

Report of	Meeting	Date
Director (Planning and Property)	Overview and Scrutiny Performance Panel	Thursday, 7 March 2024

Performance Focus: Planning and Property

Is this report confidential?	No
Is this decision key?	No
Savings or expenditure amounting to greater than £100,000	Significant impact on 2 or more council wards

Purpose of the Report

1. To provide the Overview and Scrutiny Performance Panel with a performance update for the Planning and Property directorate. This includes:
 - a) An overall directorate summary and budget position
 - b) An overview of key performance measures at quarter three 2023/24
 - c) An update on the Corporate Strategy projects

Recommendations

2. That the information contained within this report is discussed by the Overview and Scrutiny Performance Panel to understand and monitor performance within the Planning and Property directorate.

Reasons for recommendations

3. To ensure the effective monitoring of performance within the Planning and Property directorate and subsequent delivery of the Corporate Strategy and its strategic objectives.

Other options considered and rejected.

4. No other options have been considered or rejected. This is because the report does not present any key items for decision.

Corporate priorities

5. The report relates to the following corporate priorities:

Housing where residents can live well	A green and sustainable borough
An enterprising economy with vibrant local centres in urban and rural areas	Healthy, safe and engaged communities

Background to the report

6. Each quarter a directorate level performance update is presented to the Overview and Scrutiny Performance Panel for review. This directorate was last reviewed in March 2023. This report presents an overview of the directorate's performance up to quarter three 2023/24, and includes a breakdown of the financial position, service level indicator performance, and the progress of the Corporate Strategy projects.
7. The directorate includes the following services:
 - Planning and Enforcement
 - Spatial Planning
 - Operational Assets
 - Property Development

Directorate Overview

8. In the Planning and Property directorate, the majority (68%) of the performance indicators are performing on or above target for quarter three 2023/24. There are 11 business plan projects under the Planning and Property directorate, of these projects 11 (100%) are rated green or complete. Further details on the business plan projects can be found in the 'Business Plan Progress Update 2023/24' reported to the Overview and Scrutiny Performance Panel.
9. There are six corporate strategy projects under the directorate. Two of these are complete, three are rated green and one is rated amber.

Financial position 2023/24

Planning

Month 9 Provisional Outturn 2023/24	£
Original Budget 23/24	967,000
Agreed Changes	(55,000)
Amended Budget	912,000
Forecast at 31/12/23	934,000
Variance	22,000

Variance	2.4%
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10. The largest area of spend in the directorate remains on staffing costs which is offset by considerable income from planning applications, licensing and building control.
11. The original budget for the directorate has reduced by £55k due to the centralisation of Directors salaries into Policy and Governance following the review of posts.
12. The provisional outturn for 23/24 is for an overspend within the Planning directorate of £22k. This is due to a number of factors offsetting each other. There is a £45k net underspend on staffing costs across the directorate compared to the budget for 2023/24.

This is mainly due to staffing vacancies (£278k) offset by the use of agency staff (£229k) within Enforcement Services and Development Control. The forecast also includes the pay award for 2023/24 compared to the 5% provision included in the base budget (£4k). In addition, there is a £163k forecast overspend on consultant fees, professional fees, statutory notices, and legal fees within the Planning Services budget. This reflects the external commissions taken due to the vacancies noted above. This overspend has been reduced by £45k income for Neighbourhood Planning, the Bio-Diversity Net Gain Grant and the utilisation of £70k of the Planning Appeals ear-marked reserve in relation to costs incurred within Planning Services, specifically related to appeals. There has also been £17k reduced level of income compared to budget on pre-applications, as the service is not fully operational and £2k of overspend relating to various small variances within the directorate.

