

QUARTERLY MONITORING REPORT

DIRECTORATE: Corporate and Policy
SERVICE: Property Services
PERIOD: Quarter 3 to period end 31st December 2008

1.0 INTRODUCTION

This Monitoring Report covers the Property Services third quarter period up to period-end 31st December 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 5.

2.0 KEY DEVELOPMENTS

Two new permanent and one temporary member of staff have started to assist with the Estates workload at the expense of Agency and Consultants.

The Asset Transfer Policy has now been completed and is being presented to the Corporate Services Policy and Performance Board at its

3.0 EMERGING ISSUES

The number of occupants either going into liquidation or having difficulty meeting rental payments is dramatically increasing leading to both loss of income and increased workload of the Estates section. Further Properties are being taken on in connection with Mersey Gateway and Castlefields leading to further increased workload on Property Services.

4.0 PROGRESS AGAINST OBJECTIVES / MILESTONES




Total	6		6		0		0
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All service objectives and milestones are progressing as planned and additional details are provided within Appendix 1.

5.0 SERVICE REVIEW

Following a minor reorganisation of the operational team earlier in the year some difficulty has been experienced in recruiting to a vacant post. Further consideration is being given as to how this situation can best be addresses to ensure continued deliver of service.

6.0 PROGRESS AGAINST KEY PERFORMANCE INDICATORS

Total	3		1		1		1
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In relation to key performance indicators the economic downturn is impacting upon occupancy rates at both Widnes (77%) and Runcorn (50%) markets. Additional details are provided within Appendix 2.

6.1 PROGRESS AGAINST OTHER PERFORMANCE INDICATORS

Total	7		4		3		0
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Of the 'other' indicators for the service there are three, two relating to rental income and one to project performance, that are being reported by exception this period. Additional details are provided within Appendix 3.







7.0 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.




8.0 APPENDICES

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

Progress against objectives

Service Plan Ref.	Objective	Key Milestone	Progress Quarter 3	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 03	Review Value of Property Assets for Councils accounts (20%)	<i>Annual Review of Value complete March 2009</i>		Progressing as planned
PS 04	Rationalise accommodation requirements through the refurbishment of Runcorn Town Hall office accommodation.	<i>Relocate staff to refurbished office accommodation at Runcorn Town Hall July 2008</i>		Works now complete and staff relocated. Three leases at Grosvenor House have now been surrendered generating significant revenue savings.
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 2009		DDA Works progressing as planned

Progress against 'Key' Performance Indicators

Ref ¹	Description	Actual 2007/8	Target 08/09	Quarter 3	Progress	Commentary
Corporate Health						
PYSLI 3	Occupancy of Industrial Units	83	80	92		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	76%		As above. Present occupancy rates are : Indoor 92%, outdoor 50% flea market 85%
PYSLI 7	Occupancy of Market (Runcorn) %	50	90	50%		Refer comment above. Given the current climate it is unlikely that 90% occupancy will be achieved by year end.

Progress against 'other' performance indicators

Ref ²	Description	Actual 2007/8	Target 08/09	Quarter 3	Progress	Commentary
Cost & Efficiency						
PYSLI 4	% Of rent collected as % of rent due (Excluding bankruptcies and the like)	92.5	95	87.5		Financial climate is having a severe affect on the units, whilst not included in the figures 3 firms have gone into liquidation in the past quarter
PYSLI 6	% Of rent collected as % of rent due	95	95	90		Some traders are struggling to keep up with payments and it is likely to get worse following Christmas period
Service Delivery						
<u>PYS LI 10</u>	Time performance on projects over £ 50 K (Contract let to practical completion within a margin of 5% - excluding Client changes)	63	90	84%		19 projects have been completed, 16 of them were completed with +/- 5% of the programmed timescale. The 3 projects that failed, 2 of them were down to contractor delays the other was due to unexpected problems on site.

² Key Indicators are identified by an **underlined reference in bold type**.

Financial Statement

PROPERTY SERVICES

Revenue Budget as at 31st December 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	1,431	1,073	1,058	15	1,085
Repairs & Maintenance	3,307	2,618	2,649	(31)	3,307
Energy & Water Costs	799	599	513	86	729
NNDR	660	660	844	(184)	844
Rents	932	755	964	(209)	1,141
Property Recharges	1,394	0	0	0	0
Other Premises Costs	457	370	199	171	199
Supplies & Services	203	117	128	(11)	132
Surveys & Audits	646	484	364	120	364
Transport	36	27	30	(3)	30
Asset Charges	2,380	0	0	0	0
Support Services	1,276	0	0	0	0
Total Expenditure	13,521	6,703	6,749	(46)	7,831
<u>Income</u>					
Rent – Markets	-1,087	-829	-710	(119)	-710
Rent – Industrial Estates	-1,159	-869	-842	(27)	-842
Rent – Commercial	-522	-363	-357	(6)	-357
Recharges to Capital	-750	-387	-383	(4)	-383
Accommodation Recharges	-3,456	0	0	0	0
Repair & Maintenance Recharges	-3,572	0	0	0	0
Support Service Recharges	-2,079	0	0	0	0
Other Income	-3	-2	-56	54	-56
Total Income	-12,628	-2,450	-2,348	(102)	-2,348
Net Expenditure	893	4,253	4,401	(148)	5,483

Comments on the above figures:

In overall terms spending in the third quarter is currently over budget. A revaluation of the business rates relating to Catalyst House and Rutland House has resulted in an increase in NNDR costs. 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 has also been a reduction in income from Widnes Market and income is expected to be lower than budget.

It is expected that the overall net spending will be above budget by the year end.

PROPERTY SERVICES

Capital expenditure as at 31st December 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	1,048	1,061	171
Disabled Access	300	150	81	219
Net Expenditure	1,532	1,198	1,142	390

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>	 Indicates that the <u>objective is on course to be achieved</u> within the appropriate timeframe.	Indicates that the <u>target is on course to be achieved.</u>
<u>Amber</u>	 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.	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>	 Indicates that it is <u>highly unlikely or certain that the objective will not be achieved</u> within the appropriate timeframe.	Indicates that the <u>target will not be achieved</u> unless there is an intervention or remedial action taken.