

QUARTERLY MONITORING REPORT

DIRECTORATE: Corporate and Policy
SERVICE: Property Services
PERIOD: Quarter 2 to period end 30th September 2008

1.0 INTRODUCTION

This Monitoring Report covers the Property Services second quarter period up to period-end 30th September 2008. 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

2.0 KEY DEVELOPMENTS

The Asset Management Working Group has now had its first meeting with attendance from all Strategic Directors.

Two new members of staff are soon to commence work within the department which will help bolster the workforce and hopefully begin to reduce the backlog of work.

All staff have now been relocated into Runcorn Town Hall, with further refurbishments having been carried out at Grosvenor House to further improve occupancy and accommodation provision for staff.

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. Some additional resource has now been taken on to address some of this increased work however this remains an issue as the workload is likely to increase significantly particularly due to the site acquisition work.

The repair work to St Helens canal has cost circa £150,000 which has impacted on the repairs and maintenance budget, recovery of some of these costs is being sought from United Utilities.

The rise in energy costs over the next six months will significantly impact on expenditure next year, and it is anticipated that an additional £750,000 will be required to cover the increase in utility expenditure.

4.0 PROGRESS AGAINST KEY OBJECTIVES / MILESTONES

Total	4		4		0		0
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All four of the objectives and milestones for the service are presently on track and additional comment is provided within Appendix 1.

However as a result of the issues highlighted above with regards to the potential additional demands being placed upon the department priorities may need to be reconsidered as we move into the third and fourth quarters of the year.

5.0 PROGRESS AGAINST OTHER OBJECTIVES / MILESTONES

Total	2		2		0		0
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Both of the remaining objectives for the service are presently on track and additional details are provided within Appendix 2.

6.0 SERVICE REVIEW




There are no significant issues regarding service review, however some minor restructuring has been carried out following a review of the operational team which will result in revenue savings.

7.0 PROGRESS AGAINST KEY PERFORMANCE INDICATORS

Total	3		1		1		1
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In relation to key performance indicators the occupancy of Runcorn Market continues to be a cause of some concern. Additional details are provided within Appendix 2.

7.1 PROGRESS AGAINST OTHER PERFORMANCE INDICATORS





Total	8		5		2		1
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The majority of the remaining indicators for the service remain on track and additional details are provided within Appendix 3. In relation to market occupancy this has now been incorporated as an element PPB Topic work.



8.0 APPENDICES

Appendix 1 - Progress against Key Objectives/ Milestones
Appendix 2 - Progress against other objectives / milestones
Appendix 3 - Progress against 'Key' Performance Indicators
Appendix 4 - Progress against 'other' performance indicators
Appendix 5 - Financial Statement
Appendix 6 - Use of traffic light symbols




Progress against key service objectives / milestones

Ref.	Objective	Key Milestone	Progress Quarter 2	Commentary
PS 01	Review of Property Assets for potential disposal	Annual review to produce disposal programme complete March 2009		A draft disposal programme has been produced with a view to it being finalised prior to March 2009
PS 02	Reduce backlog of maintenance on property portfolio (currently £3.5m)	£3.4Million		Works progressing on programme in order to reduce maintenance backlog
PS 05	Fulfil requirements of Asbestos Audits and Management Regulations	Confirm 100% compliance		Objective progressing as planned
PS 06	DDA Works Corporate (Non Schools) subject to funding (currently £200k per annum)	Complete 60% of Priority 2 works by March 2008		DDA Works progressing as planned







Progress against other objectives / milestones



Ref.	Objective	Key Milestone	Progress Quarter 2	Commentary
PS O3	Review Value of Property Assets for Councils accounts (20%)	Annual Review of Value complete March 2009		Work is progressing as planned
PS O4	Rationalise accommodation requirements through the refurbishment of Runcorn Town Hall office accommodation.	Relocate staff to refurbished office accommodation at Runcorn Town Hall July 2008		Works now complete and staff relocated. Three leases at Grosvenor House have now been surrendered generating significant revenue savings.

