

ASSET MANAGEMENT - PROPERTY PERFORMANCE INDICATORS

1 SUMMARY

- 1.1 The purpose of this report is to advise Members of Property Performance Indicators, as reported to the Department for Communities and Local Government. The relevant issues are around Best Value Indicators and the provision of information for Local Performance Indicators, to assist the Council in developing its Asset Management Plan.
- 1.2 The Local Performance Indicators were rewritten to align better with the corporate aims and objectives, in terms of energy usage and space occupied, to provide better management information in cost and utilisation of the Council's Assets.

2 INTRODUCTION

- 2.1 In previous years the Council was required to report the following indicators to government in relation to its operational and non-operational buildings. This information continues to be used by the property performance network of the Chartered Institute of Public Finance as a national benchmark.

National Indicator Number	Indicator Detail
1A	%Gross Internal floor space in condition categories A – D.
1B	Backlog of maintenance costs expressed <ul style="list-style-type: none"> ▪ As total value ▪ As a percentage in priority levels 1-3. ▪ 2A, 2B and 2C relate to internal rate of return on Industrial, Retail and Agricultural portfolios.
3A	Total annual management costs per square metre for operational property.
3B	Total annual management costs per square metre for non operational property. (Not reported as we have no non-operational property.)
4A	Repair and maintenance costs per square metre, GIA (Gross Internal Area).
4B	Energy Costs per square metre GIA.
4C	Water costs per square metre GIA.
4D	To measure CO ² emissions in tonnes of carbon dioxide per square metre.
5A	Percentage of project costs where outturn falls with +/- 5% of the estimated outturn, expressed as a percentage of the total projects completed in that financial year.
5B	Percentage of projects falling within +/- 5% of the estimated timescale, expressed as a percentage of the total projects completed in that financial year.

Definitions for condition categories A-D and priority levels 1-3 are included in the table in Appendix A.

- 2.2 Local performance indicators were developed to address local issues, including matters such as disability access and building energy and maintenance costs, which have more local impact and assist the Authority in managing the buildings. The performance indicators also provide useful management information on Asset Management and assist in making decisions about future priorities and projects.
- 2.3 The Disability Access indicators are no longer being reported, the only outstanding accessibility issue being one room at Great Wakering Sports Centre. However disability access is considered as part of every maintenance scheme related to property and improvements are included where practicable.
- 2.4 Figures for 2005/06 and 2006/07 have been included in Appendices A, and B, to give a 3 year comparison of performance of the indicators.

3 THE COUNCIL'S BUILDINGS

- 3.1 The Council's portfolio contains buildings that are not comparable in terms of construction, use and energy efficiency. It is very difficult to compare the offices at Rochford with the Civic Suite and the Old House, which are from significantly different times, hence monitoring of the individual buildings provides more useful information in management terms.
- 3.2 Local Performance Indicators provide information useful to the Council in the challenge, review and evaluation of the holding and performance of assets. Existing Local Performance Indicators are included in appendices A, and B, in terms of the following:-
 - To reduce the energy costs of individual Council buildings by a target of 5%.
 - To reduce the building maintenance costs of individual Council buildings by a target of 5%. The variable nature of the buildings has a strong influence on maintenance costs and works to improve the buildings have affected costs in the last two years
 - To reduce the percentage of operational buildings, surplus to requirements.
- 3.3 The Asset Management Plan identifies that there are no operational buildings that were disposed of as surplus to requirements in 2006/07. However Members have considered 57 South Street for disposal in 2007.
- 3.4 Space utilisation figures for the Council Offices have not varied from the last report and have therefore been omitted. Usage is 11.73m² per person. Following the transfer of Housing under LSVT this figure will change for 2007/08.

- 3.5 New Performance Indicators are listed in Appendix C. The cost and time indicators are for planned and capital schemes, greater in value than £1,000.
- 3.6 Use of the Performance Indicators has led to some direct benefits that are measurable to date. The reductions in water usage are showing in meter readings at South Street with a reduction in 2006/07 of over 600,000 litres of water over 2005/06. Electricity usage has also reduced by 2.5% year on year, not meeting the original target, but proving that reductions are being made.

