

QUARTERLY MONITORING REPORT

DIRECTORATE: Corporate and Policy
SERVICE: Property Services
PERIOD: Quarter 1 to period end 31st June 2008

1.0 INTRODUCTION

This Monitoring Report covers the Property Services first quarter period up to period-end 31st June 2008. It describes key developments and progress against key objectives and performance indicators for the service.

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

2.0 KEY DEVELOPMENTS

Asset Management Plan approved by PPB and new Asset Management Working Group now set up.

Staff are presently relocating to the refurbished accommodation at Runcorn Town Hall with feedback being extremely positive.

3.0 EMERGING ISSUES

The implementation of a number of major projects, including the Mersey Gateway, will result in a significantly increased workload within the department and consideration will need to be given as to how such demands can be met.

The St Helens Canal has developed a serious leak, with the cost of repair being in excess of £100, 000. At his stage it is uncertain as to the extent of the authority's liability in meeting such costs and further information will be provided as this becomes available.

Following the return of staff to Runcorn Town Hall office accommodation at Grovesnor House will be subject to upgrade and refurbishment.

4.0 PROGRESS AGAINST OBJECTIVES / MILESTONES

| | | | | | | | |
|--------------|----------|---|----------|---|----------|---|----------|
| Total | 4 |  | 4 |  | 0 |  | 0 |
|--------------|----------|---|----------|---|----------|---|----------|

All four of the key objectives for the service are presently on track and additional details are provided within Appendix 1.

However as a result of issues highlighted earlier in this report the additional demands upon the department may mean that priorities may need to be reconsidered as we move throughout the remainder of the year.

5.0 SERVICE REVIEW



There are no issues concerning service review to be reported at this stage.

6.0 PROGRESS AGAINST KEY PERFORMANCE INDICATORS

| | | | | | | | |
|--------------|----------|---|----------|---|----------|---|----------|
| Total | 3 |  | 1 |  | 1 |  | 1 |
|--------------|----------|---|----------|---|----------|---|----------|

The occupancy level of Runcorn Market is presently showing some cause for concern and is being kept under review. Additional details of progress against the three key performance indicators for the service are provided within Appendix 2.

6.1 PROGRESS AGAINST OTHER PERFORMANCE INDICATORS





| | | | | | | | |
|--------------|----------|---|----------|---|----------|---|----------|
| Total | 7 |  | 6 |  | 0 |  | 1 |
|--------------|----------|---|----------|---|----------|---|----------|

The majority of performance indicators for the service are presently on track. However at quarter 1 rent collection for Runcorn market is falling below annual targeted level. Additional details are provided within Appendix 3




7.0 APPENDICES

Appendix 1 - Progress against Objectives/ Milestones
Appendix 2 - Progress against Performance Indicators
Appendix 3 - Financial Statement
Appendix 4 - Use of traffic light symbols


Progress against objectives

| Service Plan Ref. | Objective | Key Milestone | Progress Quarter 1 | Commentary |
|-------------------|--|--|---|---|
| PS O1 | Review of Property Assets for potential disposal | Annual review to produce disposal programme complete March 2009 |  | The review to produce a disposal programme is progressing as planned. |
| PS O2 | Reduce backlog of maintenance on property portfolio (currently £3.5m) | £3.4Million |  | Works progress as planned to reduce maintenance backlog. |
| PS O5 | Fulfil requirements of Asbestos Audits and Management Regulations | Confirm 100% compliance |  | Objective progressing as planned. |
| PS O6 | DDA Works Corporate (Non Schools) subject to funding (currently £200k per annum) | Complete 60% of Priority 2 works by March 2008 |  | DDA Works are progressing with some funding being used to Provide Evac Chairs in multi-storey buildings |

Progress against 'Key' Performance Indicators

| Ref | Description | Actual 2007/8 | Target 08/09 | Quarter 1 | Progress | Commentary |
|-------------------------|---------------------------------|---------------|--------------|-----------|---|---|
| Corporate Health | | | | | | |
| PYSLI 3 | Occupancy of Industrial Units | 83 | 80 | 84 |  | Occupancy levels at quarter 1 are slightly ahead of annual target. |
| PYSLI 5 | Occupancy of Market (Widnes) % | 86.5 | 90 | 80 |  | Occupancy levels slightly below target levels primarily due to relatively low occupancy of outside market (48%). |
| PYSLI 7 | Occupancy of Market (Runcorn) % | 50 | 90 | 40 |  | Occupancy levels of Runcorn Market continue to be problematic despite a number of initiatives. Although one new trader will be occupying a stall in the near future this situation is one which will be continually monitored as we move throughout the year. |

