

# QUARTERLY MONITORING REPORT

**DIRECTORATE:** Corporate and Policy  
**SERVICE:** Property Services  
**PERIOD:** Quarter 3 to period end 31<sup>st</sup> December 2009

## 1.0 INTRODUCTION

This monitoring report covers the Property Services third quarter period up to period end 31<sup>st</sup> December 2009. It describes key developments and progress against key objectives and performance indicators for the service.

The way in which RAG (Red, Amber and Green) 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 which had been approved for appointing on a 6 month temporary basis, It has been decided however not to fill this post at present given the current situation and projected workload for next year, this situation will be monitored over the coming month.

## 3.0 EMERGING ISSUES

The current financial climate continues to have an effect on the rental income of our investment portfolio which is evidenced by the occupancy levels for both the markets and industrial units being below target levels.

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

<b>Total</b>	<b>7</b>		<b>7</b>		<b>0</b>		<b>0</b>
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All key objectives and milestones are on target with no problems envisaged.

## 5.0 SERVICE REVIEW


Executive Board have agreed to a soft market testing exercise for the service. This is currently being undertaken and it is intended to report back to Exec Board on April 1<sup>st</sup> with regards the proposed way forward for the service.

## 6.0 PROGRESS AGAINST KEY PERFORMANCE INDICATORS

Total	3		0		3		0
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The three key performance indicators identified above relate to occupancy levels of both the markets together with the industrial units. The current financial climate is having an impact on these and at present occupancy levels are below target figures. This situation is unlikely to improve until the financial climate changes. Information on all key performance indicators is available in Appendix 2.

## 6.1 PROGRESS AGAINST OTHER PERFORMANCE INDICATORS

Total	3		0		3		0
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Three of the indicators relate to the percentage of rent collected, again the current financial climate is affecting this and two of these are currently below target levels. Another 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 which is positive however these do fall outside the parameters of the indicator as such attract an amber light. Details of all 'other' performance indicators can be found in Appendix 3.

## 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 Objectives/ Milestones  
Appendix 2 - Progress against Key Performance Indicators  
Appendix 3 - Progress Against Other Performance Indicators  
Appendix 4 - Explanation of RAG symbols  
Appendix 5 - Financial Statement

## Progress against key objectives/milestones

Service Plan Ref.	Objective	Key Milestone	Progress Quarter 3	Commentary
PS 01	Ascertain the full cost of holding surplus properties and to identify possible sales	Identify, seek Member approval and commence sales <b>December 2009</b>		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 <b>December 2009</b>		majority of surveys complete and can now be considered some measures resulting surveys have been actioned.
PS 03	Reduce Backlog of maintenance on property portfolio (currently £3.4 m)	£3.3 million <b>March 2010</b>		On target to spend available maintenance monies by year end
PS 04	Consider and implement phase 2 of the currently approved accommodation strategy to include Catalyst, Midwood and Grosvenor House, using 8 square meters per person as a basis	Identify accommodation requirements and select preferred option, commence next stage. <b>October 2009</b>		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

### APPENDIX ONE – PROGRESS AGAINST OBJECTIVES/ MILESTONES (Property Services)

**Progress against key objectives/milestones**

Service Plan Ref.	Objective	Key Milestone	Progress Quarter 3	Commentary
PS 06	Fulfil requirements of Asbestos Audits and Management Regulations	Confirm 100% compliance <b>March 2010</b>		On target
PS 07	DDA Works Corporate (Non Schools) subject to funding (currently £200k per annum)	Complete 90% of Priority 2 works by <b>March 2010</b>		On target

## Progress against Key Performance Indicators

Ref <sup>1</sup>	Description	Actual 2008/9	Target 09/10	Quarter 3	Progress	Commentary
<b>Corporate Health</b>						
<b><u>PYSLI 3</u></b>	Occupancy of Industrial Units	89	80	76	?	
<b><u>PYSLI 5</u></b>	Occupancy of Market (Widnes) %	76	85	80	?	This is an average figure taking into account the market hall, open market and flea market.
<b><u>PYSLI 7</u></b>	Occupancy of Market (Runcorn) %	50	60	50	?	Whilst the market hall continues to struggle, the street market is doing well and has an occupancy level of 90%
<b><u>NI 185</u></b>	CO <sup>2</sup> Reduction from LA operations	26,505 tonnes CO <sub>2</sub>	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.
<b><u>NI 186</u></b>	Per capita reduction in CO <sup>2</sup> emissions in the local authority area	8.9 tonnes (2007)	7.52% reduction	N/A	N/A	Figures not yet available for 09/10

