

Report of	Meeting	Date
Deputy Chief Executive (Introduced by the Executive Member for Resources)	Overview and Scrutiny Performance Panel	Thursday, 10 March 2022

Is this report confidential?	No
Is this decision key?	No

Performance Focus - Commercial and Property

Purpose of the Report

1. To provide the Overview and Scrutiny Performance Panel with a performance update for the Commercial and Property directorate. This includes:
 - a) An overall directorate summary and budget position,
 - b) An overview of key performance measures over 2021/22,
 - c) An update on the Corporate Strategy projects.

Recommendations to the Overview and Scrutiny Performance Panel

2. That the information contained within this report is discussed by the Overview and Scrutiny Performance Panel to understand and monitor performance within the Commercial and Property directorate.

Reasons for recommendations

3. To ensure the effective monitoring of performance with the Commercial and Property directorate and subsequent delivery of the Corporate Strategy and its strategic objectives.

Other options considered and rejected

4. No other options have been considered or rejected. This is because the report does not present any key items for decision.

Corporate priorities

5. The report relates to the following corporate priorities:

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

Background to the report

6. Each quarter a directorate level performance update is presented to the Overview and Scrutiny Performance Panel for review. For quarter three, an update for Commercial and Property has been prepared. This directorate was last reviewed in March 2020. The directorate includes the following services:

- Development
- Property
- Markets and Town Centre
- Accommodation

7. This report presents an overview of the directorate's performance over 2021/22 as well as a breakdown of the financial position, service level indicator performance, and the progress of the Corporate Strategy projects as of quarter three 2021/22.

Directorate overview

8. The directorate has been performing well over 2021/22, with over half (57%) of the Commercial and Property performance indicators performing on or above target for quarter three 2021/22. There are 45 business plan projects under the Commercial and Property directorate, of these projects 39 (81%) are rated green or completed, four (8%) have been put on hold and five (10%) are rated amber. Further details on the business plan progress can be found in the 'Business Plan Progress Update 2021/22' report to the Overview and Scrutiny Performance Panel.

Financial position 2021/22

9. The below table outlines the General Fund Revenue Budget monitoring provisional outturn 2021/22 for the Commercial and Property directorate:




Provisional Outturn 2021/22 – Commercial and Property	£
Original Cash Budget	1,011,130
Agreed changes	-23,010
Current cash budget	988,120
Provisional outturn	1,152,481
Variance	164,361

Variance	16.6%
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10. The biggest spend in this directorate is on staffing and premises which is partly supported by income generation in this directorate.
11. The original budget has reduced by £23k as at 31st December 2021 due to transfer of staffing budgets from Primrose Gardens Retirement Living to Housing Services and recharges to South Ribble Borough Council.
12. The outturn for Commercial and Property shows an overspend of £164k as at 31st December 2021 giving a 16.6% variance against the current budget. The overspend has been generated mainly due to reduction in car park income and reduced income from market rents due to Covid-19 restrictions during lockdown.

Performance indicators

13. A three colour symbol rating system is used for performance indicators to indicate status as shown in the table below:

	Performance is better than target		Worse than target but within threshold (5%)		Worse than target, outside threshold (5%)
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14. A summary of key performance information for each service within the Commercial and Property directorate over the year of 2021/22 is provided below:

Corporate Strategy indicators

15. There are no corporate strategy indicators allocated within this directorate.


Local indicators: Commercial and Property

16. The tables below outline the indicators performance for the Commercial and Asset directorate split between each service.

