

Report of	Meeting	Date
Deputy Chief Executive	Overview and Scrutiny Performance Panel	4 March 2021

## Performance Focus – Commercial and Property Context

### Purpose of Report

1. To provide contextual information for the panel with regards to:

- Overall Directorate priorities including budget position
- Key performance summary for 2020/21
- Key project update for 2020/21

### Recommendation(s)

2. That the context and information contained within be discussed at the Overview and Scrutiny Performance Panel, with a view to understanding performance in these areas.

<b>Confidential report</b> Please bold as appropriate	Yes	No
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### Corporate Priorities

3. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy homes and communities		An ambitious council that does more to meet the needs of residents and the local area	✓

### Background

4. Following the shared services management review, this directorate now has a shared director and the functions that make up the Commercial and Property directorate are as follows:

- Commercial and assets (CBC):
  - Accommodation - operational management of the Council's housing units, including Cotswold Supported Housing and Primrose Gardens Extra Care Scheme
  - Market Walk and Town Centre - management of Market Walk shopping centre, Chorley Markets, town centre car parks and borough wide CCTV monitoring services

- Property and Facilities - asset management and maintenance of all council owned buildings and assets.
  - Development and Business (CBC) – manage the development and business growth function and coordinate the delivery of activity to support sustained economic growth across the borough including business engagement and development of key sites
  - Projects and development (SRBC) – facilities management, major development projects and the delivery of the leisure contract.
5. This update will focus solely on the Chorley Council delivery.

### Directorate Overview

6. Performance of the directorate was last considered by the Overview and Scrutiny Performance Panel in March 2020.
7. Over the last year the directorate has worked to support the delivery of the corporate strategy through activity to bring forward various key sites across the borough for development including Alker Lane, Tatton and Whittle Surgery. The directorate has also delivered major flagship developments through to completion such the Digital Office Park and the Market Walk Extension including extensive work to operate and continue bringing new tenants to these commercial ventures.
8. The directorate has also been heavily involved in the covid-19 emergency response in through supporting the administration of business grants for those businesses required to close as a result of restrictions, and extensive support through online workshops helping businesses with topics such as Digital Marketing Strategies, How to Lead a Business Out of Lockdown and the Future of Retail Post COVID-19.

### Financial position

9. The below table outlines the General Fund Revenue Budget monitoring provisional outturn for Commercial and Property:

<b>Provisional Outturn February 2020</b>	<b>£</b>
<b>Original Cash Budget</b>	471,000
<b>Agreed changes</b>	(1,141,000)
<b>Current Cash Budget</b>	670,000
<b>Forecast outturn</b>	465,000
<b>Variance</b>	<b>205,000</b>

<b>Variance</b>	<b>30.5%</b>
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10. The directorate budget is currently over budget by £205k, which has created a 30.5% variance against the original cash budget.
11. Income was lower than anticipated for 2020/21, due to a reduction in Market Rents from offering rebates to market traders, substantially reduced car parking income due to the lockdown and lost income from community centres again due to lockdown restrictions resulting in a shortfall of £460k in income.

12. The biggest underspend was for £81k against property maintenance and repairs due to a reduction in work carried out during the lockdown periods. There was £72k of non-domestic rates for car parks which was due to a receipt of credit for the build periods on car parks with reduced capacity, loss of expensive space on the Flat Iron for less expensive space on Friday Street and a reduced charge for 2020/21 following a reduction in the rateable value due to Market Walk Extension and a backdated refund for previous years. There were also underspends of £43k on staffing which is predominately from one vacant post in the Development and Business service. All of these savings, plus some additional savings, has amounted to £255k.

## Performance Context

13. The below provides key performance information for the directorate over 2020/21.

14. Overall there are thirty seven indicators that can be reported on at quarter three for Commercial and Property directorate; nineteen (52%) are performing on or above target, one (3%) is performing worse than target but within the threshold and fifteen (40%) are performing below target. There has been significant impact of covid-19 on this directorate with the teams supporting the emergency response to support businesses, provision of grants for struggling businesses and limitations due to associated lockdown restrictions affecting delivery.

## Development and Business

15. In total there are nine indicators, six are performing above target and three are performing below target for the Development and Business service. A full list of indicators can be found at Appendix A, the table below outlines some of the performance indicators for the Development and Business service to provide a snapshot of performance:

	Polarity	Target Value	Performance Value	Symbol	Trend
Number of businesses referred/supported by Chorley Council	Bigger is better	720	1,373	★	Better than Q3 2019/20
Number of businesses attending Council business/networking and engagement events	Bigger is better	810	443	▲	Worse than Q3 2019/20
Number of projected jobs created through Chorley Council support or intervention (CS)	Bigger is better	90	321	★	Worse than Q3 2019/20

16. Performance for the number of businesses attending Council business/networking and engagement events is lower than anticipated. Business, networking and engagement events have been delivered remotely due to covid-19. Therefore due to the nature of these events, such as networking and engagement, there have been reduced attendees due to limited scope of remote delivery.