Property

Month 9 Provisional Outturn 2023/24	£
Original Budget 23/24	1,365,000
Agreed Changes	(534,000)
Amended Budget	831,000
Forecast at 31/12/23	1,501,000
Variance	670,000
Variance	80.6%

13. The department covers a wide range of spend including staffing, building costs, repairs and maintenance offset by some income.
14. The original net budget was reduced by £534k to reflect the realignment of Leisure budgets to Communities and Leisure and the centralisation of Directors' salaries following the review.
15. There is a significant overspend within the department made up of a number of factors in year such as £187k on utilities due to the fluctuating energy prices which are anticipated to reduce from April 2024. This has been partially offset by an increase of £90k in income relating to recharges above those budgeted for on heating and lighting, as well as grants received in respect of Cotswold Supported Housing and an increase in rental income for general let/affordable housing. There has also been a £319k overspend relating to repairs and maintenance including some backlog and prior year works – it is not anticipated such a significant overspend will be incurred in future years.
16. There is £59k net overspend on staffing costs across the directorate. The overspend is mainly due to use of agency staff (£138k) that is partially offset by increased recharges to South Ribble Council (£102k). The figure also reflects a reduction in the level of forecast Service Level Agreement income from Chorley Leisure Ltd and South Ribble Leisure Ltd (£17k combined). The overspend includes the cost of the pay award for 2023/24 (£21k) compared to the 5% provision included in the base budget (£20k).
17. Other variances include £43k reduction in market rental income due to vacant units, particularly in the food and beverage area which is addressed in 2024/25 budget

setting process. A £64k overspend due to an increase in the provision for bad debts in line with the council's accounting policy which makes 100% provision for all debts over one year old. If the debts are recovered, then the provision will be reduced and the charge to the revenue budget will be reversed, thereby creating an underspend. A £38k reduction in investment property income due to void units (both part and full year) and a reduced level of rental income secured on one site. There is a £49k net overspend at Cotswold due to the increase in the cost of the security contract, the internal recharges for grounds maintenance and laundry expenses and various other non-staffing costs.

Major Projects

Month 9 Provisional Outturn 2023/24	£
Original Budget 23/24	(5,142,000)
Agreed Changes	(7,000)
Amended Budget	(5,149,000)
Forecast at 31/12/23	(4,405,000)
Variance	744,000
Variance	14.4%




18. Major projects include the larger income generation schemes the Council runs through Property Services. It includes Market Walk, Primrose, Strawberry Meadows, Strawberry Fields, Logistics House, General Investment Properties and Tatton Gardens.
19. The original net budget of (£5,142,000) has been amended by £7k to reflect changes in insurance apportionments.
20. The overall variance is a combination of issues across sites with issues around timing delays on projects fully opening and building related costs of utilities, refurbishment, and maintenance. A breakdown of the overspend by site is included below:
 - Market Walk £69k overspend in the main due to repairs, maintenance, and utility costs. There is a specific issue around debt as described below which is to be funded from reserves.
 - £6k overspend on staffing due to the level of the pay award for 2023/24 compared to the 5% provision included in the base budget, and the fact that at this point in time the forecast would indicate that the staff vacancy rate provision of 2.5% will not be achieved;
 - £37k forecast increase in electricity costs;
 - £395k overspend due to an increase in the provision for bad debts in line with the council's accounting policy, however this overspend is being offset by utilisation of reserves – Capital Bad Debt reserves of £104k and Market Walk Income Equalisation reserves of £271k;
 - £58k net over-recovery of rent, service charge income and insurance recharges compared to budget. This figure includes an over-recovery of income of £147k arising from rental income (partly due to previous provisions made for bad debts which have now been reversed following settlement of tenant debts on completion of their new leases). However,

this is offset by a £99k overspend on service charge income due to management fee caps, temporarily void units and tenants excluding elements of service charges from their agreed tenancy agreements, such as seasonal decorations. The remaining income variance relates to insurance recharges and settlements;

