

## Departmental Quarterly Monitoring Report

<b><u>Directorate:</u></b>	Environment & Economy
<b><u>Department:</u></b>	Employment, Economic Regeneration & Business Development
<b><u>Period:</u></b>	Quarter 3 - 1 <sup>st</sup> October – 31 <sup>st</sup> December 2010

### 1.0 Introduction

This quarterly monitoring report covers the Employment, Economic Regeneration & Business Development Department third quarter period up to 31<sup>st</sup> December 2010. It describes key developments and progress against 'key' milestones and performance indicators for the service.

The way in which the traffic lights symbols and direction of travel indicators have been used to reflect progress to date is explained within Appendix 8.

### 2.0 Key Developments

#### Business Development and Regional Affairs

External Funding continue to experience high levels of new funding enquiries – 66 this quarter with 77% coming from voluntary/community sector. During the quarter funding has been secured to the value of £283,854 (14 grants) including £211,141 from the NWDA's RDPE grant programme for the Lewis Carroll Visitor Centre and £22,407 from WREN to upgrade Widnes Cricket Club. The team has also supported a bid of £999,000 to Heritage Lottery Fund for the refurbishment of St Marie's Church as a new base for Halton and St Helens VCA.

#### Castlefields

- £3.096m has been secured from the Homes and Communities Agency for the Woodlands Walk development. The grant will enable the demolition of a further 209 LHT deck access flats and the construction of a further 57 new homes.
- New Health Centre – the PCT has confirmed that it expects to achieve financial close at the end of January 2011, this will allow the commencement of construction works at the end of February 2011.

#### Town Centres

- A contractor has been selected to produce and install new signage orientation boards to be located in Widnes town centre. Work is ongoing to finalise the design details. Replacement bins and benches have been ordered for the town centre.
- Runcorn Town Centre - Preparatory work for the demolition of Number 57 High Street has been undertaken and the demolition is scheduled for end of January.

## **Business Improvement Districts**

Considerable progress has been made with the delivery of the 2010\2011 programme of initiatives at Astmoor and Halebank Industrial Estates.

- A complete upgrade, including new software, of all nine ANPR cameras at Astmoor
- Greatly enhanced security at Astmoor including manned guarding, day time patrols and new technologies to plug 'black holes' in the existing CCTV provision
- The creation of a new forum and reporting procedure with Cheshire Police at Astmoor which has greatly improved response times and confidence
- The appointment of a third party contractor (managed by Open Spaces) to undertake enhanced landscaping.
- The provision of forty new salt bins, grit and snow shovels at each estate
- The distribution of free recycling bins at Astmoor which are collected free of charge by a local company
- The installation of a new subscriber, wireless broadband system at Halebank
- Free environmental advice from NISP\Groundwork across both estates.

## **Site Developments**

- The former Gyproc site is now being marketed for employment uses.
- The draft site investigation report is back on the former Bayer site and the remediation strategy is due for completion by the end of March.
- The Venture Fields leisure development started on site in November and is due to complete in Autumn 2011.

## **Golf Course**

Phase 1 completed. Phase 2, dealing with captured leachate, is being worked up by the contractor and will need to be agreed by the Environment Agency and United Utilities.

## **3.0 Emerging Issues**

### **Business Development and Regional Affairs**

External Funding is promoting and dealing with enquiries and bids for the Government's Transition Fund which is aimed at voluntary/community groups whose council funding will be cut. It is also promoting emerging grant programmes specifically developed to celebrate Jubilee Year in 2012.

Regional Growth Fund. Daresbury and 3MG applications progressing for January submission deadline. The Heath Business and Technical Park is reconsidering its application due to European State Aid rules. Widnes Waterfront application to be assessed as a 'programme bid' to later rounds.

In addition, the Business Development Team is involved with bid development for - a 'Fab Lab' at Daresbury Science and Innovation Campus (DSIC) (in partnership with DSIC JV and the Manufacturing Institute), new business support structures for the Liverpool City Region (in partnership with the Merseyside Authorities) and 3MG (through support of the SuperPort concept)

The measures contained within the recent government White Paper 'Local Growth: Realising Every Place's Potential' will have a profound impact upon the delivery of economic regeneration across the region. The abolition of the North West Development Agency and the demise of Business Link will mean that a number of programmes typically accessed by Halton companies, for example, Grant for Business Investment, the High Growth Programme and the Innovation Vouchers scheme, will either cease or be curtailed. Similarly, the network of general business advisors, sector specialist and business experts traditionally utilised by the Business Development Team on behalf of Halton companies will no longer be in place.

