	-199	0	-199
Central Costs	8,186	36,749	28,563	-26,007	2,556
GROSS EXPENDITURE	71,992	104,251	32,259	-27,755	4,504
INCOME	-30,640	-48,507	-17,867	13,612	-4,255
NET EXPENDITURE	41,352	55,744	14,392	-14,143	249

Analysis by Head of Service

Head of Service Grouping	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Strategy Programmes Performance	1,850	1,701	-149	5	-144
Economic Development & Housing	7,217	21,581	14,364	-14,325	39
Planning & Assets	6,391	9,234	2,843	-3,489	-646
Transport & Contracted	17,525	20,967	3,442	-3,303	139
Central Managed Costs	8,369	2,261	-6,108	6,969	861
NET EXPENDITURE	41,352	55,744	14,392	-14,143	249

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) / over budget	(Under) / over budget
Strategy Programmes Performance	Management	Minor Variance	(4)	(144)
	Strategy, Policy, Partnerships & Support	£65k under budget on employees due to two vacancies and a secondment to ANEC. £4k under budget on supplies.	(69)	
	County Durham Economic Partnership	£4k under budget on employees and transport. £28k under budget on supplies.	(32)	
	Planning & Performance	£28k under budget on employees due to maternity savings and vacant post. £4k under budget on supplies.	(32)	
	Funding and Programmes	£7k under budget on employees due to maternity leave.	(7)	

Head of Service	Service Area	Description	(Under) / over budget	(Under) / over budget
Economic Development & Housing	Head of Economic Development	Minor Variance	(3)	39
	Physical Development	Minor Variance	(5)	
	Visit County Durham	£16k over budget on employees due to apprentice costs and unmet vacancy savings £48k over budget on festivals and events relating to Bishop Auckland Food Festival and a cancelled event £17k over budget on supplies and services £40k approved over budget regarding Gospels exhibition	121	
	Business Durham	Minor Variance	(1)	
	Economic Development	£77k approved over budget on apprenticeships £53k under budget on feasibility studies and supplies	24	
	Housing Solutions	£19k under budget on homelessness prevention initiatives	(19)	
	Housing Regeneration	£62k under budget on employees due to savings on 3 part time posts and 2 posts becoming vacant mid-year £16k general under budget on supplies	(78)	
	Spatial Policy, Planning Assets & Environment	Head of SPPAE	Minor Variance	
Spatial Policy, Planning Assets & Environment	Spatial Policy	£20k under budget on employees due to staff turnover £15k under budget on transport £117k agreed over budget on public consultation costs regarding Local Development Framework	82	
	Development Management	£64k under budget on employees due to staff turnover £20k under budget on training £66k under budget on transport £59k over budget on computer software (awaiting implementation of single planning system) £502k over achieved income partly due to a number of major applications i.e. Hitachi	(593)	
	Building Control	£110k under budget on employees due to staff turnover £20k under budget on transport £40k under budget on supplies & services £42k underachieved building control fee income	(128)	
	Environment & Design	£51k under budget on employees due to 14-15 MTFP savings achieved early £39k under budget on transport £61k under budget on supplies and services £68k overachieved income re Renergy project, ecology surveys and feed in tariffs	(219)	

Head of Service	Service Area	Description	(Under) / over budget	(Under) / over budget
	Assets - Asset Management	£220k agreed spend on acquisition of land North East Industrial Estate £160k over achieved fee income relating to large sales such as Cobblers Hall £293k under achieved income from property management, such as North Road Durham, Brackenhill Peterlee, Millenium Square Durham and Newgate Street Bishop Auckland. £60k under budget on surplus properties £76k under budget due to one off income relating to a legal claim for dilapidation costs at a former Easington DC building	217	(646)
Transport	Head of Transport	Minor variance	8	
	Traffic	£41k over budget on employees costs due to unmet vacancy savings £67k under budget on premises costs, mainly due to 35k rent saved on Peterlee bus station £11k under budget on transport £369k over budget on parking services due to additional enforcement activity and inflationary contract costs £35k over budget on cost of events e.g. Lumiere and Gospels £58k net over budget on other supplies and services primarily due to spend on footway reconstruction	425	
	Sustainable Transport	£250k under budget for bus contract payments due to new contracts being negotiated in 2013-14 and the effects of a mild winter. £43k under budget on employee costs due to vacancy savings and local agreements £36k under budget on departure charge income primarily due to changes in arrangements for Peterlee Bus Station £10k under budget minor net variances	(267)	
	Supported Housing	£27k under budget primarily due to increased income from extra clients	(27)	139
Central	Central Costs	£875k contribution to corporate strategic redundancy reserve £14k under budget on central financing costs		861
TOTAL				249

9. The final outturn position was broadly in line with forecasts prepared during the year and the £0.249m over budget will be carried forward under the 'cash limit' regime. It should also be noted that the MTFP saving target for RED in 2013/14 of £1m was delivered.

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. 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. 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 **£7.155m**. The following table summarises the position.