- £40k overspend on reactive repairs at Market Walk and the processing of historic invoices which were not accrued for, including £9.5k invoices for works completed in 2021/22 and 2022/23;
 - £24k overspend on non-domestic rates due to vacant units.
- Primrose Gardens £103k overspend due to spend on repairs, maintenance and utility costs partially offset by service charge income.
 - £22k overspend on staffing, mainly due to an additional half post that is temporarily over and above the budgeted establishment, the pay award for 2023/24 compared to the 5% included in the base budget and the fact that it appears unlikely that the staff vacancy rate provision of 2.5% will be achieved;
 - £42k overspend on utility costs;
 - £81k overspend on repairs and maintenance, largely due to costs to re-decorate as well as repairs and maintenance spends relating to previous years;
 - £34k net increase in service charge and rental income;
 - £8k net underspend relating to various small variances across several budget lines.
 - Strawberry Meadows £183k overspent largely due to timing differences between the anticipated full year budget and actual occupation dates.
 - £169k reduced rental income due to the timing of the letting of several units compared to budget, along with marketing concessions made;
 - 91.34% of the floor space is now occupied and discussions taking place to fill the remaining floor space;
 - £14k overspend on electricity costs, salting & gritting and promotional expenses.
 - Tatton Gardens £241k overspent largely due to utility costs and the delay in full occupation of the building.
 - £42k overspend due to maintenance costs incurred as part of the contract and the purchase of fixtures, fittings, tools and equipment;
 - £34k overspend on income due to the timing of the letting of the commercial units compared to the budget assumptions;
 - £73k overspend on electricity costs largely due to a number of high-cost invoices coming through relating to 2022/23;
 - £84k overspend on rent and service charges on the residential properties compared to budget. This is in part due to the staggered nature of moving tenants into the facility once the building became operational. As well as unforeseen issues including tenants withdrawing just prior to the agreed move-in dates. Also, we are currently forecasting an overspend (£49k) because of leaks in six of the flats leaving the rooms unlettable; options are being explored to recover the income;
 - £16k overspend on security costs due to an increase in the value of the contract;
 - £8k net underspend relating to many small variances across several budget lines.

Performance indicators



21. A three colour symbol rating system is used for performance indicators to indicate status as shown in the table below:

 Performance is better than target	 Worse than target but within threshold (5%)	 Worse than target, outside threshold (5%)
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22. A summary of key performance information for each service within the Planning and Property directorate is provided below:

Corporate Strategy indicators




23. The table below highlights the Corporate Strategy measure for the Planning and Property directorate. There are two indicators that can be reported at the end of quarter three, both are performing on or above target.

Indicator (reported quarterly)	Polarity	Target	Performance (Q3 2023/24)	Symbol	Trend
Number of long-term empty properties in the borough	Smaller is better	150	96		Better than Q3 2022/23
Town Centre Vacancy Rate	Smaller is better	11.2% ¹ (Regional Average)	8.22%		Better than Q3 2022/23

¹This indicator tracks against the national average which is provided on a quarterly basis from an external source, the report has now been discontinued and an alternative is being sourced. Therefore, the latest available national average (Quarter Two 2023/24) has been used. At quarter three 2022/23 the national average was 10.2% and the average over the year was 10.8%.

Local indicators: Planning and Property

Planning and Enforcement

Indicator	Polarity	Target	Performance (Q3 2023/24)	Symbol	Trend
% MINOR planning applications decided within 8 weeks or agreed time extension	Bigger is better	85%	99.18%		Better than Q3 2022/23
% MAJOR planning applications decided within 13 (16 for EIA) weeks or agreed time extension	Bigger is better	80%	100%		Same as Q3 2022/23
% building control applications decided within 5 weeks of validation	Bigger is better	100%	100%		Same as Q3 2022/23

Spatial Planning

24. There are no indicators due to be reported at quarter three for this service.

Operational Assets

Indicator	Polarity	Target	Performance (Q3 2023/24)	Symbol	Trend
% rent collected at Cotswold Supported Housing	Bigger is better	98.52%	97.93%	●	Worse than Q3 2022/23
% voids Cotswold House	Smaller is better	20%	6.5%	★	Better than Q3 2022/23
% rent collected at Primrose Gardens	Bigger is better	98%	102.23%	★	Better than Q3 2022/23
% voids at Primrose Gardens	Smaller is better	20%	0.57%	★	Better than Q3 2022/23
Community centres - percentage of occupancy	Bigger is better	51%	51.18%	★	Better than Q3 2022/23
% of voids on the Covered Market	Smaller is better	7.5%	7.9%	▲	Better than Q3 2022/23
% of rent collected at the Covered Market	Bigger is better	80%	71.72%	▲	Worse than Q3 2022/23
% voids on Market Walk	Smaller is better	7.5%	11.9%	▲	Worse than Q3 2022/23
% rent collected at Market Walk	Bigger is better	80%	85.1%	★	Better than Q3 2022/23
Number of coach visits	Bigger is better	38	36	▲	Better than Q3 2022/23
% of fixed office voids in the Digital Office Park	Smaller is better	7.5%	17%	▲	Worse than Q3 2022/23
% rent collected in rented Housing	Bigger is better	98%	99.37%	★	Better than Q3 2022/23
% voids in rented housing	Smaller is better	20%	1.15%	★	Better than Q3 2022/23
% rent collected at Tatton Gardens	Bigger is better	98%	104.54%	★	New for 2023/34
% voids at Tatton Gardens	Smaller is better	20%	4%	★	New for 2023/34