Development

17. There are no local performance indicators allocated within this service.

Property

Indicator	Polarity	Target	Performance (Q3 2021/22)	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%	95%		Better than Q3:2020/21 (92%)

Indicator	Polarity	Target	Performance (Q3 2021/22)	Symbol	Trend
% reactive repair jobs inspected post work completion	Bigger is better	30%	55%	★	Worse than Q3:2020/21 (60%)
% land ownership enquiries replied to within 3 working days	Bigger is better	99%	100%	★	Same as Q3:2020/21 (100%)
Average time to issue valuation letter to resident following request for low cost housing valuation	Smaller is better	15 Days	14.5 Days	★	Worse than Q3:2020/21 (0 Days)
Average time to issue offer letter to resident following request to purchase freehold reversion	Smaller is better	10 Days	22.6 Days	▲	Worse than Q3:2020/21 (1 Days)
% occupancy of fixed office voids in the Digital Office Park	Bigger is better	7.5%	97%	★	Better than Q3:2020/21 (40%)
% rent collected at the Digital Office Park from fixed offices	Bigger is better	97.5%	78%	▲	Better than Q3:2020/21 (72.53%)
% of voids on the Commercial Sites (excludes Market Walk, Market & DOP)	Smaller is better	7.5%	14.7%	▲	Worse than Q3:2020/21 (5.55%)
% of daily site inspections for new developments	Bigger is better	60%	69%	★	Data unavailable Q3:2020/21
% of PPM activities completed	Bigger is better	90%	88%	●	Data unavailable Q3:2020/21

18. The average time to issue offer letters to residents following request to purchase freehold reversion has increased when compared to the same time last year and is above the target of 10. This increase can be attributed to the impact on Covid-19 restrictions, and every effort is being made to conduct more site visits in a safe manner.
19. The percentage of rent collected at the Digital Office Park from fixed offices is below target in quarter three, however the trend has improved when compared to the previous quarter (60.31%). There are plans in place to contact tenants regarding rental arrears, as rents are still in arrears due to Covid restrictions and the non-collection of rent during this period.
20. The percentage of voids on the commercial sites is below target in quarter three, however the trend has shown improvement from the previous quarter (6.25%). These properties are being advertised and any leads of interest are being pursued. However, uptake has been slow due to the Christmas period and the impact of the Covid -19 pandemic.

Indicator	Polarity	Target	Performance (Q3 2021/22)	Symbol	Trend
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Market Walk Footfall	Bigger is better	2,695,058	1,169,625	▲	Better than Q3:2020/21 (453,320)
Town Centre Vacancy Rate	Smaller is better	8%	11.2%	▲	Worse than Q3:2020/21 (9.7%)
Community centres - percentage of occupancy	Bigger is better	51%	54.18%	★	Worse than Q3:2020/21 (60.12%)
% of voids on the Covered Market	Smaller is better	7.5%	9.8%	▲	Better than Q3:2020/21 (14.3%)
% of rent collected at the Covered Market	Bigger is better	97.5%	85.83%	▲	Worse than Q3:2020/21 (91%)
% voids on Market Walk	Smaller is better	7.5%	4.76%	★	Better than Q3:2020/21 (12.2%)
% rent collected at Market Walk	Bigger is better	97.5%	84%	▲	Better than Q3:2020/21 (63.6%)
Number of coach visits	Bigger is better	117	15	▲	Better than Q3:2020/21 (0)
Response rate for CCTV requests within average of 5 days	Smaller is better	5	2.76	★	Worse than Q3:2020/21 (1.64)
Combined car park ticket sales (including FOC)	Bigger is better	240,000	245,071	★	Better than Q3:2020/21 (215,751)

Markets and Town Centre:

21. The amount of people registered as footfall for Market Walk has been reported as under target in quarter three. These targets were established before the Covid-19 pandemic; therefore, it is expected that whilst we are not fully recovered from the pandemic these figures will remain below target, however they are steadily increasing. Government guidelines are being followed to ensure the town centre is safe and that customers feel safe to visit. There is also a marketing plan to promote the town centre, which aims to increase the amount of footfall.
22. The Town Centre vacancy rate has increased in quarter three and is performing below the target. To address the drop in performance, the Council will continue to promote Chorley as a good place to do business and continue investing in the Market/Market Walk. A review exercise has commenced to survey vacant units to determine ownership and length of vacancy. This will be completed in quarter four and will inform targeted measures to tackle vacancies going forward, with long term voids being targeted for acquisition.
23. The percentage of voids on the Covered Market is performing below target in quarter three, however performance has improved when compared to the same time last year. There is currently work being undertaken to create food and beverage seating areas where there were previously stalls. There are now an additional 2 vacant cabins meaning

a total of 5 vacant overall, this is due to 1 trader retiring and 1 trader ceasing trade. The deadline for more applications is the end of January and temporary lets on the voids will be considered whilst the recruitment process is ongoing.

