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TO: Regeneration & Economic Development Policy Overview & Scrutiny Committee – 8th July 2010

SUBJECT: Regeneration and Economic Development Financial Outturn and Unit Operating Plan Outturn for 2009/10

Classification: Unrestricted

Summary:

This report summarises the 2009/10 financial outturn, together with annual operating plan outturn information, for each of the Service Units within Regeneration and Economic Development Portfolio. The report brings together financial and key activity and performance outcome information in the same place.

Members are also asked to consider how the committee should contribute to formulating the 2011/12 budget and medium term plan at an earlier stage than previous years.

FOR DECISION

1. Introduction:

- 1.1 In the March/April cycle of meetings POSCs received a report setting out the latest forecast outturn for the 2009/10 financial year as reported to Cabinet based on the position as at the end of the third quarter. Half-year performance monitoring against unit business unit plans was reported in the January cycle.
- 1.2 Last year each directorate prepared a combined unit level budget and performance outturn report for the July cycle of POSC meetings for the first time. Previously outturn reports had been included in the September cycle. This report builds on the lessons from last year.
- 1.3 At it's April meeting the Scrutiny Board recommended that all POSCs need to formulate their arrangements for contributing to the development of the budget so that they are able to have an input at an earlier stage than previous years. In particular POSCs should consider whether the Informal Member Groups set up following the November 2009 meeting should meet regularly between now and December when the draft budget needs to be finalised for formal consultation. This was re-affirmed at a recent training session for all Overview and Scrutiny members.

2. Regeneration and Economic Development Portfolio 2009/10 Financial Outturn-Revenue

- 2.1 The provisional revenue outturn was reported to Cabinet on 14th June together with recommendations on rollover for committed projects and contributions to reserves for uncommitted under spends. The overall position for the Regeneration and Economic Development portfolio was a net under spend of £30.2k.
- 2.2 Table 1 sets out the original budget, final approved cash limit and spending for each service unit within the Regeneration and Economic Dev portfolio. The changes between the original budget and final approved cash limit are all within KCC's "virement" rules as set out in Financial Regulations.

Table 1 Service Unit	Original Budget £000s (Net)	Approved Cash Limit £000s (Net)	Final Outturn £000s (Net)	Variance from Cash Limit £000s (net)
Regeneration & Economic Development	5,836.0	6,309.3	6,306.3	-3.0
Kent Film Office	141.0	101.1	107.7	6.6
Resources	323.0	267.9	270.0	2.1
Strategic Management	158.0	158.0	158.2	0.2
Analysis & Information	712.0	871.4	835.3	-36.1
Geographic Information Systems	388.0	387.9	387.7	-0.2
CED Support Services	250.0	0.0	0.0	0.0
Total	7,808.0	8,095.6	8,065.4	-30.2

- 2.3 The outturn is largely as reported throughout the year. The under spend on the analysis and information team is slightly less than the third quarter forecast. The net £30k under spend has been rolled forward as committed to support the restructuring of the Analysis and Information team which commenced on 22nd February but will not be completed until 2nd August.

3. Regeneration and Economic Development Portfolio 2009/10 Financial Outturn – Capital

- 3.1 Table 2 identifies the planned and actual spend on all capital projects in 2009/10 and the total approved and forecast spending over the lifetime of these projects.