Housing Revenue Account	Budget £'000	Actual Outturn £'000	Variance £'000
Income			
Dwelling Rents	(63,633)	(63,295)	338
Other Income	(1,466)	(1,672)	(206)
Interest and investment income	(104)	(71)	33
	(65,203)	(65,038)	165
Expenditure			
ALMO Fees	16,469	16,469	0
Repairs, Supervision and Management Costs	12,220	12,910	690
Depreciation	7,850	7,821	(29)
Interest Payable	12,447	10,862	(1,585)
Revenue contribution to capital programme	16,217	16,976	759
	65,203	65,038	(165)
Net Position	0	0	0

12. In summary, the main variances with the budget are explained below and relate to the figures and corresponding notes shown in **Appendix 2**:
- Dwelling Rents £0.338m reduced income** – this results from an increased level of right to buy sales in the year and an increase in the number of void properties across all three housing management areas;
 - Charges for Services and Facilities £0.178m additional income** – this results from right to buy administrative income plus additional income from backdating intensive housing management charges;
 - Repairs & Maintenance £0.762m over budget** – at the year end a review of the capital programme identified costs which were more aligned to revenue spend as opposed to capital, which explains the higher spend but this is offset by a corresponding reduction in the revenue contribution to the capital programme;

- d) **Supervision & Management £0.289m over budget** – this relates to additional asset management work to support transfer and customer services charge for Durham City Homes being higher than budget;
 - e) **Rents, Rates and Taxes £0.220m over budget** – this is an increase in council tax charges resulting from the increased number of void properties;
 - f) **Bad Debt Provision £0.561m under budget** – this results from lower than anticipated arrears compared to forecast, due to delay by Government in implementing Universal Credit, and work carried out by housing management providers in maintaining arrears at a consistent level;
 - g) **Interest Payments £1.585m under budget** – this results from a lower interest rate achieved and lower overall level of debt;
 - h) **Revenue Support to Capital £0.759m over budget** – the balancing item on the HRA which identifies the potential resources available to support the capital programme and reduce our reliance on borrowing.
13. The final position on HRA earmarked balances as at 31 March 2014 is as follows:
- Durham City Homes Improvement Plan £0.650m
 - Welfare Reform £0.393m
 - HRA Reserve £7.155m

Capital Programme

14. 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.
15. The outturn position of the 2013/14 Regeneration and Economic Development capital programme has been finalised. The revised budget was £86.991m - consisting of £37.172m for the General Fund and £49.819m for the HRA.
16. Actual spend for 2013/14 amounts to **£80.423m** – consisting of **£34.725m** General Fund and **£45.698** for the HRA. This is shown in the following table:

Service	Original Annual Budget 2013/14	Final Annual Budget 2013/14	Final Outturn	
	£m	£m	Spend £m	% Spend
General Fund				
Economic Development & Housing	24.715	20.096	20.465	102%
Planning & Assets	9.080	7.618	6.572	86%
Transport & Contracted Services	9.769	9.319	7.628	82%
Minor Schemes & Contingency	0.618	0.138	0.060	43%
Total General Fund	44.182	37.172	34.725	93%
HRA	55.582	49.819	45.698	92%
Total General Fund & HRA	99.765	86.991	80.423	92%

17. **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 2013/14 has seen significant progress made for a number of major schemes.
18. **Appendix 4** provides narrative on the major RED schemes, by describing what has been delivered through the programme.

Recommendations:

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

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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: 2012-13 Housing Revenue Account Outturn Position

	2013/14 Budget £000	2013/14 Outturn £000	Variance £000	
Income				
Dwelling Rents	(63,633)	(63,295)	338	a
Non Dwelling Rents:	(1,075)	(1,103)	(28)	
Charges for Services and Facilities	(391)	(569)	(178)	b
Total Income	(65,099)	(64,967)	132	
Expenditure				
ALMO Management Fee	16,469	16,469	0	
Repairs and Maintenance	4,433	5,195	762	c
Supervision and Management - General	4,417	4,706	289	d
Supervision and Management - Special	411	408	(3)	
Rent, Rates, Taxes and Other Charges	310	530	220	e
Depreciation and Impairment of Fixed Assets	7,850	7,821	(29)	
Bad Debt Provision and Debts Written Off	968	407	(561)	f
Debt Management Costs	194	194	0	
Total Expenditure	35,052	35,730	678	
Net Cost of HRA Services per I&E Account	(30,047)	(29,237)	810	
Share of Corporate and Democratic Core	1,085	1,085	0	
Share of Other Costs Not Allocated to Specific Services	402	385	(17)	
Net Cost of HRA Services	(28,560)	(27,767)	793	
Interest Payable and Similar Charges	12,447	10,862	(1,585)	g
Direct Revenue Financing (Contribution to Capital)	16,217	16,976	759	h
Interest and Investment Income	(104)	(71)	33	
(Surplus)/Deficit for Year	0	0	0	
HRA Reserves	7,154	7,154	n/a	
Stock Options Reserve	500	0	n/a	
Durham City Homes Improvement Plan	650	650	n/a	
Welfare Reform Reserve	0	393	n/a	

Appendix 3: RED Capital Programme 2013-14 Outturn Position
GENERAL FUND (GF)