24. The figures for the percentage of rent collected at the Covered Market is below target in quarter three. The moratorium on eviction action for the non-payment of rent, which resulted in some tenants electing not to pay rent will come to an end in March 2022. In addition to this, trade has been slow to recover, and shoppers' habits are changing as a result of the pandemic. The Council will follow arrears process as set out in the market regulations and will also offer opportunities for advice, guidance and financial support. As government advice changes, any new measures recommended to keep staff, traders and shoppers safe will be introduced.
25. The percentage of rent collected at Market Walk is performing below target, however trend has improved significantly when compared to the same time last year. As previously mentioned, the Council will follow arrears and debt collection processes, once government advise on the moratorium on eviction action for the non-payment of rent comes to an end in March 2022.
26. The number of coach visits are below target in quarter three. This is thought to be because of Covid and the changing restrictions making it difficult for companies to operate as they did before the pandemic. Coaches are slowly coming back as restrictions are gradually coming to an end. The Council will be reaching out to coach companies to promote and raise awareness of services such as meet and greets, free parking and food vouchers for coach drivers to encourage them back to Chorley.

Accommodation:

Indicator	Polarity	Target	Performance (Q3 2021/22)	Symbol	Trend
% rent collected at Cotswold Supported Housing	Bigger is better	98.52%	77.85%	▲	Worse than Q3:2020/21 (100%)
% voids Cotswold House	Smaller is better	20%	1.46%	★	Better than Q3:2020/21 (22.45%)
% rent collected at Primrose Gardens	Bigger is better	98%	100%	★	Better than Q3:2020/21 (95.29%)
% voids at Primrose Gardens	Smaller is better	20%	0.18%	★	Worse than Q3:2020/21 (9.51%)
Cotswold conference facilities - percentage of bookings	Bigger is better	50%	0%	▲	Same as Q3:2020/21 (0%)
Primrose conference facilities - percentage of bookings	Bigger is better	50%	5.53%	▲	Better than Q3:2020/21 (0%)
Percentage of voids at Primrose turned around within 14 days	Bigger is better	95%	100%	★	Better than Q3:2020/21 (75%)
% rent collected in rented Housing	Bigger is better	98%	99.18%	★	Data unavailable Q3:2020/21
% voids in rented housing	Smaller is better	20%	0.14%	★	Data unavailable Q3:2020/21
Percentage of voids in rented Housing turned around within 14 days	Bigger is better	90%	100%	★	Data unavailable Q3:2020/21

27. The percentage of rent collected at Cotswold Supported Housing is performing below target in quarter three. The reduction in rent collected can be attributed to delays in receiving payments from Housing Benefit. Support is being offered to tenants to complete the necessary applications to the Housing Benefit service, once processed these payments should be backdated.
28. The percentage of bookings for the Cotswold Conference facilities remains at 0%. The facilities have not been in use in quarter three; as the pandemic restrictions begin to be fully lifted it is expected that there will be an increase in booking uptake. Plans will be put in place in quarter four to contact the groups that have previously used the facilities to encourage more bookings.
29. The percentage of bookings at the Primrose conference facilities has risen from the same time last year, however is performing below target in quarter three. The conference facilities had extended periods of closure due to the pandemic restrictions and since being reopened the groups that used the facilities have slowly returned. As the restriction continue to be lifted and public confidence returns it is expected that there will be an increase in the number of booking received.