4 CRIME AND DISORDER IMPLICATIONS

- 4.1 Criminal Damage reports are submitted to committee, indicating the cost of vandalism to Council assets. The level in 2006/07 did not significantly increase on the previous year. The actual figure will be reported with the criminal damage report.

5 ENVIRONMENTAL IMPLICATIONS

- 5.1 The work on energy management is designed to meet the Government's targets to reduce CO² emissions. Refurbishment of the public conveniences and staff toilets in the offices will have reduced water usage by approximately 1.5 million litres per year when the programme is completed by the Autumn of 2007. Energy efficiency is also being taken into account as part of this process and electrical fittings are being replaced by the most energy efficient available.
- 5.2 An Energy and Water Management Policy and Strategy is currently being prepared for Council Buildings and will use the PIs developed through this report. It is important that this Council demonstrates that it is taking the Environment seriously and its being proactive in managing its emissions.
- 5.3 Part of this strategy also includes energy procurement which is carried out by the Head of Finance, Audit and Performance Management. Procurement has recently changed to the OGC (Office of Government Commerce) contract which should yield further cost savings.

6 RECOMMENDATION

- 6.1 It is proposed that the Executive Board **RESOLVES**

To note the changes in performance indicators from 2005/06 to 2006/07 and the improvement to energy and water usage as measured by the PIs.

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Background Papers:-

None

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APPENDIX A

Indicator	Definition	2004/05 Performance % in each category	2005/06 Performance % in each category	2006/07 Performance % in each category
1A %Gross Internal floor space in condition categories A-D	Condition Category A – Good, Performing as intended and operating efficiently B – Satisfactory, As A but with minor deterioration C – Poor, Showing major defects and/or not operating as intended D – Bad, Life expired and/or serious risk of imminent failure	74.4 23.3 2.2 0	68.2 31.8 0 0	71.3 28.7 0 0
1B Backlog of maintenance costs expressed 1) As total Value	This is the figure of identified works required. 2004/05 included completion of the Public conveniences and changing pavilions.	£269,000	£306,200	£183,000
1B Backlog of maintenance costs expressed 2) As a percentage in priority levels 1-3	Priority levels 1. Urgent works that will prevent immediate closure of premises. Serious Health and safety issues 2. Essential work required within two years that will prevent serious deterioration of the fabric. 3. Desirable work required within 3-5 years	47% 43% 9%	26% 37% 37%	11% 79% 10%
3A Total annual management costs / square m. for Operational property.		£14.85	£14.56	£6.60

Indicator	Definition	2004/05 Performance % in each category	2005/06 Performance % in each category	2006/07 Performance % in each category
4A Repair and maintenance costs per square metre GIA		£33.19	£31.59	£34.82
4B Energy Costs per square metre GIA	Energy costs are subject to market prices.	£7.40	£12.50	£16.75
4C Water costs per square metre GIA	Subject to market prices	£2.22	£1.87	£1.83
4D To measure CO ² Emissions in tonnes of carbon dioxide per square metre.		Not reported	Not reported	Not reported
5A Percentage of project costs where outturn falls with +/- 5% of the estimated outturn, expressed as a percentage of the total projects completed in that financial year.	Only Capital schemes within that financial year over £100,000.	No projects completed within this financial year over £100,000	50%	50%
5B Percentage of projects falling within +/- 5% of the estimated timescale, expressed as a percentage of the total projects completed in that financial year.		No projects completed within this financial year over £100,000	No projects completed within this financial year over £100,000	50% This does not include HRA projects