## Commercial and Assets

17. Out of the twenty-eight indicators within Commercial and Assets, thirteen are performing on target, one is performing below target but within the threshold and fourteen are

performing worse than target. The breakdown of the performance within each team can be seen below.

## Market Walk and Town Centre

18. There are fifteen indicators in total for the Market Walk and Town Centre team, five are performing above target and ten are performing below target. A full list of indicators can be found at Appendix A, the table below outlines some of the performance indicators for the Market Walk and Town Centre team to provide a snapshot of performance:

	Polarity	Target Value	Performance Value	Symbol	Trend
Response rate for CCTV requests within average of 5 days	Smaller is better	5Days	1.64Days	★	No comparable data – new indicator
Combined car park ticket sales (including FOC)	Bigger is better	240,000	215,751	▲	No comparable data – new indicator
% of voids on the Commercial Sites (excludes Market Walk, Market & DOP)	Smaller is better	7.5%	5.55%	★	No comparable data – new indicator
Town Centre Vacancy Rate	Smaller is better	8%	9.7%	▲	Worse than Q3 2019/20
% of voids on the Covered Market	Smaller is better	7.5%	14.3%	▲	No comparable data
% of undisputed invoices processed within 30 days (Market Walk and Town Centre)	Bigger is better	99%	100%	★	Same as Q3 2019/20

19. Performance against the combined car park ticket sales, town centre vacancy rate and % of voids on the Covered Market are all lower than anticipated, this is due to the lockdown restrictions which has resulted in reduced visits to the town centre, markets and subsequently car parks. Performance against town centre vacancies have improved slightly from 10.5% in quarter two to 9.7%, in comparison with other areas the figures for Chorley remain relatively low and improvement is expected next quarter on the basis that an existing large unit is currently undergoing renovation works and due to open soon.

## Accommodation

20. For the Accommodation team, in total there are eight indicators, three are performing above target, one is below target but within threshold and four are performing below target. A full list of indicators can be found at Appendix A, the table below outlines some of the performance indicators for the Accommodation team to provide a snapshot of performance:

	Polarity	Target Value	Performance Value	Symbol	Trend
% rent collected at Cotswold Supported Housing	Bigger is better	98.52%	100.36%	★	Better than Q3 2019/20
% voids Cotswold House	Smaller is better	20%	22.452%	▲	Worse than Q3 2019/20

% voids at Primrose Gardens	Smaller is better	20%	9.51%	★	No comparable data
Cotswold conference facilities - percentage of bookings	Bigger is better	50%	0%	▲	No comparable data - new indicator

21. Performance against the % voids Cotswold House is slightly worse than anticipated, this is due to four rooms are currently out of general use as these are being kept aside for symptomatic referrals due to covid-19.

22. Performance against cotswold conference facilities - percentage of bookings is lower than anticipated, this is due to lockdown restrictions impacting on ability for conference facility bookings.

### Property and Facilities

23. For the Property and Facilities team in total there are five indicators, with all five performing above target. A full list of indicators can be found at Appendix A, the table below outlines some of the performance indicators for the Property and Facilities team to provide a snapshot of performance:

	Polarity	Target Value	Performance Value	Symbol	Trend
% reactive repair orders logged and issued on time within the Tech Forge system within Priority ratings (emergency/urgent/routine)	Bigger is better	90%	92%	★	No comparable data – change in collection
% land ownership enquiries replied to within 3 working days	Bigger is better	99%	100%	★	Same as Q3 2019/20
Average time to issue offer letter to resident following request to purchase freehold reversion	Smaller is better	10Days	1Days	★	Better than Q3 2019/20

24. Performance across all the indicators for property and facilities is good with all indicators performing better than target. All indicators demonstrate good performance for response times to a variety of requests which come into the property and facilities service.