Scheme	Final Annual Budget 2013/14 £m	Final Outturn	
		Amount £m	% Spend
ECONOMIC DEVELOPMENT & HOUSING			
Barnard Castle Vision	1.685	1.692	100%
Durhamgate	1.209	0.995	82%
Industrial Estates	2.376	2.318	98%
North Dock Seaham	0.142	0.153	107%
Office Accommodation	0.497	0.388	78%
Town Centres	1.988	2.245	113%
Urban and Rural Renaissance Programme	0.180	0.038	21%
Minor Schemes	0.909	0.718	79%
Disabled Facilities Grant / FAP	4.059	4.041	100%
Gypsy Roma Travellers	2.258	3.336	148%
Housing Renewal	3.193	2.941	92%
Cricket Club	1.600	1.600	100%
TOTAL ECONOMIC DEVELOPMENT & HOUSING	20.096	20.465	102%
PLANNING & ASSETS			
Renewable Energy Schemes	0.847	0.529	62%
Structural Capitalised Maintenance	5.843	5.291	91%
Woodham CTC	0.015	0.000	0%
Minor Schemes	0.913	0.752	82%
TOTAL PLANNING & ASSETS	7.618	6.572	86%
TRANSPORT & CONTRACTED SERVICES			
Local Transport Plan	5.271	5.028	95%
Transport Corridors	0.232	0.336	145%
Transport Major Schemes	2.435	1.324	54%
Transit 15	0.798	0.515	65%
CCTV	0.333	0.185	56%
Minor Schemes	0.250	0.240	96%
TOTAL TRANSPORT & CONTRACTED SERVICES	9.319	7.628	82%
STRATEGY AND PROGRAMMES Minor Schemes	0.138	0.60	43%
Total General Fund (GF)	37.172	34.725	93%

HOUSING REVENUE ACCOUNT (HRA)

Scheme	Final Annual Budget 2013/14 £m	Final Outturn	
		Amount £m	% Spend
Durham City Homes *	13.906	12.506	90%
Dale and Valley Homes *	8.000	7.655	96%
East Durham Homes *	27.389	25.292	92%
Mortgage Rescue	0.200	0	0%
New Build	0.100	0	0%
Housing Regeneration (Demolitions)	0.224	0.245	109%
Total Housing Revenue Account (HRA)	49.819	45.698	92%
Overall Total GF & HRA	86.991	80.423	92%

(*) Actual spend for HRA to include £1.218 of spend charged to revenue: DVH £306k, DCH £663k, EDH £249k. Therefore actual position is spend of £46.916m (94% of budget).

Appendix 4: RED CAPITAL PROGRAMME DELIVERY 2013/2014

Barnard Castle Vision - Actual Spend £1.692m

The programme has:

- Restoration of the Witham Hall completed October 2013. Creation of 5 studio spaces occupied by one local business, 13 jobs created, new facilities for cultural events, gallery and visitor information point. The Witham has won a RCIS North East Award, and received nominations in the RTPPI national awards and the LABC Building Excellence Awards;
- In January 2014, DCC staff and services moved from Teesdale House to the new Customer Access Point & Library building;
- Heritage Activities Programme created public art piece for The Witham, 3 exhibitions, a number of activity days and developed a new website and produced a number of publications;
- Heart of Teesdale Landscape Partnership has completed the redevelopment of Scar Top, Amen Corner and path and bridge improvements in Flatts Woods. The partnership continued to work with local delivery partners and community organisations with a wide-range of projects to improve the areas landscape;
- NeST has supported over 30 local artists and crafts people. The NeST has worked with Digital City in support of the creative industries;
- Digital Dale project completed with some minor capital works to update kit and improve speeds. Project is now run by private sector network manager and ISP;
- Town Centre businesses supported through involvement with the Barnard Castle Business Guild.

North Dock, Seaham - Actual Spend £0.153m

The marina site became fully accessible and open for business in May 2013. Since that time over half of the 77 berths have been taken (49 boats now moored in the marina) and of the 12 business units, 4 are occupied with further lets anticipated.

The site has proved extremely popular with visitor numbers in excess of 15,000 since opening. Due to its success, additional facilities have also been provided. These include a much needed boatyard whereby craft can be repaired and maintained.

Work also commenced on a heritage lottery application with the aim of fully restoring the Georgian quayside. It is anticipated an application seeking £5m funding will be submitted later in 2014/2015.

Durhamgate - Actual Spend £0.995m

The work undertaken in 2013/2014 has seen the completion of the remaining highway works. The site is now fully open and the highway network expanded; the net result of which is significantly improved traffic flows around Thinford roundabout.

Town Centres - Actual Spend £2.245m

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

Former King James School Building, Bishop Auckland:

In preparation for a funding application to refurbish the building and bring back into a sustainable economic use, a detailed specification of emergency repairs was produced that would prevent further deterioration of the building in the interim. Structural shoring and scaffolding was also purchased which will save the authority in the region of £100,000 per annum.

North East Industrial Estate, Peterlee:

DCC is engaged in a programme of acquisition of land to enable housing development in the region of 280 houses. Purchase of 6 Faraday is now complete and demolition is to proceed in summer 2014. Negotiations over acquisition of remaining identified units underway with respective owners.

Freemans Reach, Durham:

The Council's expenditure related to legal fees associated with the redraft of leases associated with the site. This was necessary due to the detailed terms agreed with the end users of both Phase 1 and 2, National Savings and Investments and Her Majesty's Passport Office. As a consequence of these amends further legal work was also required to amend the development agreement to take account of the relevant changes.

Maple Oak, via their construction partner Carillion Development, commenced construction of the Freemans Reach site in April 2013. This included demolition of the buildings that occupied the site and the enabling works for the main development. Phase 1 works, to build new premises for National Savings and Investments, commenced in September 2013. Work has continued throughout 2013/2014 and this phase is due for completion in November 2014.

