

CITY REGENERATION DIRECTORATE

1. Directorate Overview

- 1.1 Financial performance within City Development overall is favourable with adverse forecasts in City Development and Housing and Property being more than offset by increased rental income from the Council's commercial property portfolio.
- 1.2 For the Directorate as a whole 11 (65%) performance measures are on target with 2 (12%) below target but within tolerance limits and 4 (23%) off target.

2. Directorate Financial Performance

- 2.1 The Directorate is currently estimated to have a projected outturn position of £ 0.407 million against a budget of £0.806 million which is a favourable variance of £0.399 million.

City Development

- 2.2 Building Control fees are expected to be £0.128 million below the budgeted position and additional fees are expected in respect of a Planning Inspection to be carried out in March 2015 (£0.040 million). This is mitigated by additional fee income from Planning Applications (£0.077 million) and Pre-application Advice (£0.040 million) plus savings on supplies and services giving an overall forecast adverse variance of £0.040 million.

Housing and Property

- 2.3 Housing and Property is forecasting a net overall variance of £0.114 million arising from: increased Board and Lodging payments (short stay) (£0.020 million), an increase in temporary staff costs associated with Home Choice (£0.033 million) and an adverse variance on Home Choice rent deposits for vulnerable households the Council is obliged to house (£0.111 million) offset by savings on Private Sector Landlord rent payments to landlords (£0.040 million) and additional Private Sector Leasing income from lower void periods (£0.010 million).

Regeneration and Major Projects

- 2.4 The outturn position is forecast at a favourable net variance of £0.553 million. This variance arises from commercial rent reviews forecast to be £0.464 million, staff turnover savings (£0.060 million), fee income and interest on backdated rent (£0.060 million), increased Service Charges for the Golden Cross Shopping Centre (£0.038 million), and the full letting of units at the Enterprise Centre (£0.032 million). This is offset by additional costs for Barton Centre and Bury Knowle House (£0.033 million) and Covered Market Rent Review Arbitration Fees (£.015 million). It is also anticipated that there will need to be an additional bad debt provision of £0.060 million relating to non-payment of back rent being charged to Covered Market traders following the completion of rent reviews.

Housing Revenue Account

- 2.5 The HRA is forecasting a net favourable variance of £2.565 million. The majority of this relates to Revenue financing of capital expenditure which is now lower due to in-year slippages associated with the HCA capital scheme. This will however, be needed next financial year. Net favourable variations of £0.762 million relating to net operating expenditure and income are considered below.

Income

- 2.6 Dwelling rents – the forecast is for an adverse variance of £0.070 million relating to increased Right to Buy disposals, which at the end of December totalled 39 with 40 being budgeted for the year.
- 2.7 Service charge income from both the general flats stock and those arising from sheltered accommodation is forecast to be £0.130million favourable. This has arisen through a re-assessment of the costs of providing the

service and a consequent impact on the fees charged to customers. Additionally there is some increased income arising from the removal of the service charge limiter following void turnover.

- 2.8 Furniture & Other Rent is forecast at £0.075 million favourable variance due to the sale of small pieces of land, vendor overage and consent payments which have been received plus additional rent due from larger properties and other land.
- 2.9 Major Project Team Fees are anticipated to be lower than budget by £0.100 million due to the lower capital programme activity than previously anticipated that has been experienced until the end of December.

Expenditure

- 2.10 General Management is forecasting £0.100 million favourable variance as a result of Council Tax costs associated with void properties now expected to be significantly lower than budgeted.
- 2.11 Special Services is forecasting a favourable variance of £0.209 million. In the main this relates to utility savings. There are other savings projected, a large element being that related to consultancy advice.
- 2.12 There is an anticipated favourable variance of £0.314 million primarily relating to unused revenue costs (£0.254 million) of 3 major capital projects, namely AHP Affordable Homes, Tower Blocks and Barton social housing provision which are being proposed to transfer into HRA earmarked reserves. The other underspends relate to reductions in anticipated Tower Block consultancy fees of £0.060 million.
- 2.13 Responsive and Cyclical Repairs is forecast as a net favourable variance of £0.104 million relating to an increase in expenditure on voids of £0.215 million, offset by pre-painting joinery costs.

HRA Rent Arrears

- 2.14 HRA arrears, adjusted to exclude debt that is subject to direct payments and excluding rechargeable repairs, totalled £1.182 million at the end of the December 2014, an increase of £0.080 million on last quarter's position of £1.102 million. The arrears for December 2014 are £0.253 million more than the arrears of 12 months previously. Former tenant arrears stood at £0.385 million as at the end of December 2014, which is £0.191 million higher than that for a year previously. Current tenant arrears stood at £0.798 million as at the end of December 2014, which is £0.062 million higher than that for a year previously.

3. Directorate Performance – Exceptions

Red:

Housing and Property

- 3.1 The percentage of Council tenants satisfied with landlord services - Satisfaction with the overall services provided by OCC is down to 84% - 4% lower than in 2013 – which represents a significant decline. There is also a more substantial decline in the proportion of tenants indicating they are very satisfied (47% in 2013 compared to 39% in 2014). That said the Council is currently reviewing its HRA Business Plan and measures can be considered which should boost tenant satisfaction.
- 3.2 Number of affordable homes delivered (gross) – There have been some slippages in the affordable homes programme and the earliest completions will now be in February 2015. As a result, performance at December was zero delivered against a profiled target of 24.
- 3.3 Net additional homes provided – Housing completions at 134 are still slightly below the forecast performance of 152 for December. Performance is expected to improve in 2015 as a number of housing sites in the city are now under construction, or are expected to commence construction in 2015

Regeneration and Major Projects

- 3.4 Number of lease renewals /rent reviews reported – the year to date total of 12 reported reviews is below the target of 34. We are currently in the process of tendering for external organisations to undertake specialist reviews on our behalf

Amber:

City Development

- 3.5 Processing of planning applications for minor applications - The drop in performance to 66% compared to the target of 72% is a result of a high number of planning cases, combined with extensive staff changes in Development Control in recent months. Despite difficulties with recruitment, replacement officers are now in post. The caseload is being actively managed to both clear out-of-time cases and maximise the number of on-time decisions, with a view to return performance to target levels by the end of March 2015.
- 3.6 Processing of planning applications for other application types – Performance has dropped to 77% against a target of 85%, for the same reasons as outlined for minor applications

4. Risk Performance- Exceptions

- 4.1 There were no red risks identified for the Directorate at the end of Q3. However there are 16 amber risks detailed below. All these risks are currently being managed as part of day to day business activity and are not currently expected to rise to a level of red risk

City Development

- 4.2 7 risks relating to Service failure, non-achievement of income targets changes in legislation and delays in projects impacted by outside bodies and workloads

Housing and Property

- 4.3 4 risks relating increased costs of homelessness, backlogs in repairs and maintenance, failure of the HRA Business Plan and tenant participation

Regeneration and Major Projects

- 4.4 5 risk relating to staff recruitment and retention, impact of property market conditions on disposal values and income, delays on major projects, budget overruns in service.

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