The Mersey Partnership (TMP) have also made a number of redundancies within the both the Investment and Tourism Teams. The future of the Liverpool City Region Investor Development Programme, which is funded by the NWDA and delivered by TMP, is also uncertain.

The Efficiency Review of the Business Development and Regional Affairs Division has commenced and the outline business case has been approved.

Venture Fields development - long term management arrangements need putting in place. Post construction St Modwins will manage for the first 12 months.

#### 4.0 Service Objectives / milestones

##### 4.1 Progress against 'key' objectives / milestones

<b>Total</b>	<b>16</b>		10		4		2
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For further details please refer to Appendix 1.

Originally scheduled to be completed in March 2011, the statutory duty to complete the Local Economic Assessment has been rescinded. The development of a Liverpool City Region LEA has ceased and each local authority will now undertake its own assessment. A 'refresh' of the 2008 Halton Economic Summary will now be undertaken in spring 2011.

In relation to the implementation of the Bayer Crop Science site regeneration it will not be possible to utilise ERDF directly. However, the project is identified as one possible scheme for the North West Joint European Support for Sustainable Investment in City Areas (JESSICA) funding stream that is under development that will draw down ERDF when it does go live.

#### 4.2 Progress against 'other' objectives / milestones

Total	0		0		0		0
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There are presently no objectives/ milestones of this type identified for this service.



#### 5.0 Performance indicators

##### 5.1 Progress Against 'key' performance indicators

Total	1		1		0		0
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For further details please refer to Appendix 2.

##### 5.2 Progress Against 'other' performance indicators

Total	5		3		1		0
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Please note that the total also includes 1 indicator for which information is currently unavailable.

Although the number of inward investment enquiries is higher than that at the same time in 2009/10, the commercial property market remains depressed and the service is unlikely to achieve the 2010-11 target.

#### 6.0 Risk Control Measures

Please refer to Appendix 5.

## **7.0 Progress against high priority equality actions**

There are no High Priority Equality Actions for this area.




## **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 'key' performance indicators
- Appendix 3 Progress against 'other' performance indicators
- Appendix 4 Progress against risk control measures
- Appendix 5 Financial statement
- Appendix 6 Explanation of use of symbols

**Appendix 1: Progress Against 'key' objectives / milestones**

Ref	Objective	
EEB 1	<b>Promote economic diversity and competitiveness within an improved business environment.</b>	
Milestones	Progress Q 3	Supporting Commentary
Develop Science, Technology and Advanced Manufacturing sectoral action plan (following on from final PPB topic group report) by <b>Dec 2010</b>		The Skills for the STAM Sector Group (Science Halton) did not meet in Q3 due to Christmas holidays and number of apologies. However, the actions associated with the action plan were carried out. For example, during Q3 presentations of the Science Halton Routeway were shared with a number of key groups including the EBP Forum, the Foundation Learning Group, the ELS SSP, Riverside College SMT and the 14-19 Partnership. Feedback was very positive. The <a href="http://www.sciencehalton.com">www.sciencehalton.com</a> site will go live in Q4.
Deliver BID Year 3 action plan by <b>Mar 2011</b>		All elements of the BID Year III Action Plan are on programme and on budget.
Complete Local Economic Assessment by <b>Mar 2011</b>		The statutory duty to complete a LEA by 31-3-11 has been rescinded. The development of a Liverpool City Region LEA has ceased and each local authority will now undertake its own assessment. A 'refresh' of the 2008 Halton Economic Summary will now be undertaken in spring 2011.




**Appendix 1: Progress Against 'key' objectives / milestones**

Ref	Objective
EEB 5	To implement a regeneration plan for the Widnes Waterfront in accordance with the NWDA Performance Plan resulting in 44 ha. of regenerated land on the Widnes Waterfront.

Milestones	Progress Q 3	Supporting Commentary
Implementation proceeding in accordance with the NWDA performance Plan 10/11 (to be approved April 2010). This will set out the commitment of Halton's Urban Renewal Partnership (URSSP) to deliver a set of projects funded by the NWDA. <b>Mar 2010.</b>	?	Due to changes and significant funding cuts across the NWDA budget the performance plan has not been approved yet. However, it has confirmed that funding requested for the leisure development is not available. Other ways of delivering the project are being explored.

**Appendix 1: Progress Against 'key' objectives / milestones**

Ref	Objective
EEB 6	To implement the Bayer Crop Science site regeneration in accordance with the NWDA grant funding agreement and the agreed Forward Strategy resulting in the regeneration of 40 acres of brownfield land at the Widnes Waterfront.

