

QUARTERLY MONITORING REPORT

DIRECTORATE: Corporate and Policy

SERVICE: Property Services

PERIOD: Quarter 2 to period end 30th September 2009

1.0 INTRODUCTION

This monitoring report covers the Property Services second quarter period up to period end 30th September 2009. It describes key developments and progress against all objectives and performance indicators for the service.

The way in which traffic light symbols have been used to reflect progress is explained within Appendix 4

2.0 KEY DEVELOPMENTS

We currently have one vacant post within the Operational team having lost a project manager. Given the current position with Property Services it has been decided not to appoint on a temporary basis, but to wait until the new structure emerges following the efficiency review.

3.0 EMERGING ISSUES

The current financial climate continues to have an effect on the rental income of our investment portfolio.

The continued advance purchase of land associated with the New Mersey Gateway Crossing will have a significant impact once this gathers pace putting increased pressure on Property Services in respect of both the acquisitions and the management of the property.

4.0 PROGRESS AGAINST KEY OBJECTIVES / MILESTONES

Total	7		7		0		0
--------------	----------	---	----------	---	----------	---	----------

All key objectives and milestones are on target with no problems envisaged.

5.0 SERVICE REVIEW

Executive Board have now agreed to the principle of outsourcing the Property Services function. Soft Marketing testing is now to be carried out in order to determine the extent of the outsourcing to be undertaken.

6.0 PROGRESS AGAINST KEY PERFORMANCE INDICATORS

Total	3		0		3		0
--------------	----------	---	----------	---	----------	---	----------

Information for NI's 185, 186 & 194, which are associated with CO2 emissions, is not available until the year end so cannot be reported at this time. Of the remaining three key performance indicators these are associated with occupancy levels of both the markets together with the industrial units. The current financial climate continues to have an impact on these and at present occupancy levels are below target figures. This situation is unlikely to improve until the financial climate changes but we are trying to mitigate the effect by spending more time on the issue and getting more general interest, which may develop into lettings.

6.1 PROGRESS AGAINST OTHER PERFORMANCE INDICATORS

Total	10		6		4		0
--------------	-----------	---	----------	---	----------	---	----------

Two of these indicators are associated with energy consumption where it is too early at this stage to determine if we are on target to reduce our consumption figures or not. Three of the indicators relate to the percentage of rent collected, again the current financial climate is affecting this and one of these is currently below target levels. The other indicator not obtaining a green light is associated with cost performance on completed projects, all projects have been completed within budget, three being more than 5% under budget as such these are outside the parameters of the indicator.

7.0 RISK CONTROL MEASURES

During the production of the 2009-10 Service Plan, the service was required to undertake a risk assessment of all Key Service Objectives.

No 'high' risk, treatment measures were deemed to be necessary

8.0 PROGRESS AGAINST HIGH PRIORITY EQUALITY ACTIONS

As a result of undertaking a departmental Equality Impact Assessment no high priority actions were identified for the service for the period 2009 – 2010






9.0 DATA QUALITY

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.



10.0 APPENDICES

Appendix 1 - Progress against Key Objectives/ Milestones
Appendix 2 - Progress against Key Performance Indicators
Appendix 3 - Progress against Other Performance Indicators
Appendix 4 - Explanation of traffic light symbols
Appendix 5 - Financial Statement

Progress against key objectives/milestones

Service Plan Ref.	Objective	Key Milestone	Progress Quarter 2	Commentary
PS 01	Ascertain the full cost of holding surplus properties and to identify possible sales	Identify, seek Member approval and commence sales December 2009		List with planning to seek views.
PS 02	Develop and Implement Strategic Asset Management	Together with service departments complete a review of suitability and sufficiency surveys and analysis for both corporate and service delivery buildings. Conduct cost and value and value analysis December 2009		The majority of surveys are now complete and measures considered as a result of the surveys that have been actioned.
PS 03	Reduce Backlog of maintenance on property portfolio (currently £3.4 m)	£3.3 million March 2010		On target to spend available maintenance monies by year end
PS 04	Consider and implement phase 2 of the currently approved accommodation strategy, using 8 square meters per person as a basis	Identify accommodation requirements and select preferred option, commence next stage. October 2009		Phase 2 accepted by the Council and will be programmed early next year
PS 05	Using Performance Indicators ascertain and improve VfM for the Corporate and Service delivery buildings.	Identify costs and uses for each property holding or group of holdings		On target