Table 2

	2009/10 Spend				Total Scheme Cost		
	Original Budget £000s	Approved Cash Limit £000s	Final Outturn £000s	Variance from Cash Limit £000s	Approved Cash Limit £000s	Forecast Spending £000s	Variance from Cash Limit £000s
<u>Schemes with Approval to Spend</u>							
Kent Thameside Regeneration Partnership	480	480	508	28	3,852	3,880	28
Kent Empty Property Initiative	1,500	986	986	0	6,625	6,625	0
Euro Kent Road		80	40	-40	6,605	6,605	0
De-dualling Forthill Road			1	1			0
Dover Priory	1,410	936	929	-7	1,710	1,692	-18
Gravesend Old Town Hall Phase 1 & 2	421	1,280	980	-300	2,233	2,243	10
Dover Sea Change	400	519	519	0	2,295	2,295	0
Swale Parklands	750	50	53	3	750	750	0
Margate Eastern Seafront	0	0	0	0	850	850	0
	4,961	4,331	4,016	-315	24,920	24,940	20
<u>Schemes with Approval to Plan</u>							
Capital Regeneration Fund	1,874	1,874	0	-1,874	11,374	11,374	0
Kent Thameside Major Works Delivery Board					1,440	1,440	0
	1,874	1,874	0	-1,874	12,814	12,814	0

3.2 The movements from the original budget and the approved cash limit have been reported in monitoring during the year and the cash limits were changed when the capital programme in 2010/13 medium term plan was approved in February.

3.3 There has been re-phasing of expenditure on projects during the year as follows:

i) Empty Property Initiative due to delays in processing legal documentation

ii) Dover Priory Station Approach Road due to poor sub structure for the existing road and requirement to reconstruct

iii) Dover Sea Change due to delays on legal agreements between KCC and Dover Harbour Board and on collateral warranty between Dover Harbour Board and the contractors (Ringway). Works have now commenced from March 2010.

iv) Gravesend Old Town Hall includes £452k re-phased from 2008/09 due to difficulties in removing the supporting columns for the portico. The project is nearing completion and will be close to the total approved budget of £2.223m. The £300k for 2009/10 relates to incorrect presentation of external funding which will be corrected in 2010/11 monitoring.

4. Regeneration and Economic Development 2009/10 Unit Business Plan Outturn

- 4.1 A detailed performance return FOR Regeneration and economy is appended to this report (Appendix one).

5 Recommendations

- 5.1 Members of the Regeneration and Economic Development POSC are asked to:
- a) NOTE the revenue and capital financial outturn for 2009/10 including rollovers for committed projects and changes to capital programme
 - b) NOTE the performance outturn for 2009/10
 - c) CONSIDER how the POSC should contribute to the development of the 2011/12 budget and to agree that an Informal Member Group be asked to meet on a regular basis over the next 6 months in order to get a fuller understanding of the implications of potential budget reductions and report back to the full POSC in November and January.

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SED&ICT - REGENERATION AND ECONOMY

Key achievements

Regeneration and economic development is a long term investment: it does not deliver in a single year – the improvements, changes are witnessed over many years.

However, for our investment of both time and funding we are planning for improved economic prosperity across the county whether this is growth in Thames Gateway, Ashford and Dover; reduced deprivation in Thanet; more businesses trading successfully in Kent or a growing, confident rural sector. Alongside economic growth we will also be planning for sustainable, quality communities that provide for whole community needs both now and in the future.

Taking into account the challenging economic climate, the unit has worked hard with its many partners to deliver fully 74% of its objectives with a further 15% in progress. The progress with the Regeneration Framework and the supporting strategies (including spatial, housing, transport and environment strategies) as well as initiatives in Thames Gateway, Dover and Ashford stand testament to the efforts. Real progress is being made in Thanet in identifying core issues - our priority for 2010/11 will be to deliver on housing, public realm improvements and marketing alongside the launch of Turner Contemporary. We have continued to develop our relationship with businesses, particularly through the member organisations such as the Chambers and Federation of Small Businesses and supported events such as the Kent Excellence in Business Awards. Each of the four 'single conversations' (prioritisation exercises) with the HCA are being supported and progressed. The rural agenda is an increasingly important element of our work and significant progress has been made in championing the rural businesses and communities and ensuring their needs are reflected in mainstream strategies.

Where progress has been slower has been almost entirely down to the market (Kings Hill, Rendezvous site) or reduced (and sometimes delayed) resources available from our partners i.e. progress with Leader+, Dartford and Northfleet stations, Rural Access to Service Programme.