Progress against Key Performance Indicators

Ref	Description	Actual 2007/8	Target 08/09	Quarter 2	Progress	Commentary
Cost & Efficiency						
PYSLI 3	Occupancy of Industrial Units (%)	83	80	80		Occupancy levels have dropped slightly as a result of the current financial difficulties being faced nationally and are anticipated to drop further
PYSLI 5	Occupancy of Market (Widnes) %	86.5	90	81		Indoor 96%, outdoor 52% flea market 95%
PYSLI 7	Occupancy of Market (Runcorn) %	50	90	40		The market continues to suffer with occupancy levels

Progress against 'other' performance indicators

Ref	Description	Actual 2007/8	Target 08/09	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)	81	90	100%		Six projects have been financially completed all within budget
PYSLI 4	% Of rent collected as % of rent due (Excluding bankruptcies and the like)	92.5	95	90%		Figures have dropped slightly as a result of the current financial difficulties being faced nationally, this will be focussed upon during the next quarter
PYSLI 6	% Of rent collected as % of rent due	95	95	97		On target
PYSLI 7	Occupancy of Market (Runcorn) %	50	90	40%		The market continues to suffer with occupancy levels
PYSLI 8	% Of rent collected as % of rent due	95	95	59%		The level of rents collected have dropped as traders are still struggling to pay rents, this will be focussed upon during the next quarter

Ref	Description	Actual 2007/8	Target 08/09	Quarter 2	Progress	Commentary
Fair access						
PYSLI 9	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)	65	70	68%		On target
Service Delivery						
PYS LI 10	Time performance on projects over £ 50 K (Contract let to practical completion within a margin of 5% - excluding Client changes)	63	90	90%		Eleven projects have now been completed, only one was delayed due to poor contractor performance

Financial Statement

PROPERTY SERVICES

Revenue Budget as at 30th September 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	703	697	6	847
Repairs & Maintenance	3,214	1,606	1,742	(136)	2,861
Energy & Water Costs	489	244	387	(143)	729
NNDR	660	660	787	(127)	821
Rents	980	604	741	(137)	1,384
Property Recharges	1,771	0	0	0	0
Other Premises Costs	365	145	126	19	126
Supplies & Services	201	90	69	21	132
Surveys & Audits	888	444	417	27	808
Transport	36	18		(2)	20
			20		
Asset Charges	2,119	0	0	0	0
Support Services	872	0	0	0	0
Total Expenditure	13,002	4,514	4,986	(472)	7,728
<u>Income</u>					
Rent – Markets	-1,139	-579	-466	(113)	-466
Rent – Industrial Estates	-1,269	-634	-564	(70)	-564
Rent – Commercial	-767	-375	-264	(111)	-264
Recharges to Capital	-1,611	-403	-279	(124)	-279
Accommodation Recharges	-3,456	0	0	0	0
Repair & Maintenance Recharges	-3,535	0	0	0	0
Support Service Recharges	-1,152	0	0	0	0
Other Income	-3	-2	-13	11	-13
Total Income	-12,932	-1,993	-1,586	(407)	-1,586
Net Expenditure	70	2,521	3,400	(879)	6,142

Comments on the above figures:

In overall terms spending in the second quarter is considerably over budget. A revaluation of the business rates relating to Catalyst House and Rutland House has resulted in an increase in NNDR costs. 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. Delays in relocating the personnel in Grosvenor House have resulted in additional Rent costs.

In addition Runcorn Market is still not fully occupied and therefore income from stallholder rents is lower than budgeted. There are still 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 budgeted target. There are also vacancies at both Picow Farm Depot and other Commercial units.

APPENDIX FIVE– FINANCIAL STATEMENT Property Services

Revenue Budget as at 30th September 2008

Capital expenditure as at 30th September 2008




Capital Expenditure	2008/09 Capital Allocation	Allocation To Date	Actual Spend To Date	Total Allocation Remaining
	£000	£000	£000	£000
Runcorn Town Hall Refurbishment	1,232	1,044	1,044	188
Disabled Access	300	150	58	242
Net Expenditure	1,532	1,194	1,102	430

Comments on the above figures

It is expected that the full allocation will be spent 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>	Indicates that the <u>target is on course to be achieved.</u>
<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>	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>
<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>	Indicates that the <u>target will not be achieved</u> unless there is an intervention or remedial action taken.