Progress against key objectives/milestones

Service Plan Ref.	Objective	Key Milestone	Progress Quarter 2	Commentary
PS 06	Fulfil requirements of Asbestos Audits and Management Regulations	Confirm 100% compliance March 2010		On target
PS 07	DDA Works Corporate (Non Schools) subject to funding (currently £200k per annum)	Complete 90% of Priority 2 works by March 2010		On target


Progress against 'Key' Performance Indicators

Ref ¹	Description	Actual 2008/9	Target 09/10	Quarter 2	Progress	Commentary
Corporate Health						
<u>PYSLI 3</u>	Occupancy of Industrial Units	89	80	75%		Markets continue to be depressed although viewings are making situation look promising
<u>PYSLI 5</u>	Occupancy of Market (Widnes) %	76	85	78		Improvement on last year
<u>PYSLI 7</u>	Occupancy of Market (Runcorn) %	50	60	50		Continues to struggle but Street market at 87%
<u>NI 185</u>	CO ² Reduction from LA operations	26,505 tonnes CO ₂	N/A	N/A	N/A	Baseline figure for 08/09 now produced and submitted to Defra. Year end figures for 09/10 will not be available until year end therefore it is too early to determine whether we are on course for a percentage reduction.
<u>NI 186</u>	Per capita reduction in CO ² emissions in the local authority area	8.9 tonnes (2007)	7.52% reduction	N/A	N/A	Figures not yet available for 09/10
<u>NI 194</u>	Air quality - % reduction in NO _x and primary pm10 emissions through local authority estate and operations	NO _x - 42,990kg PM10 - 1,300kg	N/A	N/A	N/A	Baseline figure for 08/09 now produced and submitted to Defra. Year end figures for 09/10 will not be available until year end therefore it is too early to determine whether we are on course for a percentage reduction.

Progress against 'Other' Performance Indicators


Ref ²	Description	Actual 2008/9	Target 09/10	Quarter 2	Progress	Commentary
Corporate Health						
PYSLI 1	% Of undisputed invoices paid within 30 days	100	100	100		On target
Cost & Efficiency						
PYSLI 2	% Cost Performance on projects over £50k (Contract Let to Practical Completion within 5% of the allotted cost – excluding Client changes)	90	90	70		10 projects completed 7 are within 5% of the cost the remaining 3 all came in under budget by more than 5%.
PYSLI 4	% Of rent collected as % of rent due (Excluding bankruptcies and the like) (Industrial units)	87	95	85%		Firms are struggling to keep their head above water but a number of arrears have been collected recently.
PYSLI 6	% Of rent collected as % of rent due Widnes market	94	95	95		
PYSLI 8	% Of rent collected as % of rent due Runcorn market	88	95	95		

Progress against 'Other' Performance Indicators

Ref	Description	Actual 2008/9	Target 09/10	Quarter 2	Progress	Commentary
Energy Usage						
PYSLI 9	Electrical consumption in KWh/m2 within corporate buildings	106kWh /m2	% reduction	N/A	N/A	Baseline figure for 08/09 now produced, figures for 09/10 only available at year end. Year end figures for 09/10 will not be available until year end therefore it is too early to determine whether we are on course for a percentage reduction.
PYSLI 10	Gas consumption in Kwh/m2 within corporate buildings	174kWh /m2	% reduction	N/A	N/A	Baseline figure for 08/09 now produced, figures for 09/10 only available at year end. Year end figures for 09/10 will not be available until year end therefore it is too early to determine whether we are on course for a percentage reduction.
PYSLI 11	Water consumption in m3/m2 within corporate buildings	0.86m3/ m2	% reduction	N/A	N/A	Baseline figure for 08/09 now produced, figures for 09/10 only available at year end. Due to introduction of water management contract reductions are anticipated but there are no current figures for this.
Fair access						
PYSLI 12 (BVPI 156)	The percentage of Authority buildings open to the public in which all public areas are suitable for and accessible to disabled people (previously BVPI 156)	72	70	73		Currently on target to increase percentage by year end.