Milestones	Progress Q 3	Supporting Commentary
Secure ERDF funding and deliver site infrastructure project by <b>Dec 2010</b>		Conclusion reached that due to project timescales it will not be possible to utilise ERDF directly. However, the project is identified as one possible scheme for the North West Joint European Support for Sustainable Investment in City Areas (JESSICA) funding stream that is under development that will draw down ERDF when it does go live.
Take vacant possession of the Bayer site <b>Mar 2011</b>		Completed May 2010.
Complete site remediation strategy by <b>Mar 2011</b>		On target.



**Appendix 1: Progress Against 'key' objectives / milestones**



Ref	Objective
EEB 7	To implement a regeneration plan for Castlefields according to the Castlefields Team Plan and Regeneration Masterplan resulting in the delivery of The Masterplan's vision of an holistically improved estate.

Milestones	Progress Q 3	Supporting Commentary
Implementation according to Masterplan Phase 2: Commence construction of the Village Square Phase <b>2 Mar 2011.</b>		Commenced on site March 2010. Demolition completes May 2010. Service diversions ongoing due for completion Summer 2011. PCT completion of the Health Centre to follow in February 2012.
Prepare bid for phase 3 funding of the RSL housing renewal. <b>Mar 2011</b>		Confirmation of successful bid in December 2010 for £3.096m. Demolition of existing blocks to commence Nov 2011. New build to commence Mar 2012 and is programmed to be completed Mar 2013.
Market Lakeside (subject to market review) <b>Sep 2010</b>		Market review continuing. Initial discussions have taken place regarding Extra Care. Further avenues are to be explored.

**Appendix 1: Progress Against 'key' objectives / milestones**

Ref	Objective
EEB 8	Monitor investment levels in the three town centres in order to comply with Community Plan objectives (see Team Plan) and ensure a continued improvement in the quality of Halton's town centres.

Milestones	Progress Q 3	Supporting Commentary
Ensure continued investment in town centres of at least £1 million per annum. <b>Mar 2011.</b>		Completion of Widnes Shopping Park Easter 2010, circa £25m. Expected in 2011/12 Tesco complex and Venture Fields.
Owing to the economic recession, review the feasibility of the Canal Quarter development to achieve the Community Plan objectives and obtain improved facilities in the area. <b>Mar 2011.</b>		Seeking an agent to assist in the identification of a developer/s for the regeneration of the town centre utilising key Council owned sites including the former Canal Quarter area.

**Appendix 1: Progress Against 'key' objectives / milestones**

Ref	Objective
EEB 9	Reclamation of contaminated and derelict land, including the 48 hectare St.Michael's Golf Course to produce a safe and attractive replacement course.

Milestones	Progress Q 3	Supporting Commentary
Phase 2, the remediation of the golf course is to be completed by the end of <b>Mar 2011</b> .	?	Phase 1 is complete.

Ref	Objective
EEB 10	To implement a regeneration plan for 3MG (Ditton Strategic Rail Freight Park) resulting in the creation of a regionally-significant rail freight park.



Milestones	Progress Q 3	Supporting Commentary
Subject to market testing, the disposal of Halton Borough Council Field Mar 2011.	✓	On course for disposal by way of a Development Agreement to Prologis for a significant rail connected development.
The provision of associated infrastructure, such as rail sidings Mar 2011.	?	Road infrastructure will be provided by Prologis along with a rail connection. The rail sidings to serve the entire 3MG terminal are in limbo following the withdrawal of grant funding. Alternative funding is being sought through RGF.

**Appendix 1: Progress Against 'key' objectives / milestones**

Complete the second phase of warehouse development on Stobart land and the improvements to Ditton Brook Mar 2011.	?	A planning application is expected to be submitted in May 2011. Stobart have worked hard to generate interest from a number of end users and are confident that subject to planning permission commencement on site will be towards the end of 2011.
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**Appendix 2: Progress Against 'key' performance indicators**

Ref	Description	Actual 2009/10	Target 2010/11	Quarter 3	Current Progress	Direction of Travel	Supporting Commentary
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Service Delivery							
<b>EEB</b> <b>LI17</b> Previously MP LI14	3MG: Outputs as set out in Masterplan (% achieved)	100	100	75%			On track with HBC Fields.

