

Departmental Quarterly Monitoring Report

<u>Directorate:</u>	Children & Enterprise
<u>Department:</u>	Extracts from Economy, Enterprise and Property for Development and Investment Services
<u>Period:</u>	Quarter 2 – 1 st July - 30 th September 2011

1.0 Introduction

This quarterly monitoring report covers the extracts for Development and Investment services for the second quarter period up to 30th September 2011. It describes key developments and progress against all objectives and performance indicators for the service.

The way in which the traffic light symbols and direction of travel indicators have been used to reflect progress is explained within the Appendix 6.

2.0 Key Developments

2.1 External Funding, European and Regional Affairs

Key developments to report this quarter are:

There have been 43 new enquiries for funding received, with circa 70 ongoing funding enquiries.

£234,863 in external funding has been secured, including £154,000 from the Big Lottery Fund for an anti-hate crime project for Supporting People Achieving Real Change (SPARC); and two pots of funding from Waste Recycling Environment Limited (WREN) - £46,000 for Halebank Youth Centre and £21,000 for Halton Hornets

The Big Lottery Fund has now designated Halton as a Focus Area over the next two years which means we will benefit from additional training and resources to help increase Lottery funding to the Borough

2.2 Business Support

Marketing activities are being increased in order to firstly, drive more traffic to the online commercial property search facility at www.runcorn-widnes.com and secondly, to increase the uptake of Council owned industrial units.

Activities either ongoing or planned include:

- A campaign in the commercial property media targeting intermediaries
- A major 'gateway' campaign at Runcorn Station in partnership with Virgin Trains
- A local media campaign targeting potential end users for Council units. The local media campaign will involve colleagues from the Enterprise & Employment section in order to give a broader picture of business support for micro and start up businesses.

The new Business Parks Officer has commenced in post and is initially focusing in getting to know the businesses on the estates and delivery of the 2011/2012 programme.

A public/private sector working group has been brought together to consider the potential economic impact of the new Mersey Gateway on the visitor economy locally.

The future of the annual Halton Business and Tourism Awards has been secured for 2012 as a result of the generation of £7,500.00 of commercial sponsorship. The event, promoted jointly by Halton Chamber of Commerce and Enterprise and Halton Tourism and Business Network will take place Friday 30th March 2012.

The web site www.visithalton.com is to be improved and updated utilising, in part, £1,500 secured from The Mersey Partnership.

The Council recently had a major presence at the 'two day 'Celebrate Cheshire' event at Chester Race Course promoting DSIC, The Mersey Gateway, 3MG and the Borough as an inward investment location. At the event The Leader of the Council also signed a 'Film Friendly Charter' with Vision Media and the other Cheshire Authorities thereby cementing relationships with the Cheshire sub-region.

2.3 Major Regeneration Schemes

HBC Fields/3MG Developer and end user have been identified and the scheme secured planning permission in September 2011. 3MG Executive Sub Board approval has been given to enter into various legal agreements with the developer.

In relation to the Runcorn Town Centre Draft Action Plan, following on from the presentation to Members, consideration is being given to how development options within the town centre could be taken to market.

The £11m Castlefields Village Square development continues on site to deliver 25 residential units, 5 retail units, new public realm/village square, new community centre and a health centre.

The current programme is for Block A residential units to be completed 23rd September, the completion of retail units and public square provisional completion date 29th November, Block B residential 5th December and the likely completion of the community centre 9th January 2012. The demolition of the existing community centre is due to commence in February 2012 and the new health centre is due for completion in April 2012.

The Council was unsuccessful in obtaining Department for Environment, Food and Rural Affairs (DEFRA) funding for the second phase of the St Michaels Golf Course remediation. However, Land & Water (LAWS) are proceeding with the concept design and tender pack so that if further funding comes available at a later date the Council is in a strong position to bid for further funding.

Contractors Morgan Sindall achieved practical completion at the Hive on 5th September. Widnes Super Bowl opened on 23rd September and Reel cinema is due to open Friday 14th October. The Frankie and Benny's is due to open later in October and Nandos is currently fitting out with an opening date early December. Premier Inn is still on course to complete their 60 bed hotel early in the new year.