Phase 2 was also secured towards the end of 2013/2014. The phase 2 building will become home for the Passport Office. Physical construction works is scheduled for June 2014 with a completion towards the end of the calendar year 2015.

Seaham Housing Masterplan:

In partnership with the Homes and Communities Agency, the Council has produced a masterplan to guide the redevelopment of the former Seaham

Colliery, Malvern Crescent and the Seaham School of Technology. The sites are to be jointly marketed by DCC & HCA shortly.

Targeted Business Improvements:

The Targeted Business Improvement Scheme is a none repayable grant scheme to support business premises improvements, promote investment & enterprise, and improve the viability of the major centres. The scheme continued throughout 2013/2014 in the major centres of Crook, Consett, Bishop Auckland, Spennymoor, Stanley and Seaham. The scheme returned the following outputs:

- 55 units brought back into use or refurbished
- 11 New businesses attracted to our major centres
- 10 Living over the Shops residential space improved/created
- 68 new jobs created
- Cica 150 existing jobs supported
- £1.368 million private investment into our major centres
- 29 Businesses assisted/signposted (outside Targeted Improvement Grant Applications)

Public Realm:

Major investment into improvements at Front Street, Stanley completing phase one and two which included simplifying the pallet of material and colours, removal and upgrading of existing paving and drainage gullies, introduce new block paving and resurfaced areas. Improved planters and street furniture were introduced, including new LED lighting in line with DCC's Street Lighting Energy Reduction Project. The scheme secured external funding of £400,000 from Stanley Town Council.

Consett Victoria Road improvements continued along to Front Street. Works included upgrading of paving, street furniture, reinstatement of the Consett Clock and information boards, these improvements linked with investment works at the bus station. Works have created a welcoming space at point of arrival to the town centre from the public transport hub and created a defined link to the main retail areas.

Building on the entrance improvements at Chester-le-Street, works were completed on the links between the Cricket Ground, Park and town centre that included upgrading and introduction of footpaths and signage. Works were completed to maximise visitor numbers to the town centre from those attending the Ashes. Further works are on site continuing to link the railway station with the town centre and adding value to LTP improvement schemes.

Seaham Church Street works were completed with all furniture being installed and the Seaham Plaques, ground level artwork, was completed. Designs have been completed for works to improve the area along Railway Street,

supporting visitor permeability between the train station, town centre and Marina.

Targeted Business Improvements and public realm improvements continue to be a priority for delivery within the agreed major centre Masterplans. Many of the projects are for delivery in the short to medium term, and further projects are being designed for delivery on a rolling year on year programme.

Industrial Estates - Actual Spend £2.318m

Consett Business Park – Final Phase:

The construction of Consett Business Park Final Phase completed on 19 November 2013. The building provides 2,000 sq m of quality office space for up to 35 new businesses and was officially opened by Cllr Pauline Charlton on the 4th March and named ViewPoint, following a project with Villa Real School. As at 2nd June 2014 19 units have been let, providing space to 13 businesses delivering 33.5 full time jobs.

Industrial Properties Refurbishment Programme:

The refurbishment of Stella Gill Industrial Estates was completed resulting in the refurbishment of approximately 500 sq m of floorspace. Works included roof, window and door replacements, together with the installation of emergency lighting and the upgrading of void properties to current standards.

Rural Workshop Development Programme:

Refurbishment works were carried out to offices B3 and B4 at the Dales Centre, which are soon to be let. Updated signage has also been installed on the building and in the external grounds. Works to the gardens and courtyard have also been completed and an official opening takes place on the 7th June.

Derwentside Business Development Centre:

Ongoing maintenance of buildings situated on Derwentside Business Centre has taken place during 2013/2014, including roof repairs to Unit 55.

NETPark - Grow on Space:

Works were carried out during 2013/2014 to Incubator 1, to facilitate the relocation of Filtronic from Newton Aycliffe to safeguard 80 jobs in County Durham.

Disabled Facilities Grants (DFG's) & Financial Assistance Policy (FAP) - Actual Spend £4.041m

Disabled Facilities Grants:

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).

464 Disabled Facilities were completed by financial year end.

Financial Assistance Policy:

Durham County Council is a key partner in the North East Regional Loans Scheme and working together has 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. Loans can also help to fund adaptation works where the DFG maximum is exceeded or where applicants are unable to afford their assessed contribution.

£908,162 was spent from budget in 2013/2014 of which £820,000 was transferred to the Five Lamps Organisation. £683,765 was given in loans and the remainder was for direct works. There is a current commitment to future loans of £622,081.

Office Accommodation - Actual Spend £0.388m

Expenditure during the financial year 2013/2014 supported the following projects:

- Former Easington District Council Offices – completion of demolition works prior to disposal for redevelopment.
- Former Chester-Le-Street Civic Centre – enabling works to facilitate closure of the building, demolition and disposal of the site, including refurbishment of 129 Front Street and subsequent relocation of the Registrar and relocation of the CAP to shared premises at 166 Front Street, Chester-le-Street.
- Stanley Front Street – refurbishment works to enable relocation of Stanley Registrar from leased premises into Council offices.
- Design options and preliminary surveys for the co-location of the CAP and Library into the Louisa Centre in Stanley.
- Design options for the co-location of the CAP and Library in Newton Aycliffe.