Projects

30. Under the Commercial and Property directorate there are a total of four Corporate Strategy projects, with three rated as green for quarter three 2021/22. These include:

- Deliver the employment land at Alker Lane
- Deliver improvements to the Town Centre
- Bring forward site at Bengal Street

31. There is one project is rated amber for quarter three 2021/22 as below:

- Deliver the extra care scheme and community facilities at Tatton

Corporate Strategy projects

32. In the table below, an update on the current Corporate Strategy project position for each corporate project under Commercial and Property can be found below:

Project	Rating (Q3 2022/23)	Update (Q3 2022/23)
Deliver the employment land at Alker Lane	Green	<ul style="list-style-type: none"> • The site at Alker Lane and its development will continue as part of the Corporate Strategy for 2022/23. • The project has focused predominately on the early preparatory and initial construction works over 2021/22, which will be key in the progress of the development going forward.
Deliver improvements to the town centre	Green	<ul style="list-style-type: none"> • This project will continue into 2022/23 as part of the projects under the new Corporate Strategy, with focus on supporting independent traders and promoting more visitors and customers to the town centre. • Over 2021/22, this project has delivered a number of improvements works. This includes the renovation of the covered market, which now features new toilets, signage, and exterior canopy's and paintwork, as well as the demolition of the former bingo hall in preparation of the site's future development.
Bring forward site at Bengal Street	Green	<ul style="list-style-type: none"> • The project to bring forward the site at Bengal Street will be completed in quarter four. • This project has produced options and costings for the potential future development of the site off Bengal Street, which currently hosts the Streetscene Depot.
Deliver the extra care scheme and community facilities at Tatton	Amber	<ul style="list-style-type: none"> • The delivery of Tatton Gardens will continue as part of the Corporate Strategy projects for 2022/23. • Over 2021/22, key structural works have been undertaken that will be critical in progressing the project going into the next corporate year. This includes the clearing of the former bus depot site on Eaves Lane as well as building works such as the preparation of foundations, erection of steelwork, and instillation of the brickwork, roofing, and cladding.

33. As part of the Corporate Strategy 2021/22 to 2023/24, the following projects have been proposed for future delivery. These projects will fall under the Commercial and Property directorate and were presented to Council in November 2021:

Project	Proposed Scope (2022/23)
Complete the town centre projects including market renovations	Review the 2020 town centre survey and develop a list of properties for targeting landlord improvements to provide an attractive and vibrant town centre delivered through improvement works.
Deliver Strawberry Meadows employment site	Completion of the Strawberry Meadows development and market the units on site.
Open the Tatton Gardens Extra Care development and community facilities	<p>This 2022/23 project will deliver the completion and opening of the Tatton Gardens development.</p> <ul style="list-style-type: none"> • To complete the development of a new GP surgery, retail unit, 62 assisted living apartments, community café, community facilities and a nursery • To upgrade the recreation ground • Report on the social value opportunities delivered as part of the development phase • Report on the installation of renewable technologies • To market the development.

Climate change and air quality

34. The work noted in this report impacts the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations and measures are applied to development projects.

Equality and diversity

35. The material presented and discussed in this report has no direct implications on equality or diversity.

Risk

36. There are service level risk registers contained with the GRACE risk management system recording risk for the directorate. These are regularly monitored through Directorate Management Team, where risks are discussed, reviewed, and updated according to service needs and the current risk context.

Comments of the Statutory Finance Officer

37. Any financial implications from performance in 2021/22 has been captured in the budget monitoring process. The 2022/23 budget will include the necessary resources to deliver the proposed projects as outlined in the report.

Comments of the Monitoring Officer

38. This is a comprehensive report that covers the work of the Commercial and Property Directorate. The report is for noting and discussion. There are no legal implications for this report.

Background documents

39. The following documents are key background items for this report:

- Business Plan Progress Update 2021/22
- Quarter Three Performance Monitoring Report 2021/22
- Revenue and Capital Budget Monitoring

Appendices

40. There are no appendices that accompany this report.

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