**Appendix 3: Progress Against 'other' performance indicators**

Ref	Description	Actual 2009/10	Target 2010/11	Quarter 3	Current Progress	Direction of Travel	Supporting Commentary
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Service Delivery							
EEB LI5 Previously ER PI 05	Number of inward investment enquiries per annum	119 Dec 09	200	125	?		Unlikely to achieve the 2010-11 target, commercial property market remains depressed and is not likely to recover in the short term.

**Appendix 4: Risk Control Measures**

Ref	Risk Identified	Treatment Measure	Progress	Supporting Commentary
ER 1	Impact of the global recession on local business	Increased emphasis on business aftercare and the dissemination of information to the business community	?	A key part of the business aftercare programme is delivered by the Mersey Partnership officer located in the municipal building. It is unclear what the future of this post is.
ER 2	Impact upon service provision of anticipated reduction in core funding	Review and evaluation of non-essential service delivery	?	Management Team at its meeting on 21 December 2010 gave an 'in principle agreement' to a Departmental Business Plan that will continue to provide core and non-essential services in 2011/12. Management Team will consider a detailed Departmental business plan at the meeting on 22 January 2011.

**Appendix 5: Financial statement**

**EMPLOYMENT, ECONOMIC REGENERATION & BUSINESS DEVELOPMENT**

**Revenue Budget as at 31<sup>st</sup> December 2010**

	Annual Budget	Budget To Date	Actual To Date	Variance To Date (Overspend)	Actual Including Committed Items
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	5,126	3,706	3,536	170	3,542
Repairs & Maintenance	2,586	1,939	1,931	8	2,586
Energy & Water Costs	830	622	490	132	730
NNDR	836	836	722	114	753
Rents	1,054	873	923	(50)	1,104
Other Premises Costs	89	89	88	1	88
Marketing Programme	8	6	4	2	5
Promotions	0	0	0	0	0
Development Projects	85	15	24	(9)	44
Supplies & Services	1,296	842	792	50	1,277
Agency	196	118	94	24	186
Capital Financing	1,609	0	0	0	0
Asset Charges	1,074	0	0	0	14
<b>Total Expenditure</b>	<b>14,789</b>	<b>9,046</b>	<b>8,604</b>	<b>442</b>	<b>10,329</b>
<b>Income</b>					
Rent – Markets	-867	-650	-653	3	-653
Rent – Industrial Estates	-979	-734	-700	(34)	-700
Rent – Commercial	-519	-389	-353	(36)	-353
Sales	-3	-2	-10	8	-10
Fees & Charges	-332	-192	-262	70	-262
Reimbursements	-438	-170	-232	62	-232
Government grants	-1,617	-1,174	-1,258	84	-1,258
Recharges to Capital	-1,176	-349	-149	(200)	-149
<b>Total Income</b>	<b>-5,931</b>	<b>-3,660</b>	<b>-3,617</b>	<b>(43)</b>	<b>-3,617</b>
<b>Net Controllable Expenditure</b>	<b>8,858</b>	<b>5,386</b>	<b>4,987</b>	<b>399</b>	<b>6,624</b>



## Appendix 5: Financial statement

<b>Recharges</b>					
Premises Support	99	69	72	(3)	72
Office Accommodation	36	0	0	0	0
Property Recharges	2,911	1,871	1,871	0	1,871
Transport	81	51	42	9	42
Central Support Services	1,842	1,369	1,369	0	1,369
Departmental Support Services	0	0	0	0	0
Accommodation Recharge	-4,241	-3,135	-3,135	0	-3,135
Support Service Recharge	-3,133	-1,336	-1,336	0	-1,336
Repair & Maintenance Recharges	-2,471	-1,852	-1,852	0	-1,852
School's SLA Income	-676	-676	-673	(3)	-673
Internal Fees (Schools)	-77	-58	-42	(16)	-42
<b>Net Total Recharges</b>	<b>-5,629</b>	<b>-3,697</b>	<b>-3,684</b>	<b>(13)</b>	<b>-3,684</b>
<b>Net Departmental Total</b>	<b>3,229</b>	<b>1,689</b>	<b>1,303</b>	<b>386</b>	<b>3,028</b>

### Comments on the above figures:

In overall terms revenue spending to the end of quarter 3 is under budget.

Regarding expenditure, employee costs are under budget for the period, which is mainly due to vacancies that exist within the Enterprise & Employment Team. Also, external funding is being used to fund some posts. It is therefore anticipated that employee expenditure will be significantly below budget by year end.

Energy and Water costs are falling due to the negotiation of new contracts and because of a refund for water at Widnes Market, this will result in a saving for the year.