Housing Renewal - Actual Spend £2.941m

The Area Based 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 Area Based Housing Regeneration Delivery Section in 2013/2014 included acquisition and demolition of private sector housing stock, group repair schemes, environmental improvements, new housing development, return of empty homes back into use and the promotion and installation of energy efficiency measures.

Schemes include Craghead, Wembley (Easington Colliery), Dawdon and West Chilton.

Craghead:

39 properties benefitted from external solid wall energy efficiency measures and some with small scale group repair works. Additional funding was levered into the programme via Energy Company Obligation (ECO) funding and Department of Energy and Climate Change (DECC) funding which enabled the scheme to be extended into further streets within Craghead. 16 long term empty properties have been brought back into use.

Wembley, Easington Colliery:

Wembley Phase 3 Group Repair scheme commenced in February 2013 and continued into 2013/2014. External improvements have been completed to 60 properties in James and Hawthorn Streets, Easington Colliery. 9 long term empty properties have been brought back into use.

Dawdon, Seaham:

Dawdon Phase 10 Group repair scheme progressed throughout 2013/2014 and will be completed in 2014/2015. External improvements have been undertaken to 56 properties in Shrewsbury, Maglona, Chaplin and Margaret Streets. 4 long term empty properties have been brought back into use.

West Chilton:

The acquisition of a further 8 properties in Dene Terrace has been completed and residents have been successfully re-housed. Demolition of 46 properties programmed in three phases has been undertaken within 2013/2014. Environmental works have commenced on the partly cleared site and will be completed in 2014/2015 following the clearance of the remaining 6 properties.

Travellers Sites Refurbishment - Actual Spend £3.336m

Works commenced at Adventure Lane, Tower Road, Drum Lane and Green Lane sites, the completion of 8 units on Adventure Lane which was achieved within timeframe and were the only completions nationally, allowed the release of expected Homes and Communities Agency funding to Durham

County Council in 2013/2014. The Adventure Lane site will be due to re-open within Quarter 1 of 2014/2015.

The overall programme when completed in January 2015 will see the demolition and replacement of 68 pitches, the creation of 8 new pitches and the refurbishment of the communal buildings across all 4 sites.

Urban and Rural Renaissance Initiative (URRI) - Actual Spend £0.038m

Payments relate to final instalments to complete outstanding works in this programme and saw the completion of environmental enhancements at Pelton School Junction, Great Lumley Footpath Loop, Trimdon Village Play Area and Rocking Strike site. In future this type of work will be undertaken through the Town Centres programme.

Minor (ED&H) Schemes - Actual Spend £0.718m

Liveability Land & Buildings:

A new build Multi-Use Community Centre has been designed, commissioned and built in Thornley.

The building includes a multi-use hall that can be used for community events, parties, sports and activities or private hire, a kitchen that directly serves two separate rooms, storage space, fully accessible toilet facilities, foyer areas that can be utilised as meeting space and can be served by the kitchen and a welcoming reception areas.

There is one room for the sole use of the Parish Council who have agreed to take on the responsibility of the management and running of the centre.

All works will go towards making the community centre a more sustainable enterprise and increase community activity in the village. This supports resident's priority of reducing anti-social behaviour and opportunities for young people by creating space where training and activities can be delivered from.

The building is near completion with minor works to be undertaken i.e. painting in May 2014, with a scheduled handover programmed for 6th June 2014.

Community/Environment Schemes:

Bowburn's DJ Evans Youth Club received major refurbishment works that included upgrade of the electrical system, purchase of new gym equipment to support increased usage, and major landscape and building works to improve access to the centre, to encourage more use of the facility. All the works will go towards making the community centre a more sustainable enterprise.

Bowburn Community Centre had major improvements to the external areas that included reconfiguration and renewal of the footpaths and soft landscaping. The improvements were done to compliment previous improvement works to the building and in particular the frontage to the building. Improved access to the centres will promote increased usage by those with mobility needs and families with prams. The Increased paving area

at the front of the building can be utilised for table covers for catering purposes.

Bowburn bridleways improvements were completed along bridleway 36 & 37 supported by Cassop Cum Quarrington Parish Council. Works included repairs to drainage and installation of soak-aways to prevent recurrence of flooding problems. The path is used for recreational purposes by not only riders, but also walkers and cyclists and forms part of 2 circular walks in the area.

Bowburn's Romaine Square is an area in the village with a high level of economic activity and opportunity. It was identified as an area for improvement as part of the Bowburn and Parkhill Masterplan. Improvements were made to the area outside the retail premises shared by both vehicles and pedestrians. Links from the bus stop to the retail area at both the steps and the ramp were improved. Measures to reduce further damage by vehicles were also delivered. The area is now more attractive and accessible for all users and will help to sustain the businesses in that area.

St Johns Public Realm:

Works in 2013/2014 have included:

- Additional design work of car parking scheme for residual development plot.
- Site Surveys and utility investigations
- Landscaping scheme improvements
- Tender package prepared for procurement exercise

Energy Schemes - Actual Spend £0.529m

Biomass Boilers:

A biomass boiler was installed in the Green Lane Offices in Autumn 2013. This project was designed to reduce the Council's carbon emissions (the Council is committed to reduce its own emissions by 40%) and at the same time to generate an income, as biomass is a technology that is funded under the Government's Renewable Heat Incentive (RHI).

