

# QUARTERLY MONITORING REPORT

**DIRECTORATE:** Corporate and Policy

**SERVICE:** Property Services

**PERIOD:** Quarter 1 to period end 30<sup>th</sup> June 2009

## 1.0 INTRODUCTION

This monitoring report covers the Property Services first quarter period up to period end 30<sup>th</sup> June 2009. 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 3

## 2.0 KEY DEVELOPMENTS

All posts within the department have now been filled having taken on a new project manager within the Operation team.

## 3.0 EMERGING ISSUES

The current financial climate continues to have a significant affect on rental income from the Council's investment portfolio.

The continuing advance purchases for the new Mersey Gateway is further increasing the pressure on Property Services in managing these properties for both Estates and maintenance staff.

## 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 the key objectives/milestones for the service are presently on track and additional details are provided within Appendix 1.

## 5.0 SERVICE REVIEW

The delivery of the service is currently under review, a report is being produced by the Strategic Director Corporate & Policy with regards the most advantageous way forward for future service delivery, report to go to Exec Board in October 2009.

## 6.0 PROGRESS AGAINST KEY PERFORMANCE INDICATORS

<b>Total</b>	<b>3</b>		<b>1</b>		<b>2</b>		<b>0</b>
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The occupancy levels to both the industrial units PYSLI 3 and Widnes market, PYSLI 5, are down as such these account for the two amber lights indicated above, but as yet the situation is not critical and it is hoped that the year end figure may be achieved but this will depend on the economic climate making a recovery.

The occupancy of the market at Runcorn, PYSLI 7, is still on target.

Additional details are provided within Appendix 2.

## 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 - Explanation of traffic light symbols  
Appendix 4 - Financial Statement




## Progress against key objectives/milestones

Service Plan Ref.	Objective	Key Milestone	Progress Quarter 1	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>		Work has commenced in respect of this item and is on programme
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>		Work has commenced, the survey form has been produced and will be sent to OD's to complete in due course
PS 03	Reduce Backlog of maintenance on property portfolio (currently £3.4 m)	£3.3 million <b>March 2010</b>		On programme to spend available maintenance budget in order to reduce backlog. Updated condition survey work being carried out in order to update figures
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. <b>October 2009</b>		Requirements have been identified, option appraisal has been carried out which is currently under consideration.
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		Data currently being collected in order to report on VfM indicators

## Progress against key objectives/milestones




Service Plan Ref.	Objective	Key Milestone	Progress Quarter 1	Commentary
PS 06	Fulfil requirements of Asbestos Audits and Management Regulations	Confirm 100% compliance <b>March 2010</b>		Asbestos contracts let, surveys to commence in schools in holiday period.
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 programme

## Progress against key performance indicators

Ref	Description	Actual 2008/9	Target 09/10	Quarter 1	Progress	Commentary
<b>Corporate Health</b>						
<b><u>PYSLI 3</u></b>	Occupancy of Industrial Units	89	80	75%		Liquidation and general market conditions affecting occupancy levels but remedial action being taken through the creation of a web page to attract additional business to the industrial units.
<b><u>PYSLI 5</u></b>	Occupancy of Market (Widnes) %	76	85	80		The current financial climate is having an effect on occupancy levels but is being stabilised with the recent discount on rents.
<b><u>PYSLI 7</u></b>	Occupancy of Market (Runcorn) %	50	60	60		Whilst we are currently reaching the target the financial climate is still causing difficulties for traders.
<b><u>NI 185</u></b>	CO <sup>2</sup> Reduction from LA operations	New PI for 08-9	New PI	N/A	N/A	This is a new PI baseline figures will be available in 2 <sup>nd</sup> quarter.
<b><u>NI 186</u></b>	Per capita reduction in CO <sup>2</sup> emissions in the local authority area	6.24% increase	% reduction	N/A	N/A	All figures for this indicator are produced and reported by DEFRA. Property Services have no influence of this PI
<b><u>NI 194</u></b>	Air quality - % reduction in NO <sub>x</sub> and primary pm10 emissions through local authority estate and operations	New PI for 08	New PI	N/A	N/A	This is a new PI baseline figures will be available in 2 <sup>nd</sup> quarter.

## Explanation of the Traffic Light Symbols

The traffic light symbols are used in the following manner:

	<u>Objective</u>	<u>Performance Indicator</u>
<b><u>Green</u></b>	 <p>Indicates that the <u>milestone/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> .
<b><u>Amber</u></b>	 <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>	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.
<b><u>Red</u></b>	 <p>Indicates that it is <u>highly likely or certain that the milestone/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.

**PROPERTY SERVICES**  
**Revenue Budget as at 30<sup>th</sup> June 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	366	351	15	352
Repairs & Maintenance	2,535	560	555	5	1,580
Energy & Water Costs	884	271	259	12	259
NNDR	804	804	792	12	792
Rents	1,033	475	494	(19)	494
Property Recharges	1,848	428	428	0	428
Other Premises Costs	90	22	4	18	4
Supplies & Services	147	37	13	24	13
Surveys & Audits	635	158	127	31	127
Agency Related	37	9	6	3	6
Transport	37	9	6	3	6
Asset Charges	2,358	0	0	0	0
Support Services	1,356	127	127	0	127
<b>Total Expenditure</b>	<b>13,232</b>	<b>3,266</b>	<b>3,162</b>	<b>104</b>	<b>4,188</b>
<b><u>Income</u></b>					
Rent – Markets	-1,107	-276	-228	(48)	-228
Rent – Industrial Estates	-1,159	-289	-240	(49)	-240
Rent – Commercial	-519	-131	-86	(45)	-86
Recharges to Capital	-516	-129	-123	(6)	-123
Accommodation Recharges	-3,157	-1,010	-1,010	0	-1,010
Repair & Maintenance Recharges	-3,270	-799	-799	0	-799
Support Service Recharges	-3,033	-758	-758	0	-758
Other Income	-99	-6	-24	18	-24
<b>Total Income</b>	<b>-12,860</b>	<b>-3,398</b>	<b>-3,268</b>	<b>(130)</b>	<b>-3,268</b>
<b>Net Expenditure</b>	<b>372</b>	<b>-132</b>	<b>-106</b>	<b>(26)</b>	<b>920</b>

**Comments on the above figures:**

In overall terms spending in the first quarter is marginally above the overall Departmental budget to date.

With regards to income Runcorn Market is still not fully occupied and therefore income from stallholder rents is lower than budgeted. Stall rents at Widnes Market have been reduced by 10% in order to increase occupancy, which has so far resulted in less income overall. There are still a number of vacant units on all Industrial Estates and this will need to be monitored throughout the year. There are also vacancies at Picow Farm Depot and within other Commercial units. Given the current economic climate it is not anticipated that income levels will improve in the short term and therefore it is expected that income will again be significantly below target by year-end.

## PROPERTY SERVICES

### Capital expenditure as at 30<sup>th</sup> June 2009

	2009/10 Capital Allocation	Allocation To Date	Actual Spend To Date	Total Allocation Remaining
	£000	£000	£000	£000
Disabled Access	300	53	52	1
<b>Net Expenditure</b>	<b>300</b>	<b>53</b>	<b>52</b>	<b>1</b>

### Comments on the above figures

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