Exception reporting against Key Performance Indicators and projects, developments and key actions

Total number of Projects/Development/Key Actions **134**

Task complete: **99 (74%)**

Part complete and carried forward: **20 (15%)**

Not complete or not started or part complete but not being carried forward: **15 (11%)**

Explanation for part complete projects/developments being carried forward in 2009/10 business plan and tasks that will not be completed

Part Complete and being carried forward

- Housing Strategy – complexity, ambition and political sensitivity of projects has extended timetable needed to complete. Launch of strategy is planned for October
- Margate Rendezvous Site targets (4 targets) – The delivery of the scheme has been delayed by difficulties in achieving consensus, pursuing new proposals and the market downturn. Research has been undertaken on potential of hotel and conferencing markets.
- Natural East Kent Project targets (2 targets) – Work was delayed as recruitment to the key project manager post took longer than expected but is now starting to deliver on outcomes and new targets are in place for 2010/11
- Refurbishment of Dartford Station should have commenced in 2010/11 but programme funding was only agreed on 31 March and work will now be undertaken and completed in 2010/11
- Funding for the refurbishment of Northfleet station was not secured in the current CSR (Comprehensive Spending Review) period and the scheme has been suspended pending a bid for funding in the 2011/12 to 2013/14 CSR period
- Rural Access to Service Programme had planned to develop 4 community shop enterprises but only 3 came forward in 2009/10 though there are now 2 more under development
- Kent Design Initiative (2 targets) – website and training programme development were hampered by lack of resource to deliver but internal resource has now been identified to deliver in 2010/11
- Homes and Roads (3 targets) - It was expected that the funding agreement for Homes and Roads would be signed very early in 2009/10 but was not agreed until March 2010 delaying agreement of programme and its review. With the agreement now in place this work is being progressed in 2010/11
- Some of the project outcomes for Ashford projects (5 targets) have not been achieved due to delays in timetable outside control of KCC.

Not complete or not started or part complete but not being carried forward

- Kent Science Park (2 targets) around route alignment design and phasing plan have stalled and the project has been accelerated to political level for lobbying
- Kings Hill projects (2 targets) on home building and development of business space have been affected by the market downturn
- Target to commence occupation of Gravesend Old Town Hall has been delayed because of a lack of revenue funding to operate the building. Revenue bid to the Regeneration Fund has been agreed.
- Green and Blue Grid – delay in the timetable outside of KCC control
- Changes to SEEDA organisational structure and re-prioritising of work have meant that (3) targets on delegated rural delivery, post office access, Leader + were not able to be pursued
- The Rural Towns Programme (2 targets) has been affected by unplanned absence and the subsequent loss of the programme manager. The work is not being taken forward in 2010/11
- Kent Design Initiative (2) targets on publicity programme and advising on 10 major developments have not been pursued due to other priorities

<ul style="list-style-type: none"> Rural Access to Service Programme It was intended to fund an innovative flagship project for the programme but partners decided not to proceed prioritising continued investment in other programme strands Kent Business Observatory research was decided not to take forward in this format but as an off-shore wind farm supply directory. 				
Towards 2010				
Target/Accountable Directorate	Sept 2008	Mar 2009	Sept 2009	Mar 2010
Target 1: Substantially increase the number of new jobs by increasing the number of companies investing in Kent and the number of businesses starting up or expanding <i>Regeneration & Economy</i>	On course	On course	On course	On course
Target 7: Fulfil Kent's potential as a premier tourist destination <i>Regeneration & Economy</i>	On course	On course	More progress needed	On course
Target 39: Bring back into use the large number of empty homes in Kent <i>Regeneration & Economy</i>	On course	On course	Done and ongoing	Done and ongoing
Target 40: Ensure that new housing developments include the right infrastructure and local facilities and cater for a mix of age groups and incomes <i>EHW/Regeneration & Economy</i>	More progress needed	More progress needed	On course	On course
External Evaluation				
The Division has not been subject to formal external review during 2009/10.				
During 2010/11, new business systems are being put in place to pro-actively seek customer feedback and ensure this is more systematically recorded and reported to the Leadership Team on a regular basis.				
User/Resident Involvement Planned for 2009/10				
<u>Sea Change Project</u> - Preparation of cultural strategy and input to cable car and public realm projects.				
<ul style="list-style-type: none"> Cultural strategy – consultation period June to August 2009. Approx 200 interviews with residents and businesses. Strategy report just completed (June 2010) and will be fed back to consultees/wider public throughout 				