The project was designed, funded and managed in-house by Direct Services. The 'Viesmann Kob Pyrotec 950 kWth solid wood pellet boiler was installed ahead of time and was commissioned on 22nd October 2013, in time for the heating system. It provides both space heating and water heating for the building and uses grade A1 virgin wood pellets.

The projects is awaiting approval under the DECC RHI scheme, but the annual income of approximately £80,000 will be received for a guaranteed period of 20 years, backdated to the submission date.

Away From G:

The main project delivered under the Away from G project during 2013-14 was a series of energy efficiency heating system improvements at Startforth

Morritt. This enhanced the savings delivered by the boiler replacement that was undertaken there during the previous financial year.

A programme of works associated with the Big Switch Off project was also initiated during the year. These include external and internal lighting controls, demand control ventilation, etc.

Energy Efficiency Fund:

During 2013-2014 Phase 1 of the Building Energy Efficiency Retrofit (BEER) project was completed. This was a major 2012/2013 scheme but in operation it has not delivered the full financial savings promised by the contractor and as a result the 10% retention of £114,000 will not be paid out and will remain in the Energy Efficiency Fund budget.

Phase 2 of the BEER project was the main Energy Efficiency scheme planned for 2013-2014 and this was to be delivered by the same appointed contractor British Gas, in six buildings at a cost of approximately £1.35 million. In each case, a comprehensive package of measures appropriate to the specific building was to be installed, to include boiler controls, lighting controls, combined heat and power (CHP) schemes, etc

However, significant problems with the contractor resulted in minimal progress on this project during the year and it became clear that they would not be able to deliver the financial and energy savings they had promised. Finally, a much reduced programme of works was agreed, comprising only lighting upgrades and costing just £300,000 in total.

Work finally started in March 2014 and will be complete by June 2014.

The improvements will be delivered in:

- Freemans Quay Leisure Centre
- Green Lane Offices
- Riverside Leisure Centre
- Shildon Sunnydale Leisure Centre
- Spennymoor Leisure Centre

Boiler Optimisation:

The Boiler Optimisation Programme is a new scheme for 2013-2014 which was delivered initially as a pilot in four buildings;

- Service Direct, Meadowfield
- Mendip House
- Woodhouse Close Leisure Centre
- County Hall

The boiler optimisation process prevents boilers from firing up unnecessarily and therefore saves both energy and costs.

The pilot was completed in year and has in its first few months delivered an excellent financial payback. As a result of this success, the project will be

rolled out across many more DCC non-school buildings over financial year 2014-2015.

Structural Capitalised Maintenance - Actual Spend £5.291m

This includes the budget areas of Structural and Capitalised Maintenance (to all non-schools assets), DDA, Fire Safety and Boiler Replacement.

The final outturn figure comprises of over 200 schemes.

Major schemes completed in 2013-2014 included:

Capitalised Maintenance schemes:

- Demolition of Chester le Street Youth Centre (£74K); Thornley Community Centre (£215K) & County Hall Bungalows (£32K).
- Refurbishment works to Crook Civic Centre (£227K).
- Heating and Rewiring of Spennymoor Greenlane Council Office Phase 1 (£1M) including works to the boiler house and resurfacing (£54K).
- Relocation of ICT team to Meadowfield Depot (£313K).
- Relocation of Wellfield Depot to Hackworth Depot (to date £50K spent on refurbishment of Hackworth Depot) whilst the construction of the new salt barn is ongoing.
- Balance Tank repairs and re-grouting of main swimming pool at Newton Aycliffe Leisure Centre.
- Reroofing of Annfield Plain Branch Library; Chester-le-Street Branch library & Belmont Branch Library.
- Roof repairs at Sedgefield Branch Library; Spennymoor Youth & Community Centre & Killhope Mining Centre Buddle House.

DDA schemes:

- Installation of lift at Shildon Leisure Centre
- Installation of DDA compliant entrance doors at Woodhouse Close Leisure Complex.
- Provision of accessible toilet at Belle Vue Leisure Centre.
- Provision of changing facilities at Durham Day Centre.
- Provision of a pool hoist at Chester-le-Street Leisure Centre.

Fire Safety schemes:

- Installation of fire alarm & emergency lighting at Shotley Bridge Infants; Horndale Infants; Beechdale Nursery; Burnside Primary; Wingate Infants; Trimdon Grange Infant & Nursey and Moorside Primary.
- Fire safety/precaution works at Meadowfield Leisure Centre; Durham DLI; Woodhouse Close Leisure Centre and Spennymoor Leisure Centre.

Boiler Replacement schemes:

- Boiler replacements to Crook Civic Centre; Stanley Education Centre and various Children's Homes.

The programme is co-ordinated through the Structural Capitalised Maintenance Non-School Programme Board, involving teams within Asset Management, Finance, Building and Facilities Management, Design Services and Project Support. Also for DDA programme it is co-ordinated through the Accessibility Group involving Asset Management, Equality & Diversity, Office Accommodation, Building and Facilities Management & Design Services.

Woodham CTC - Actual Spend £nil

The authority is in the process of acquiring land at Woodham Community Technology College however results of the site investigation survey are still awaited in order to be able to assess whether the previous valuation compiled for the proposed purchase is correct or whether it requires amendment due to abnormal construction costs.