Further site investigation work has been undertaken at the former Bayer site to further establish the contamination regime of the soils and groundwater. HBC officers continue to liaise with the NWDA as to the future of the site.

3.0 Emerging Issues

3.1 Development and Investment Services

Government announced recently that Daresbury Science and Innovation Campus (DSIC) will be designated an Enterprise Zone (EZ). Benefits associated with an EZ include :-

- Subject to Royal Assent, local authorities will be able to offer Business Rate discounts with effect from April 2012. Local authorities with an enterprise zone will provide discounts of up to 100% for every business within that zone, with the Government reimbursing the local authority the cost of the discount.
- Discounts are limited by EU state aid law, up to a *de minimis* threshold of €200,000 over a rolling three-year period, the equivalent of approximately £55,000 per year. The relevant local authority will be required to ensure that businesses do not receive greater levels of support.
- Each business will receive discounts for five years from the start of its occupancy in the Zone, providing it enters the Zone by April 2015.
- Businesses will therefore see a major reduction in their rates, and there will be no direct cost for those authorities who introduce the discount within an Enterprise Zone.

- The uplift in business rates receipts as a result of the introduction of the Enterprise Zone will be used to support the priorities of the local enterprise partnership.
- All business rate growth within the zone for a period of at least 25 years will be retained and reinvested in the local area, to support the local enterprise partnership's priorities.

3.2 Business Support

Halton Borough Council, in partnership with the other Merseyside local authorities, has developed a bid under ERDF to deliver business support locally.

It is anticipated that formal approval for the project will be received from Europe imminently which means, in effect, that a three year programme will be compressed into two years, commencing January 2012. Outputs associated with the programme include:

- | | |
|--|-----|
| • Businesses with improved performance | 180 |
| • Jobs created | 150 |
| • Jobs safeguarded | 75 |

4.0 Service Objectives / milestones

4.1 Progress against 'key' objectives / milestones

Total	9		9		0		0
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All key objectives / milestones for the service are presently proceeding as planned and additional details are provided within Appendix 1.

4.1 Progress against 'other' objectives / milestones

Total	9		9		0		0
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All other objectives / milestones for the service are presently proceeding as planned and additional details are provided within Appendix 2.

5.0 Performance indicators

5.1 Progress Against 'key' performance indicators

Total	5		3		2		0
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Of the 5 key performance indicators, there are 3 where progress was as expected, and 2 indicators for which progress was uncertain at this stage of the year (DIS LI 01 and DIS LI 06) as the economic climate remains very challenging.

Please refer to Appendix 3 for more information.

5.2 Progress Against 'other' performance indicators

Total	10		9		0		1
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The majority of 'other' performance indicators are currently on track. One indicator is not as expected and relates to the outside retail market in Widnes.

Further information can be found in Appendix 4.

6.0 Risk Control Measures

There are no significant high risk control measures identified for this service.

7.0 Progress against high priority equality actions

There are no high priority equality actions identified.

8.0 Data quality statement


The author provides assurance that the information contained within this report is accurate and valid and that every effort has been made to avoid the omission of data. Where data has been estimated, has been sourced directly from partner or other agencies, or where there are any concerns regarding the limitations of its use this has been clearly annotated.

9.0 Appendices

- Appendix 1 Progress Against 'key' objectives / milestones
- Appendix 2 Progress against 'other' objectives / milestones
- Appendix 3 Progress against 'key' performance indicators
- Appendix 4 Progress against 'other' performance indicators
- Appendix 5 Financial Statement
- Appendix 6 Explanation of use of symbols




Appendix 1: Progress Against 'key' objectives / milestones

Ref	Objective
EEP 2 (previous reference: PS04)	The generation of external funding and the provision of funding advice to the third sector.

Milestones	Progress Q2	Supporting Commentary
Bid-Writing: Minimum of four large-scale bids advised on per annum by March 2012		A number of large-scale bids to Heritage Lottery Fund, including St Marie's Church; Sankey Canal; and the Upper Mersey Estuary are currently being drafted.