July/August 2010

- Esplanade – consultation with general public through July to October 2009. Exhibition in Discovery Centre Dover and at Dover Castle and then formal consultation in Dover Gateway on October 1st and 2nd by Jacobs with approx. 50 respondents.

Sittingbourne Northern Relief Road Bapchild Link Road

Views reported to Members to inform decisions about detailed alignment of road

Margate Old Town Parking Access

Analysis of parking habits and opinions of different groups on current parking provision to develop a broader action plan to improve provision.

Results were inconclusive with extremely low sample rate (managed by local action group who completely over-estimated the local strength of feeling) and no clear way forward. No further action is proposed. Results were reported to Margate Renewal Partnership Board and the project abandoned. Local Action Group informed of position.

A2 Cycle Project – Gravesham

Feedback was that 84% support the scheme although concerns were raised about lighting, noise and traffic. The results have been taken into consideration in land management plans, planning applications, bids to funding partners on design.

Greening the Gateway projects

Undertaken facilitated workshops with community to feed into projects development. Long timescale for delivery of projects so consultation and feedback is iterative.

Kent Design - To test how effectively Guide is used, where it is not used and the barriers. There was a very poor response to this consultation, but those received confirmed that the main Kent Design Guide and the Interim Guidance Notes are used when needed. However, the daughter Technical Appendices and the Making It Happen documents are not. The exercise was very useful in building a better working relationship with all the LPA's and representatives from each (including Medway) now sit on the Kent Design Initiative (KDI) Steering Group, and have a direct influence and input into the KDI annual action plans

Gravesend Old Town Hall

There has been ongoing consultation with the original partner organisation Fit Voices (now Whole Community Works - WCW) a multi faith charity. The initial vision was to create a place for the Gravesend Community to come together to support each other and in particular vulnerable people within it. Formal consultation has been provided via six workshops with invited stakeholders from the faith, arts and local history groups as well as representation from all ethnic communities in the Gravesend area and age groups. The purpose was to develop a vision for the building and to determine the likely uses of the restored Old Town Hall building and in turn to shape the final phases of this work. A Management Committee was formed from the most active of these stakeholders which

continued to develop the vision further. A Memorandum of Understanding between KCC as building owners and WCW is now being drafted to establish usage of the building and to deliver the shared vision.

Engagement Activity which has not taken place

Aylesham training centre concept

Determine level of support for a construction training centre proposals.
Consultation did not take place as we are no longer involved in this project.

Dartford station

Accountable Body status passed to Dartford BC at the end of March 2010 as KCC was not in a position to sign a funding agreement with HCA and no consultation took place.

Northfleet station and pedestrian link to Ebbsfleet

The project failed to secure funding from the HCA through either the Community Infrastructure Fund (CIF) of the Thames Gateway Programme. With no prospect of the funding gap being overcome work has been suspended on this project and no consultation took place.

Rendezvous site

Due to market difficulties, the planning application for the Rendezvous site was delayed and in consequence the consultation did not take place.

Discovery Park

Project has been put on hold by Ashford Borough Council.

Natural East Kent Access project

Introduce changes to improve provision and maintenance of access facilities and integrate with the local tourism offer. This consultation has been carried forward to 2010/11.

Complaints, Comments and Compliments

The Regeneration and Economy Unit received no complaints in 2009/10 and 2 compliments for the Kent Property Market Report breakfast launch.