Minor (P&A) Schemes - Actual Spend £0.752m

Planning System:

The project involves the consolidation of the former district and county software systems used for managing the Planning and Building Control applications and Land Charges.

The new system went live on 14th February 2014 with considerably enhanced functionality to manage the processes and public accessibility to planning submissions. The system set up, including purchase of computer servers, hardware and software and the migration of data from the existing Durham City and Chester le Street systems was implemented during 2013/2014.

The data transfer, which is a significant part of the project, will continue to be undertaken on a phased basis from June 2014 until December 2014 dealing with each of the six remaining former district systems individually. The systems also need considerable development to ensure the benefits and capabilities of the new software can be realised through more efficient and cost effective working practices and improved customer contact and experience of the regulatory planning services. Additional consultancy, training and implementation on sub modules including "Consultee Access Appeals" and Enforcement and Dangerous Structures is programmed to take place during 2014/15.

Elvet Steps:

The area in front of the Magdalene Steps feature, at the junction of Saddler Street and Elvet, Durham, was refurbished using reclaimed granite setts and Yorkstone paving.

Bowless Visitor Centre:

North Pennines ANOB Partnership funding was utilised to undertake refurbishment works at the Bowlees Visitor Centre.

Cobblers Hall Surface Water Drainage:

Designs are complete and works have commenced on site.

Stanley Offices (Lifting of Restrictive Covenant):

Restrictive covenant release was necessary to progress the sale of the former Board School.

Transit 15 - Actual Spend £0.515m

The Transit 15 funding mainly focused on the initial construction works involved in the signalisation of Northlands Roundabout. Design work, statutory undertakers diversions, kerb line and footpath alterations made up the majority of activities carried out to enable the junction to be completed in the summer of 2014.

Other Transit 15 works have involved additional resurfacing following last year's bus priority project at Croxdale roundabout and initial development of the Durham Bus Station scheme.

Transport Major Schemes - Actual Spend £1.324m

There has been works carried out on a number of major capital transport schemes across the county in 2013/2014.

Improvements were made to Bishop Auckland railway station building including a new passenger waiting room with ticket office, disabled accessible toilets and passenger information displays in partnership with Northern Rail, Bishop Trains and the Bishop Line Community Rail Partnership. The works also include a travel hub to promote sustainable travel options to residents and local workers and is the public face of the South Durham Local Motion project.

Construction of the Shildon to Aycliffe Multi User Route scheme commenced following delays by Network Rail to gain access. This scheme will provide a direct, non-vehicular link between the two settlements following the route of the railway line.

Further development of business case and required rail industry approvals towards construction of the proposed Horden (Peterlee) Railway station on the Durham Coast Line.

Initial development has begun to improve the A1(M) motorway junction at Chester-le-Street and to re-align the road at Villa Real. Both projects have benefited from detailed design, surveys and statutory undertakers works taking place this year with construction planned to take place during 2014/2015.

Remaining schemes relating to the funding allocated for Public Rights of Way Flood Damage were completed this year.

There were further land and Part 1 claim costs relating to the previously completed Wheatley Hill to Bowburn scheme.

Local Transport Plan - Actual Spend £5.028m

LTP3 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.

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 infrastructure has also taken place. The Local Sustainable Transport Fund programme has been supported with match funding to provide facilities at schools being worked with.

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

Belmont Business Park Junction Improvement Scheme was completed and further development work for the Durham Western Relief Road took place. A new link road was provided at Kilburn Drive/Horden which will in future facilitate access to Horden (Peterlee) Railway Station. A junction improvement was also carried out on the A691 to provide improved access to Lanchester Road Hospital - funding support was provided by the NHS Foundation Trust.

Other Economic/Transport Corridor schemes as part of LTP3 which are funded separately are the more substantial Transit 15 and Sunderland Bridge schemes.

A Cycling Super Route scheme was carried out between Cock O'The North Roundabout and Sunderland Bridge. This involved altering the existing footpath to provide an improved, wider, shared use surface which will form part of the Great North Cycleway.

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

This has involved improvements to bus stations and car parks as well as transport links identified through Masterplans or the Community Economic Development team.

Transport Corridors - Actual Spend £0.336m

Development works have continued on the Sunderland Bridge Roundabout scheme. Issues with land acquisition have delayed progression, however design work has continued along with statutory undertaker, geotechnical and clearance works.

CCTV - Actual Spend £0.185m

The CCTV network cameras are in the main now linked to a central control room at Chilton via a wireless link. This has reduced the revenue budget on

the BT costs of the service. The funding has also facilitated a much improved performance monitoring system for the network and a Project Group is currently being established with the Police to fully integrate a performance framework.

The contract is due to be completed in May 2014 when the strategic cameras in Bishop Auckland will also be transferred to the control at Chilton. The service level agreement with Darlington Council will then be terminated.

Minor (T&CS) Schemes - Actual Spend £0.240m

Intercom Purchases - Supported Housing:

Care Connect have replaced approximately 2,000 intercoms in the Derwentside and Easington locality. The intercoms provide a 24/7 link to the control room at Chilton and in some properties the intercoms monitor smoke alarms for vulnerable residents.