APPENDIX THREE– PROGRESS AGAINST 'OTHER' PERFORMANCE INDICATORS (Property Services)

Progress against 'Other' Performance Indicators

Ref ³	Description	Actual 2008/8	Target 09/10	Quarter 2	Progress	Commentary
Service Delivery						
PYS LI 13	Time performance on projects over £ 50 K (Contract let to practical completion within a margin of 5% - excluding Client changes)	85	90	100		10 project have been completed all within the 5% margin

Explanation of the Traffic Light Symbols

The traffic light symbols are used in the following manner:

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

PROPERTY SERVICES

Revenue Budget as at 30th September 2009

	Annual Revised Budget £'000	Budget To Date £'000	Actual To Date £'000	Variance To Date(oversp end) £'000	Actual Including Committed Items £'000
<u>Expenditure</u>					
Employees	1,468	733	702	31	760
Repairs & Maintenance	2,535	1,267	1,177	90	1,580
Energy & Water Costs	884	442	405	37	405
NNDR	804	804	798	6	798
Rents	1,033	517	594	(77)	594
Property Recharges	1,787	854	854	0	854
Other Premises Costs	90	43	54	(11)	54
Supplies & Services	147	73	64	9	64
Surveys & Audits	635	316	267	49	267
Agency Related	37	18	14	4	14
Transport	37	17	15	2	15
Asset Charges	1,865	0	0	0	0
Support Services	1,525	271	271	0	271
Total Expenditure	12,847	5,355	5,215	140	5,676
<u>Income</u>					
Rent – Markets	-1,107	-553	-434	(119)	-434
Rent – Industrial Estates	-1,159	-578	-485	(93)	-485
Rent – Commercial	-519	-262	-281	19	-281
Recharges to Capital	-516	-258	-227	(31)	-227
Accommodation Recharges	-4,201	-2,069	-2,069	0	-2,069
Repair & Maintenance Recharges	-3,043	-1,521	-1,521	0	-1,521
Support Service Recharges	-2,154	-525	-525	0	-525
Other Income	-99	-13	-54	41	-54
Total Income	-12,798	-5,779	-5,596	(183)	-5,596
Net Expenditure	49	-424	-381	(43)	80

Comments on the above figures:

In overall terms spending in the second quarter is above budget. With regards to expenditure Repairs and Maintenance is currently underspent but is expected to be fully spent by the year end. The expenditure on Energy and water costs is falling due to the negotiation of new contracts so there is an expected saving on this account. The expenditure on Rents at Grosvenor House is expected to be higher than budget following a recent rent review of the property.

PROPERTY SERVICES

Revenue Budget as at 30th September 2009

With regards to income, Runcorn Market is still not fully occupied and therefore income from stallholder rents is lower than budgeted and Widnes Market has reduced stall rents by 10% which has resulted in lower than expected income. There are still a number of vacant units on all the Industrial Estates and this will need to be monitored throughout the year but it is expected that income will be below target for the year.

PROPERTY SERVICES

Capital expenditure as at 30th September 2009

Capital Expenditure	10 Capital Allocation	on To Date	end To Date	Allocation remaining
	£000	£000	£000	£000
Disabled Access	300	150	79	221
Net Expenditure	300	150	79	221

Comments on the above figures

It is expected that the full allocation will be spent by the financial year-end.