Progress against 'other' performance indicators

| | | | | | | |
|------------------------------|--|----|----|----|---|--|
| Cost & Efficiency | | | | | | |
| PYSLI 8 | % Of rent collected as % of rent due (Runcorn) | 95 | 95 | 86 |  | Traders struggling to pay even reduced rents given the present economic climate. |

Revenue Budget as at 30th June 2008

| | Annual Revised Budget | Budget To Date | Actual To Date | Variance To Date (overspend) | Actual Including Committed Items |
|-----------------------------|-----------------------|----------------|----------------|------------------------------|----------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| <u>Expenditure</u> | | | | | |
| Employees | 1,407 | 352 | 357 | (5) | 357 |
| Repairs & Maintenance | 3,214 | 803 | 650 | 153 | 650 |
| Energy & Water Costs | 489 | 122 | 294 | (172) | 294 |
| NNDR | 660 | 660 | 779 | (119) | 779 |
| Rents | 980 | 450 | 471 | (21) | 471 |
| Property Recharges | 1,771 | 0 | 0 | 0 | 0 |
| Other Premises Costs | 365 | 73 | 51 | 22 | 51 |
| Supplies & Services | 201 | 47 | 35 | 12 | 35 |
| Hired & Contracted Services | 888 | 222 | 173 | 49 | 173 |
| Transport | 36 | 9 | 10 | (1) | 10 |
| Asset Charges | 2,119 | 0 | 0 | 0 | 0 |
| Support Services | 872 | 0 | 0 | 0 | 0 |
| Total Expenditure | 13,002 | 2,738 | 2,820 | (82) | 2,820 |
| <u>Income</u> | | | | | |
| Rent – Markets | -1,139 | -290 | -247 | (43) | -247 |
| Rent – Industrial Estates | -1,269 | -316 | -274 | (42) | -274 |
| Rent – Commercial | -767 | -188 | -100 | (88) | -100 |
| Recharges to Capital | -1,611 | 0 | 0 | 0 | 0 |
| Accommodation Recharges | -3,220 | -23 | -23 | 0 | -23 |
| Repair & Maintenance Rchgs | -3,535 | -59 | -6 | (53) | -6 |
| Support Service Recharges | -1,152 | 0 | 0 | 0 | 0 |
| Other Income | -3 | -1 | 0 | (1) | 0 |
| Total Income | -12,931 | -877 | -650 | (227) | -650 |
| Net Expenditure | 70 | 1,861 | 2,170 | (309) | 2,170 |

Comments on the above figures:

In overall terms spending in the first quarter is above the budget profile, which is due to a number of factors.

A revaluation of business rates for Catalyst House and Rutland House has resulted in an increase in NNDR costs. In addition, Rutland House has incurred a back-dated electricity charge covering the last three years and Grosvenor House has incurred a back-dated charge for Water usage.

Runcorn Market is still not fully occupied and therefore income from stallholder rents is lower than budgeted. There are a number of large vacant units on Seymour Court and

St.Michaels Industrial Estates which are proving difficult to re-let and therefore income is expected to be below the budget target. There are also vacancies at both Picow Farm Depot and other Commercial units which will lead to shortfalls in rental income.

Capital expenditure as at 30th June 2008




| Capital Expenditure | 2008/09 Capital Allocation £000 | Allocation To Date £000 | Actual Spend To Date £000 | Total Allocation Remaining £000 |
|------------------------------------|--|--|--|--|
| Runcorn Town Hall Refurbishment | 1,232 | 551 | 614 | 618 |
| Queens Hall Refurbishment | 50 | 0 | 0 | 50 |
| Disabled Access | 300 | 0 | 0 | 300 |
| Net Expenditure | 1,582 | 551 | 614 | 968 |
| | | | | |

Comments on the above figures

It is expected that each of the capital allocations will be fully utilised by the financial year-end.

Explanation of the use of 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, due to a lack of information or a key milestone date being missed, <u>whether the 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 <u>whether the target is on course to be achieved</u>.</p> |
| <u>Red</u> |  <p>Indicates that it is <u>highly unlikely 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> |