### Key projects update

25. Quarter three is the last time these corporate strategy projects will be reported on, a status summary for each project can be found below:

Project	Status	Status summary
Deliver the employment land at Alker Lane	Green	This project has made good progress this quarter, with full planning permission to progress the construction element of the project, subject to conditions, granted in November. In addition, grant funding has been secured through the central government 'Getting Building fund'. The Invitation to Tender for the procurement of a design and build contractor has been issued, and the appointment of a project manager and quantity surveyor has been made. Works to divert the water main has commenced and is due to complete at the start of quarter four. Officers

		continue dialogue regarding the acquisition of Alker Lane and the land to the north of the railway bridge. This acquisition would bring forward the proposed pedestrian and cycle connection between Buckshaw Village and Euxton Lane. Once complete, the development will provide essential commercial buildings to accommodate the ambitions of the business sector, supporting economic growth in the borough by promoting inward investment. This will increase the number of jobs for local residents and further establish Chorley as an economic hub in the region.
Deliver improvements to the town centre	<b>Green</b>	This project has made significant progress over quarter three. This is following the review and rescoping of the project milestones to accommodate the impact of Covid-19 and ensure that priorities and actions could be practically delivered. As an example, in quarter three, the Covered Market refurbishment programme was brought forward due to lockdown opportunities, which meant that there would be no disruption to the trading of the market. Work completed includes the external render and decoration of the market, the installation of uPVC soffits, the development of signage proposals for the market and traders, as well as the finalisation of new entrance proposals and roof and WC designs. The new gazebos have also been delivered and new market awnings procured. Moreover, demolition works for the Civic Square are ongoing with units 7-11 Market St completed, and will continue into the next quarter. The work delivered as part of this project will ensure that the town centre remains a vibrant commercial hub that can accommodate the businesses of today and tomorrow by transforming the visitor experience and facilities, supporting a strong local economy.
Develop the business plan for the wholly owned company	<b>Green</b>	This project has made good progress. During quarter three, following the establishment of the 'Wholly Owned Company working group', the draft investment strategy and action plan was completed. This strategy provides a framework to set the parameters for future investment and identifies where existing assets can be better utilised to generate income and opportunities for investment in land and property to ensure that we are equipped with the means to accommodate an expanding business sector and therefore support a strong local economy. The strategy was due to be submitted for approval during quarter four, however pending the release of new Government guidance which may be announced during quarter four on the use of public work loan funds for commercial investments, it was agreed that this would be postponed.
Deliver the extra care scheme and community facilities at Tatton	<b>Amber</b>	This project has made progress in improvements to Tatton recreation ground and the surrounding area. The project will provide high quality, affordable and suitable housing, a GP surgery, a pharmacy, a community café, and community centre. The demolition of the former Stagecoach Bus Depot and removal of all above ground structures has been completed. In addition, grant funding of £5.2million was secured via the Lancashire Enterprise Partnership from the Ministry of Housing, Communities & Local Government (MHCLG) 'Getting Building Fund' and full planning permission (subject to conditions) has been secured. The residents of the Chorley East ward have also been consulted about the name of the new development and from a short list of names voted for Tatton Gardens, encouraging local engagement with the development. A part of the scheme involves the stopping up of Silverdale Road. This application was submitted under a Section 247 application to the Department for Transport. The

		application has been granted a public inquiry, which is scheduled for 24 February 2021.
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26. The Commercial and Property directorate will be responsible for some high-profile projects as part of next year's corporate strategy delivery. The scope for these projects is set out below:

Project Title	Scope for 2020/21
Deliver the employment land at Alker Lane	<p>This project will focus on delivering the construction elements on Alker Lane to provide light industrial employment facilities at the site. This project will include the following:</p> <ul style="list-style-type: none"> <li>• Procurement of a Contractor Partner – Dec 2020</li> <li>• Commencement of development on the site – Jan 2021</li> <li>• Completion of the development – Dec 2021</li> </ul>
Deliver improvements to the town centre	<p>This project will focus on delivering improvements across the town centre and the programme of work will potentially include work around the Civic Square, our site on Gillibrand Street, the bus station, and the Bengal Street depot. Specific sites and works to be included in the scope of this project is to be agreed. This is due to awaiting direction from members and subject to the outcome of the high street funding bid.</p>
Bring forward site at Bengal Street	<p>This project will focus on bringing forward the site at Bengal Street and will include the following over the next 12 months:</p> <ul style="list-style-type: none"> <li>• The acquisition of next-door site</li> <li>• Progressing planning permission</li> <li>• Obtaining funding for the site</li> </ul> <p>These elements will contribute to the proposal to deliver a mixed-use site which will include residential, community facilities and light industrial in the future.</p>

27. Reporting on the new corporate strategy projects will commence in quarter four.

### Implications of Report

28. This report has implications in the following areas and the relevant Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area	x	Policy and Communications	

### Comments of the Statutory Finance Officer

29. N/A

**Comments of the Monitoring Officer**

30. N/A

Chris Sinnott  
Deputy Chief Executive

There are no background papers to this report.