Indicator	Polarity	Target	Performance (Q3 2023/24)	Symbol	Trend
Town Centre Footfall	Bigger is better	6,644,590	6,306,328	▲	Worse than Q3 2022/23

25. The percentage of voids at the Covered Market have been impacted by the recent turnover of stall holders which could be attributed to the impact of the 'Cost of Living' crisis. The council have recruited a 'Town Centre Manager' to work alongside the business engagement team to improve performance. Vacant stalls and units are being promoted to attract perspective business tenants, which should have a positive influence on the percentage of voids.
26. The percentage of rent collected at the Covered Market has been impacted by traders falling into rental arrears and negotiations are taking place for the renewal of lease agreements. It is common practise that whilst lease renewal negotiations are proceeding, the tenants cease paying rents and their accounts go into arrears until the new lease is agreed. For the new lease agreement to commence, payments are backdated, and the council is paid in full. Performance is expected to improve over the next quarter as market staff are working alongside traders producing formal letters with reminders and statements. Payment plans have been created to support traders with payment, which will have a positive impact on performance.
27. There are currently six vacant units on Market Walk which has impacted on the performance of the percentage of voids. The council have sourced new tenants for all the vacant units, and these units will be filled following the council's approval processes.
28. The number of coach visits has performed below target; however, coach visits have increased by 69.44% when compared to the same time last year. The 'Cost of Living' crisis has impacted on customers disposable income resulting in lower rates of footfall to town centres. The council have agreed to take on the management of the Bus Station, which will establish better relationships with coach providers and create a greater influence on bus travel to the town. A digital information screen and an interactive tourism information desk will be installed as part of the improvements works to the Bus Station to increase the number of visitors and coach visits, alongside existing marketing activities such as the Markets, Christmas Markets, the Flower Show, and the Chorley 10K.
29. The council has recently created additional office space inside the Digital Office Park, and offices have had to be vacant whilst these works are undertaken. The new offices have been created to maximise revenue and accommodate market requirements. The council are in talks with prospective new tenants and are confident that performance will improve over the next quarter.
30. Town Centre footfall has performed below target and worse than the same time last year, despite Chorley having a positive town centre vacancy rate at 8.22% compared to the regional average of 9.6% (Q2) and the national average being 11.2%(Q2). The council's business engagement and the communications teams will continue to promote businesses, offers, and free activities in the town centre with the aim of increasing footfall. Targeted improvement work to Chapel Street and the Bus Station are being developed to help improve the visitor experience, making the area more attractive for perspective business tenants, which will directly influence the footfall performance.

Property

Indicator	Polarity	Target	Performance (Q3 2023/24)	Symbol	Trend
% of voids on the Commercial Sites (excludes Market Walk, Market & DOP)	Smaller is better	7.5%	6%	★	Better than Q3 2022/23

Projects

31. Under the Planning and Property directorate there are a total of six Corporate Strategy projects, with three rated green for quarter three 2023/24. These include:
 - Develop use of green energy in the Borough,
 - Deliver improvements to local service centres,
 - Deliver natural green initiatives.
32. One project was rated as amber.
 - Deliver the Local Plan
33. Two projects have been completed.
 - Open Strawberry Meadows
 - Open the extra care scheme at Tatton Gardens
34. Delivery of the Corporate Strategy projects are monitored on a quarterly basis through the quarterly performance report, which is presented to Executive Cabinet. The last update was provided in February 2023 covering quarter three performance. This report can be found under background documents.
35. Service level projects are monitored bi-annually. The latest update was presented to the Overview and Scrutiny Performance Panel in November 2023.