Appendix 1: Progress Against 'key' objectives / milestones

Ref	Objective
EEP 3 (previous reference: EEB03)	The provision of a Comprehensive Support Service to business.



Milestones	Progress Q2	Supporting Commentary
Scope the opportunities for 'Vikings and the Economy' Action Plan by September 2011		Scoping report has been developed jointly with the Vikings. Representatives from the club have been invited to present to the next Halton Tourism Business Network (TBN). It is anticipated thereafter that a sub-group of the TBN, made up of both public and private sector representatives, will progress the initiative
Review the land and property business portfolio (as part of the LEA) by September 2011		This review is complete and is helping us to implement Asset Management Plan priority deployments.
Facilitate Mersey Gateway acquisition and business relocation programme by March 2012		The recent announcement at the Conservative Party Conference of the final funding package for the Mersey Gateway will result in the formal procurement exercise commencing in October 2011. The acquisition of the land necessary for the completion of the Gateway will continue in parallel with the procurement process.

Appendix 1: Progress Against 'key' objectives / milestones





Ref	Objective
EEP 4 (previous references: EEB05, 06, 07, 08 & 10)	The delivery of the Council's major regeneration schemes

Milestones	Progress Q2	Supporting Commentary
Draft Runcorn Town Centre Action Plan by April 2011 .		The draft action plan has been completed and reported to full members briefing. Consideration is being given as to how development options within the Town Centre could be taken to Market.
3MG: Commence construction of western link road and warehouse development on HBC Field by October 2011		Preparatory work on the link road commenced in September 2011. The main link road works and the warehouse development will commence in December 2011.
Completion of 'Hive' Leisure Development at Widnes Waterfront by March 2012		Practical completion at the Hive took place on 5 th September 2011.
Review the Mersey Gateway Regeneration Strategy by March 2012		An audit has been undertaken in relating to the MG Regeneration Strategy which identifies the links to existing regeneration activity. A discussion has taken place with one of the bidders for the MG on the regeneration opportunities.
Commence implementation of Runcorn Town Centre Action Plan phase by March 2012		Marketing of Runcorn Town Centre will commence in October 2011 to ascertain the level of developer interest. A Prospectus is currently being prepared and with the particulars for the sites in the first package.

Appendix 2: Progress Against 'other' objectives / milestones




Ref	Objective	
EEP 2 (previous reference: PS04)	The generation of external funding and the provision of funding advice to the third sector.	
Milestones	Progress Q2	Supporting Commentary
To partake in 4 lobbying or consultation opportunities during 2011-12, subject to the availability of consultation and lobbying events.		Big Lottery Fund has now designated Halton as a Focus Area over the next two years which means we will benefit from additional training and resources to help increase Lottery funding to the Borough.
Training: Deliver 4 targeted training sessions per annum.		There were two training sessions undertaken in quarter 1. No training sessions were delivered this quarter.

Appendix 2: Progress Against 'other' objectives / milestones

Ref	Objective	
EEP 3 (previous reference: EEB03)	The provision of a Comprehensive Support Service to business.	
Milestones	Progress Q2	Supporting Commentary
Scope the opportunities for 'Bridge Tourism' Action Plan by September 2011.		A sub-group of the Tourism Business Network (TBN) has been constituted and initial meetings taken place. A scoping paper, describing the potential impact of the construction phase of the Mersey Gateway project has been produced. This milestone has been completed
Maintain a comprehensive database of all commercial land and property by March 2012.		Whilst inward investment enquires remain depressed across the economy the Business Development Team continue to provide a comprehensive commercial property finding service to local businesses wishing to expand and grow and companies wishing to move into the area.
Promotion of the Science, Technology and Advanced Manufacturing (STAM) sector by March 2012.		A number of events have taken place promoting careers in science and technology to young people at, for example Bankfield School, the Catalyst Discovery Centre and Kingsway Leisure Centre. New research has also been commissioned, in partnership with Riverside College and DATS Holdings, to better understand the future skills needs of Science, Technology and Advanced Manufacturing (STAM) companies locally.
Deliver BID Year 4 action plan by March 2012.		The new Business Parks Manager is now in post and is progressing the delivery of the BID Programme Year 4 Delivery Plan.