APPENDIX B

LOCAL PERFORMANCE INDICATORS FOR BUILDINGS

Indicator	Buildings monitored	2004/05	2005/06	2006/07	Definition of Indicator
To reduce the energy requirement of individual Council operational buildings by comparing energy usage.	Civic Suite	£7.95	£10.72	£7.47	1.The individual building energy costs for heating, lighting and other power consumption
	Rochford Offices	£9.16	£12.87	£16:15	2. To compare the unit energy costs per square metre for the Council's main operational buildings and see where savings can be identified
To reduce the building maintenance costs for individual Council operational buildings.	Civic Suite	£21.67	£11.56	£26.37	1.Building maintenance costs for all building elements
	Rochford Offices	£19.61	£24.19	£31.27	2.The unit maintenance costs per square metre for the Council's main operational buildings

APPENDIX C

ENERGY INDICATORS

Indicator	Buildings Monitored	2005/06	2006/07	2007/08	Definition
E1. KwH of electricity consumed	Rochford Offices	337704	329464		Consumption as measured through metering of supply to these buildings
	Civic Suite	35884	25377**		
	Rochford Depot	32041	32683		
E2. CuM of water consumed	Rochford Offices	5062	4445		Consumption as measured through metering of supply to these buildings
	Civic Suite	not available	n/a		
	Rochford Depot	846	706		
E3. Units of Gas consumed shown as Kwh equivalent	Rochford Offices	18341	12634		Consumption as measured through metering of supply to these buildings
	Civic Suite	0	0		
	Rochford Depot	87250	59161		
E4. Target Energy Savings due to refurbishment programme	Rochford Offices	5%	5% 2.5% Actual	5%	Refurbishment includes review of facilities to target reductions in energy and water usage
	Civic Suite	0%	5%	5%	
	Rochford Depot	0%	5%	5%	

**** Meter readings have been estimated and some adjustments made so figure may not reflect actual usage for the year. Now carrying out meter reading in house to provide more accurate figures**

SPACE UTILISATION INDICATORS

Indicator	Buildings Monitored	2005/06	2006/07	2007/08	Definition
SU1 The percentage of offices which are occupied at a rate lower than 5m ² or 11cu.m per person	Rochford Offices	59% 46 rooms	59% 46		Over utilised space No. of rooms occupied as Offices = 78 Total Number of rooms = 118
SU2 The percentage of offices which are occupied at a rate higher than 5m ² or 11cu.m per person	Rochford Offices	5.1% 4 rooms	5.1% 4		Under utilised space Note this may be due to various factors related to the configuration of the building, i.e. small fixed offices
SU3 The percentage of office space that is used for storage only	Rochford Offices	11% 13 rooms	11% 13		Implementation of Comino document imaging to reduce storage
SU4 The percentage of office space refurbished during the current year	Rochford Offices	12% 14 rooms	9% 10		Influenced by the Council restructuring as rooms may be revamped to suit new arrangements
SU5 The percentage of office space which meets modern office requirements	Rochford Offices	16% 19	25% 29		1.Adequate for computer station to meet H&S regulations 2.Lighting meets computer requirements 3. Office has better than adequate ventilation. 4. The room is in satisfactory decorative order

COST INDICATORS

Indicator	Buildings Monitored	2005/06	2006/07	2007/08	Definition
C1 Cost of refurbishing office space per sq.m.	Rochford Offices and Civic Suite	£75	£75		refurb, carpets, decoration minor upgrading
C2 Cost of refurbishing toilets per sq.m.	Rochford Offices and Civic Suite	£308	£308		This is for office Toilets only
C3 Cost of other refurbishment per sq.m.	Rochford Offices and Civic Suite	None this year	N/a		
C4 No of planned schemes completed within budget	All Buildings	76%	95%		
C5 %age of capital schemes completed within budget	All Buildings	50%	95%		

TIME INDICATORS

Indicator	Buildings Monitored	2005/06	2006/07	2007/08	Definition
T1 No of planned / Capital schemes completed on time	All buildings	50%	50%		Schemes over £5000 completed within +/- 10% of the planned implementation
T2 %age of planned schemes completed on time	All buildings	62.5%	75%		