NNDR expenditure is below budget for the period due to a refund for Catalyst House but this has been partly offset by additional costs on empty properties on the Runcorn Industrial Estates and revised rating charges for both Grosvenor House and Rutland House. There will be a small net saving overall for this year.

Regarding income, rents from Industrial Units and Commercial Properties are marginally lower than expected due to a number of vacant units. This will be monitored closely however it is anticipated at this stage that there will be a shortfall in income on this account.

There is currently a shortfall of income on Property Services for Recharges to Capital due to less work being undertaken on capital schemes than expected and it is anticipated that this will result in a shortfall for the year.

At this stage, it is anticipated that overall revenue spending will be significantly below the departmental budget by year-end, which will contribute towards the £0.5m underspend target which has been set for the Environment and Employment Directorate.

**Appendix 5: Financial statement**

**EMPLOYMENT, ECONOMIC REGENERATION & BUSINESS DEVELOPMENT**

**Local Strategic Partnership Schemes as at 31<sup>st</sup> December 2010**

	Annual Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance To Date (Overspend) £'000	Actual Including Committed Items £'000
Employment Outreach	60	45	53	(8)	53
Prescription for Advice	0	0	0	0	0
Halton ILM/Stepping Stones	160	120	68	52	68
Enterprise Development	386	290	246	44	246
Enhanced Debt Advice	0	0	0	0	0
Supported Employment	106	79	72	7	72
Nbr'hood Employment Officers	252	189	100	89	100
Links 2 Work	25	19	20	(1)	20
YMCA Skills for Life	30	22	21	1	21
Inspiring Women	13	10	9	1	9
Graduate Work Experience	49	37	18	19	18
NEET Employers	36	27	1	26	1
Foundation Employment	28	21	1	20	1
Pre-level 2 Provision	288	216	181	35	181
Halton Employment Partnership	899	674	526	148	526
Apprenticeship Support	258	194	95	99	95
Business Parks Imprvmts	19	14	3	11	3
Partnership Co-ordinator	20	15	5	10	5
<b>Total Expenditure</b>	<b>2,709</b>	<b>1,972</b>	<b>1,419</b>	<b>553</b>	<b>1,419</b>

## Appendix 5: Financial statement

Local Strategic Partnership (LSP) funding spending to the end of quarter 3 is below budget profile.

Regular monitoring reports are sent to the LSP in respect of all LSP projects and any areas of concern are dealt with throughout the year by the LSP support team and individual project managers. Some variances against the budget are expected, as the LSP have deliberately over-programmed in order to ensure that the full allocation of Working Neighbourhood Fund grant is spent during the year.

### **EMPLOYMENT, ECONOMIC REGENERATION & BUSINESS DEVELOPMENT**

#### **Capital Projects as at 31<sup>st</sup> December 2010**

	2010-11 Capital Allocation £'000	Allocation To Date £'000	Actual Spend To Date £'000	Total Allocation Remaining £'000
<b><u>Multi-Funded Projects</u></b>				
Widnes Waterfront	1,095	325	136	959
Castlefields	3,138	1,020	1,026	2,112
3MG	373	258	258	115
<b><u>LSP (Urban Renewal) Projects</u></b>				
Property Purchase	147	19	0	147
Contaminated Land	95	47	17	78
<b><u>HBC Projects</u></b>				
Venture Fields	2,000	885	885	1,115
Muni Building Refurb	2,469	1,597	1,408	1,061
Runcorn TH Refurb	11	11	9	2
Council Chamber Refurb	100	80	76	24
Golf Course	2,266	1,700	1,876	390
Disabled Access	200	127	119	81
<b>Total Capital</b>	<b>11,894</b>	<b>6,069</b>	<b>5,810</b>	<b>6,084</b>




## ***Appendix 5: Financial statement***

### **Comments on the above figures:**

With regard to the three programmes detailed under the Multi Funded Projects header, there is continued change to the programmes and the costings/funding allocations are being continually updated. It is anticipated that the budgeted spend on both Venture Fields and Widnes Waterfront will be completed in this year. There is likely to be some slippage into next year on both the Municipal Building Refurbishment and Castlefields projects.




## Appendix 6: Explanation of Symbols

Symbols are used in the following manner:

<b>Progress</b>		<b><u>Objective</u></b>	<b><u>Performance Indicator</u></b>
<b>Green</b>		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>
<b>Amber</b>		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 whether the annual target is on course to be achieved.</u></i>
<b>Red</b>		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 unless there is an intervention or remedial action taken.</u></i>

### **Direction of Travel Indicator**

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

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