Appendix 2: Progress Against 'other' objectives / milestones







Ref	Objective
EEP 4 (previous references: EEB05, 06, 07, 08 & 10)	The delivery of the Council's major regeneration schemes

Milestones	Progress Q2	Supporting Commentary
Completion of Phoenix Park, Castlefields dipping platform by May 2011.		The dipping platform is complete and an official opening has been held. This milestone is completed.
Commence retail development at old B&Q site by June 2011.		The retail development of the old B & Q site has commenced and work is now on site. This milestone is completed.
Former Bayer site: Agree Forward Strategy with NWDA successor body by March 2012.		Further site investigations, required prior to completing forward strategy, have been commissioned.











Appendix 3: Progress Against 'key' performance indicators

Ref	Description	Actual 2010/11	Target 2011/12	Quarter 2	Current Progress	Direction of Travel	Supporting Commentary
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Development and Investment Services

Service Delivery							
DIS LI05 <i>(previous reference EEB LI05)</i>	Number of investment enquiries per annum	162	180	84			The number of investment enquiries for the 2 second quarter is 54 with the total for the year to date being 84.
DIS LI06 <i>(previous reference EEB LI06)</i>	Inward investment enquiry conversion rate %	14.8	9	7			Conversions rate has slowed down noticeably, probably linked to existing economic uncertainty.
DIS LI07 <i>(previous reference EEB LI07)</i>	Contribution to jobs created as result of the services being provided (departmental)	244	350	142.5			The numbers of jobs created as a result of the services provided has slowed in Q2 but still stands over the year at 142.5

Appendix 4: Progress Against 'other' performance indicators

Ref	Description	Actual 2010/11	Target 2011/12	Quarter 2	Current Progress	Direction of Travel	Supporting Commentary
Cost & Efficiency							
DIS LI08 (previous reference PYS LI04)	Percentage of industrial unit rent collected as percentage of rent due (excluding bankruptcies and the like)	92%	95%	92.5%			Slightly below target, but reflects a difficult market
DIS LI10 (new)	Occupancy of Commercial % (new)	81% (baseline as at 30 June 2011)	81%	82%			There has been a slight increase in the occupancy rates for Quarter 2 from Quarter 1.
DIS LI11 (new)	Occupancy of Business Centres % (new)	72% (baseline as at 30 June 2011)	65%	71%			There has been a slight decrease in the occupancy rates for Quarter 2 from Quarter 1.
DIS LI12 (new)	Occupancy of Leisure Sites % (new)	93% (baseline as at 30 June 2011)	93%	93%			Occupancy of Leisure Sites has been maintained from Quarter 1.
DIS LI13 (new)	Occupancy Outside Retail Market (new)	43.4% (baseline as at 30 June 2011)	43%	39.5%			There has been a decrease in the Occupancy rates for Outside Retail Market from Quarter 1.

Appendix 4: Progress Against 'other' performance indicators

Ref	Description	Actual 2010/11	Target 2011/12	Quarter 2	Current Progress	Direction of Travel	Supporting Commentary
DIS LI14 (new)	Percentage of rent retail market collected as % of rent due (excluding bankruptcies)	96.5% (baseline as at 30 June 2011)	96%	96.4%			The percentage of rent retail market collected as a percentage of the rent due has met the target but is slightly below that of the previous quarter.
DIS LI15 (new)	Occupancy Widnes Flea Market (new)	91.3% (baseline as at 30 June 2011)	91%	94.7%			Occupancy has increased from the baseline set at Quarter 1.
DIS LI1 (new)	Percentage of rent flea market collected as % of rent due (excluding bankruptcies)	100% (baseline as at 30 June 2011)	100%	99.9%			Rent collected as a percentage of the rent due is slightly below the target set of 100%
DIS LI17 (new)	Occupancy Runcorn Street Market	71%	75%	76.6%			Occupancy of Runcorn Street Market is higher than the target set and a positive increase on the figure set as baseline at Quarter 1.
DIS LI11 (new)	Percentage of rent Runcorn street market collected as % of rent due (excluding bankruptcies)	100%	100%	100%			This measure has maintained its position from Quarter 1.