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
Rebecca Aziz-Brook	5348	24.02.21	Commercial and property performance paper



## Appendix A – corporate and service level indicators for Commercial and Property – Quarter 3 2020/21

Indicator name	Polarity	Target Value	Performance Value	Symbol	Trend
<b>Accommodation</b>					
% rent collected at Cotswold Supported Housing	Bigger is better	98.52%	100.36%	★	Better than Q3 2019/20
% voids Cotswold House	Smaller is better	20%	22.452%	▲	Worse than Q3 2019/20
% rent collected at Primrose Gardens	Bigger is better	98%	95.29%	●	Worse than Q3 2019/20
% voids at Primrose Gardens	Smaller is better	20%	9.51%	★	No comparable data
Community centres - percentage of occupancy	Bigger is better	51%	60.12%	★	Worse than Q3 2019/20
Cotswold conference facilities - percentage of bookings	Bigger is better	50%	0%	▲	No comparable data - new indicator
Primrose conference facilities - percentage of bookings	Bigger is better	50%	0%	▲	No comparable data - new indicator
Percentage of voids at Primrose turned around within 14 days	Smaller is better	95%	75%	▲	No comparable data - new indicator
% of undisputed invoices processed within 30 days (Accommodation)	Bigger is better	99%	100%	★	Same as Q3 2019/20
<b>Property and Facilities</b>					
% reactive repair orders logged and issued on time within the Tech Forge system within Priority ratings (emergency/urgent/routine)	Bigger is better	90%	92%	★	No comparable data – change in collection
% reactive repair jobs inspected post work completion	Bigger is better	30%	60%	★	No comparable data – change in collection
% land ownership enquiries replied to within 3 working days	Bigger is better	99%	100%	★	Same as Q3 2019/20
Average time to issue valuation letter to resident following request for low cost housing valuation	Smaller is better	15Days	0Days	★	Better than Q3 2019/20
Average time to issue offer letter to resident following request to purchase freehold reversion	Smaller is better	10Days	1Days	★	Better than Q3 2019/20
% of undisputed invoices processed within 30 days (Property and Facilities)	Bigger is better	99%	99.18%	★	Same as Q3 2019/20
<b>Markets and Town Centre</b>					
Market Walk Footfall	Bigger is better	2807106	453320	▲	Worse than Q3 2019/20
Town Centre Vacancy Rate	Smaller is better	8%	9.7%	▲	Worse than Q3 2019/20

% of voids on the Covered Market	Smaller is better	7.5%	14.3%	▲	No comparable data
% of rent collected at the Covered Market	Bigger is better	97.5%	91%	▲	No comparable data
% voids on Market Walk	Smaller is better	7.5%	12.2%	▲	No comparable data
% rent collected at Market Walk	Bigger is better	97.5%	63.6%	▲	No comparable data
Number of coach visits	Bigger is better	130	0	▲	No comparable data – new indicator
Response rate for CCTV requests within average of 5 days	Smaller is better	5Days	1.64Days	★	No comparable data – new indicator
Combined car park ticket sales (including FOC)	Bigger is better	240000	215751	▲	No comparable data – new indicator
% occupancy of fixed office voids in the Digital Office Park	Smaller is better	7.5%	40%	▲	No comparable data – new indicator
% rent collected at the Digital Office Park from fixed offices	Bigger is better	97.5%	72.53%	▲	No comparable data – new indicator
% of voids on the Commercial Sites (excludes Market Walk, Market & DOP)	Smaller is better	7.5%	5.55%	★	No comparable data – new indicator
% of undisputed invoices processed within 30 days (Market Walk and Town Centre)	Bigger is better	99%	100%	★	Same as Q3 2019/20
<b>Development and Business</b>					
Overall employment rate (CS)	Bigger is better	80%	72.4%	▲	Worse than Q3 2019/20
Number of projected jobs created through Chorley Council support or intervention (CS)	Bigger is better	90	321	★	Worse than Q3 2019/20
Client satisfaction with the service received from Chorley Council	Bigger is better	80%	94.8%	★	Worse than Q3 2019/20
Number of Business Engagements by the Business Development Service	Bigger is better	1012	2162	★	Worse than Q3 2019/20
Number of existing Enterprises receiving support for 12 hours - European Regional Development Fund	Bigger is better	15	18	★	Worse than Q3 2019/20
Number of new Enterprises supported for 12 hours - European Regional Development Fund	Bigger is better	8	9	★	Better than Q3 2019/20
Number of businesses referred/supported by Chorley Council	Bigger is better	720	1373	★	Better than Q3 2019/20
Number of businesses attending Council business/networking and engagement events	Bigger is better	810	443	▲	Worse than Q3 2019/20
% of undisputed invoices processed within 30 days (Development and Business)	Bigger is better	99%	90.63%	▲	Worse than Q3 2019/20