Corporate Strategy projects

36. In the table below, an update on the current Corporate Strategy project position for each corporate project under Planning and Property can be found below:

Project	Rating (Q3 2023/24)	Update (Q3 2023/24)
Open Strawberry Meadows	Complete	The Strawberry Meadows employment site was completed in October 2022. Its day to day operation has now been handed over to the Property Management Team, who will ensure the long-term management of the facility and its tenants. The site hosts a mixture of light industrial units, hybrid units containing workshops, office space and larger units capable of being expanded. This will help to provide a strong and expanding business sector across the borough.

Open the extra care scheme at Tatton Gardens	Complete	The new extra care facility at Tatton Gardens was officially opened in February 2023 and is an example of the Council delivering specialist housing solutions to meet the unique needs of residents, with the facility featuring 62 assisted living apartments for those aged 55 and above. The development provides extra care accommodation, healthcare provisions and community facilities, whilst transforming the area and most of all bringing value to the local community. The project was shortlisted for three awards in the North West Regional Construction Awards and was awarded Sub-regional Project of the Year Lancashire.
Develop use of green energy in the Borough	Green	The project to explore the feasibility of green energy in Chorley has progressed with the completion of a low carbon technology options report in September 2023. The options paper provided senior management and elected members with an overview of the available low carbon and renewable technologies to the council. The Electric Vehicle (EV) Charge Point feasibility study across the council's assets was completed in February and will be presented to Members in March 2024.
Deliver natural green initiatives	Green	The implementation of natural green initiatives has continued as part of the council's commitment to establishing an environmentally friendly and sustainable borough. Focus this quarter has been on creating and enhancing biodiversity, including the completion of the enhancement works to Westway Ponds Nature Reserve. Wildflower meadows have been thriving in a number of locations following the sowing and planting of wildflower bulbs. The creation of a new pond on council owned land has been explored. Successful tree and biodiversity giveaways were held in November 2023, with a further giveaway planned to take place on the 17 February 2024.
Deliver improvements to local service centres	Green	The council committed to improving local service centres and the town centre. Over quarter three, further site investigations have been undertaken to identify and cost a programme of works for potential improvements that can be undertaken by the council. A report has been presented to Executive Cabinet on 22 February 2024 and included the identified improvement works and potential options.
Deliver the Local Plan	Amber	<p>This project has been rated as amber to highlight the potential risk to elements within the site assessment and key decisions required to progress the programme. Despite delays against the original programme, progress continues to be made in developing a new local plan. This has recently included site assessment work. A new Local Development Scheme has also been drafted to set out a revised timeline for the Local Plan.</p> <p>An updated Local Development Scheme is due to be presented to the Joint Advisory Committee and then to each of the three councils for agreement in quarter four. This will set a new delivery timeline for the local plan and enable it to be brought back on-track.</p>

Climate change and air quality

37. The work noted in this report impacts the climate change and sustainability targets of the Council’s Green Agenda, with work to deliver positive actions from the Climate Change strategy detailed within the report.

Equality and diversity

38. The material presented and discussed in this report has no direct implications on equality or diversity.

Risk

39. There are service level risk registers contained with the GRACE risk management system recording risk for the directorate. These are regularly monitored through Directorate Management Team, where risks are discussed, reviewed, and updated according to service needs and the current risk context.

Comments of the Statutory Finance Officer

40. The financial information is consistent with that provided in the quarterly financial reports. Many of the issues identified in the financial reports have also been addressed in budget setting.

Comments of the Monitoring Officer

41. The report is for information and noting – there are no direct legal implications arising.

Background documents

42. The following documents are key background items for this report:

- [Business Plan Progress Update 2023/24](#)
- [Quarter Three Performance Monitoring Report 2023/24](#)
- [Revenue and Capital Budget Monitoring.](#)

Appendices

43. There are no appendices that accompany this report.

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