## Progress against Key Performance Indicators

Ref <sup>2</sup>	Description	Actual 2008/9	Target 09/10	Quarter 3	Progress	Commentary
<b>Corporate Health</b>						
<b><u>NI 194</u></b>	Air quality - % reduction in NO <sub>x</sub> and primary pm10 emissions through local authority estate and operations	NO <sub>x</sub> - 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 <sup>3</sup>	Description	Actual 2008/9	Target 09/10	Quarter 3	Progress	Commentary
<b>Cost &amp; Efficiency</b>						
PYSLI 2	% Cost Performance on projects over £50k (Contract Let to Practical Completion within 5% of the allotted cost – excluding Client changes)	90	90	73	?	11 projects completed 8 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	88	?	
PYSLI 8	% Of rent collected as % of rent due Runcorn market	88	95	90	?	



## Explanation of the RAG Symbols

Application of RAG symbols:

	<u>Objective</u>	<u>Performance Indicator</u>
<b><u>Green</u></b>	 Indicates that the milestone/objective <u>will</u> be achieved within the identified timeframe.	Indicates that the annual target <u>will</u> , or has, been achieved or exceeded.
<b><u>Amber</u></b>	 Indicates that at this stage it is <u>uncertain</u> as to whether the milestone/objective will be achieved within the identified timeframe.	Indicates that at this stage it is either <u>uncertain</u> as to whether the annual target will be achieved.
<b><u>Red</u></b>	 Indicates that the milestone/objective <u>will not</u> , or has not, been achieved within the identified timeframe.	Indicates that the annual target <u>will not</u> , or has not, been achieved.

## PROPERTY SERVICES

### Revenue Budget as at 31<sup>st</sup> December 2009

	Annual Revised Budget	Budget To Date	Actual To Date	Variance to Date (overspend)	Actual Including Committed Items
	£'000	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>					
Employees	1,468	1,101	1,088	13	1,116
Repairs & Maintenance	2,535	1,795	1,757	38	2,535
Energy & Water Costs	884	662	531	131	531
NNDR	804	804	794	10	794
Rents	1,033	775	832	(57)	1,045
Property Recharges	1,787	1,299	1,299	0	1,299
Other Premises Costs	90	67	58	9	58
Supplies & Services	147	111	96	15	120
Surveys & Audits	635	423	393	30	603
Agency Related	37	27	22	5	45
Transport	37	26	23	3	23
Asset Charges	1,865	0	0	0	0
Support Services	1,447	378	378	0	378
<b>Total Expenditure</b>	<b>12,769</b>	<b>7,468</b>	<b>7,271</b>	<b>197</b>	<b>8,547</b>
<b><u>Income</u></b>					
Rent – Markets	-1,107	-831	-687	(144)	-687
Rent – Industrial Estates	-1,159	-869	-723	(146)	-723
Rent – Commercial	-519	-356	-389	33	-389
Recharges to Capital	-516	-344	-275	(69)	-275
Accommodation Recharges	-4,201	-3,105	-3,117	12	-3,117
Repair & Maintenance Recharges	-3,043	-2,282	-2,282	0	-2,282
Support Service Recharges	-2,114	-362	-362	0	-362
Other Income	-99	-19	-85	66	-85
<b>Total Income</b>	<b>-12,758</b>	<b>-8,168</b>	<b>-7,920</b>	<b>(248)</b>	<b>-7,920</b>
<b>Net Expenditure</b>	<b>11</b>	<b>-700</b>	<b>-649</b>	<b>(51)</b>	<b>627</b>

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

In overall terms spending in the third quarter is above budget. With regards to expenditure Repairs and Maintenance and Surveys and Audits are currently underspent but are 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.

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 31<sup>st</sup> December 2009**

<b>Capital Expenditure</b>	<b>2009/10 Capital Allocation</b>	<b>Allocation To Date</b>	<b>Actual Spend To Date</b>	<b>Total Allocation Remaining</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Disabled Access	270	225	138	132
Council Chamber Refurbishment	30	0	0	30
Municipal Building – Podium Level	238	0	0	238
Runcorn Town Hall Refurbishment	111	78	78	33
<b>Net Expenditure</b>	<b>649</b>	<b>303</b>	<b>216</b>	<b>433</b>

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

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