Appendix 5: Financial Statement

ECONOMY, ENTERPRISE & PROPERTY DEPARTMENT

Revenue Budget as at 30th September 2011

	Annual Budget £'000	Budget to Date £'000	Expenditure to Date £'000	Variance to Date (Overspend) £'000
<u>Expenditure</u>				
Employees	4,563	2,546	2,584	(38)
Repairs & Maintenance	2,555	986	982	4
Energy & Water Costs	936	311	308	3
NNDR	918	919	913	6
Rents	1,061	726	732	(6)
Marketing Programme	11	6	6	0
Promotions	35	18	14	4
Development Projects	85	0	0	0
Supplies & Services	1,921	1,357	1,360	-3
Agency Related Payments	193	50	57	(7)
Property Rationalisation Saving Target	-327	0	0	0
Total Expenditure	11,951	6,919	6,956	(37)
<u>Income</u>				
Rent - Markets	-806	-380	-361	(19)
Rent - Industrial	-952	-425	-411	(14)
Rent - Commercial	-560	-284	-289	5
Sales	-3	-1	-5	4
Fees & Charges	-336	-74	-70	(4)
Reimbursements	-440	-161	-162	1
Government Grant Income	-945	-233	-228	(5)
Recharges to Capital	-1,008	-33	-33	0
Schools SLA Income	-735	-692	-697	5
Transfer from Reserves	-815	-222	-222	0
Total Income	-6,600	-2,505	-2,478	(27)
Net Operational Expenditure	5,351	4,414	4,478	(64)
<u>Recharges</u>				
Premises Support	1,522	612	612	0
Office Accommodation	153	51	51	0
Transport	57	28	28	0
Central Support Services	2,203	735	735	0
Asset Charges	2,307	3	3	0
Accommodation Recharge	-3,705	-1,215	-1,215	0
Support Service Recharges	-1,876	-987	-987	0
Repairs & Maintenance	-2,599	-866	-866	0
Total Recharges	-1,938	-1,639	-1,639	0
Net Departmental Total	3,413	2,775	2,839	(64)

Appendix 5: Financial Statement

Comments on the above figures

Overall revenue spending at the end of Quarter 2 is above budget to date.




Employee expenditure is above budget as staff savings targets are not being achieved. This is due to an insufficient level of staff turnover compared to the level assumed when setting the budget. However, the situation can be managed by utilising employee budget underspends in other Departments within the Directorate.

Rental Income (including Markets and Industrial Estates) is currently showing a shortfall due to vacant units across the three areas. Work is being carried out to promote these units and again budgets will be monitored closely through out the year to make sure the financial impact is limited and action taken to balance the Departmental budget at year-end.

Budget savings were approved for 2011/12 in respect of running costs associated with the sale of surplus land and property assets and rationalisation of accommodation. However, these are not yet being achieved primarily due to the impact of the current economic climate upon the land and property market.




Appendix 6: Explanation of Symbols

Symbols are used in the following manner:

Progress		<u>Objective</u>	<u>Performance Indicator</u>
Green		Indicates that the <u>objective is on course to be achieved</u> within the appropriate timeframe.	<i>Indicates that the annual target <u>is on course to be achieved</u>.</i>
Amber		Indicates that it is <u>uncertain or too early to say at this stage</u> , whether the milestone/objective will be achieved within the appropriate timeframe.	<i>Indicates that it is <u>uncertain or too early to say at this stage</u> whether the annual target is on course to be achieved.</i>
Red		Indicates that it is <u>highly likely or certain</u> that the objective will not be achieved within the appropriate timeframe.	<i>Indicates that the target <u>will not be achieved</u> unless there is an <u>intervention or remedial action</u> taken.</i>

Direction of Travel Indicator

Where possible performance measures will also identify a direction of travel using the following convention

Green		<i>Indicates that performance is better as compared to the same period last year.</i>
Amber		<i>Indicates that performance is the same as compared to the same period last year.</i>
Red		<i>Indicates that performance is worse as compared to the same period last year.</i>
N/A		<i>Indicates that the measure cannot be compared to the same period last year.</i>