The intercoms provide a platform to enable telecare to be installed, as residents' needs change and they require additional support. A number of the intercoms' are also fitted with a portable phone line, these are mainly used to support urgent hospital discharge for residents who do not have a phone line and require the Care Connect service

Minor (SPP) Schemes - Actual Spend £0.060m

Palace Green Toilets:

A new fully accessible toilet has been constructed on Palace Green in Durham City following the identification that the existing facilities did not meet current requirements.

Langley Park:

This was a grant towards the refurbishment of Langley Park Institute to honour a commitment made pre LGR.

Durham - Market Place - DLI Memorial:

The Council is providing advice and assistance to Durham Rifles Regimental Charity, to facilitate the installation of a new DLI Memorial in Durham Market Place. DCC will install foundations and provide assistance with the installation. Trial holes were completed in February 2014 and installation of the foundation and memorial are scheduled to be completed by the end of August 2014.

Housing Revenue Account Decent Homes (DCH, DVH, EDH) - Actual Spend £45.453m

This year the council's three housing management organisations carried out 10,653 pieces of planned investment work to reduce and maintain decency levels across all council owned housing stock.

Full 'decency' works were carried out to 1,856 properties in the East Durham and Dale and Valley areas to ensure they met the Decent Homes standard at year-end. To ensure homes in the Dale & Valley & Durham City areas maintained the Decency standard a further 558 properties were fitted with new kitchens, 593 with new bathrooms, 2,095 had renewed heating systems, 402 had window replacements, 653 had electrical re-wires & 1,316 had roofing renewals.

As a result of this work, only 8.3% of the council's total housing stock was considered non-decent at year-end (1,536 homes in no.). This exceeds a year-end target of 9% and compares to 19% of the stock (3,444 properties) being non-decent at the end of 2012/13.

All remaining non-decent homes (1,536 properties in no.) are located in the East Durham area and are planned to have Decent Homes investment works undertaken on them in 2014/15. This will ensure all council housing stock meets required decency standards by 31 March 2015.

Durham City Homes:

In-year Durham City Homes completed 5,719 improvement works to properties. This ensured DCH maintained a 0% non-decency level at the end of the financial year and included the provision of;

- 2,039 new central heating systems and/or boiler replacements,
- 377 properties with new UPVC double-glazed windows,
- 462 homes with replacement external doors,
- 488 replacement kitchens,
- 548 replacement bathroom suites or additional WCs,
- 446 full or partial electrical re-wires,
- 660 major roofing schemes,
- 232 capital void improvements, and
- 237 disabled adaptations

Dale & Valley Homes:

In-year Dale & Valley Homes completed 2,325 improvement works to properties. This ensured DVH achieved a 0% non-decency level at year-end and included the provision of;

- full decency works to 156 properties,
- 56 new central heating systems and/or boiler replacements,
- 25 properties with new UPVC double-glazed windows
- 81 homes with replacement external doors,
- 70 replacement kitchens,
- 45 replacement bathroom suites or additional WCs,
- 207 full or partial electrical re-wires,
- 656 major roofing schemes,
- 286 properties with replacement boundary fencing,
- 186 capital void improvements, and
- 368 disabled adaptations

East Durham Homes:

East Durham Homes completed full decent homes improvement works to a total of 1,700 properties. EDHs non-decent stock now stands at 18.50% (1,536 properties) which is a 22.5% reduction from the end of 2012/13 when 41% of stock was non-decent. This also exceeds a 21% non-decency target for year-end. Works undertaken have included;

- 877 new central heating systems and/or boiler replacements,
- 1,321 replacement kitchens,
- 1,260 replacement bathroom suites or additional WCs,
- 1,445 full or partial electrical re-wires,
- 69 capital void improvements, and
- 806 disabled adaptations

HCA Backlog funding (of £19.28m) has been secured to ensure EDH meet full decency by March 2015.

Housing Regeneration (Demolitions) - Actual Spend £0.245m

Wheatley Hill:

4 properties in Cain Terrace were demolished as part of the wider masterplan. Further demolitions will take place in 2014/2015 on remaining properties in Cain Terrace and 3 Henderson Avenue once negotiations to acquire are concluded with the owner. The area once cleared will benefit from small scale landscaping and be available for new development in the longer term.

Esh Winning:

2 properties acquired and 9 properties demolished across The Oaks and Rowan Court.

ISOS Housing received HCA grant to build out a further 10 affordable houses on the Pine Tree site of which the Council facilitated via the use of land, the houses have been built out and residents have taken up occupation. Pine Tree Phase 2 land marketed and details of interest expected within Q1 of 2014/2015.

DCC Mortgage Rescue Scheme - Actual Spend £nil

Negotiations regarding the acquisition of one property in Usher Moor have commenced and the purchase should be completed by July 2015 once all legal issues are finalised.

New Build II - Actual Spend £nil

As part of the council's Housing Stock Transfer proposals, and the associated 'offer to council housing tenants, a 700 unit new build programme is being proposed by the council (and the newly created County Durham Housing Group) by 2022 should transfer go ahead.

In support of this offer, work has been undertaken this year to appraise and agree a list of potential sites which could be included in the proposed

development programme. Cabinet will receive high-level details as to the nature of these sites at its meeting on the 16 July, alongside a number of other matters relating to stock transfer. Should this be approved, work will commence in earnest in 2014/2015 to progress priority development sites in each provider area (i.e. Dale & Valley Homes, Durham City Homes & East Durham Homes' areas) and to facilitate necessary site assembly works.