# Corporate Property Services

# Pre Business Plan Review

# 2007/2008

# Pre Business Plan Review 2007 / 2008

v.3a (20/10/06)

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| Business Unit: | Corporate Property Services |
| Budget Holder: | Dinesh Kotecha |
| Directorate: | Finance |

This Pre-Business Plan Review template has three main sections:

## Section A:
Sets out progress against current year's objectives, performance targets and budget

## Section B:
Identifies the factors that will affect the work of your business unit in the next four years

## Section C:
Sets out proposals for the years ahead

There are 3 appendices which need to be completed in addition to this form:

## Appendix 1
Lists business unit relevant performance indicators, floor targets, year to date and end year projected performance against targets and action to be taken to deal with under-performance.
(Compiled by Improvement & Performance, completed by Business Unit)

## Appendix 2
Value for Money profile – (Compiled by Audit Commission) for reference in completing section 4.

## Appendix 3
a)Analysis of expenditure against budget and Grants
b)Revenue savings targets– (Compiled by Corporate Finance)

## Appendix 4
Capital Programme Application Form and Explanatory & Guidance Notes – (2 additional documents compiled by Strategy Section, Corporate Finance, to be completed if relevant, in conjunction with section 12 of PBPR)

# SECTION A – Where is the Business Unit now?

## 1. Vision

To be a high performing, customer focussed service organisation, leading and working with a range of internal and external partners to transform Haringey's property assets. To ensure that the Council's resources are fully aligned with the Community Strategy and support our strategic aims and service priorities. Drive up the efficiency and performance of our assets so that they are safe, efficient and fit for purpose.

Our aspiration is to become an employer of choice so that we can attract, develop and retain highly motivated and enthusiastic people to help us achieve an agile business unit. To have high performing teams capable of meeting the challenges of an ambitious Council.

## 2. Objectives (Current Year)

In the following table set out progress against current year objectives and identify any areas of work that will need to be carried forward to the next financial year.

| Objectives | Progress to far | Progress at end of year | Areas of work to carry forward |
|---|---|---|---|
| **Corporate Asset Management Planning**<br><br>Compliance with statutory and legislative requirements – ensure that the Council has strategies and plans to comply with all requirements as an owner and user of property e.g. DDA and Health and Safety | DDA – majority completed to date.<br><br>H&S – Admin buildings being advanced | All completed<br>Admin buildings – 90% completed. Capital bid for final phase 4.<br><br>Strategy for new "CMP" buildings developed and initiate action plan. | Keep buildings under review. Additional resources may be required in future years.<br><br>Progress the development and implementation for the CMP buildings over a phased, 2 year period |

# Pre Business Plan Review Template

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| Maximise the Council's CPA score for 2006 by demonstrating effective use of resources in relation to the management of the asset base. | Revised reporting (Assets Strategy Board) structure ensuring better co-ordination | Processes embedded | n/a |
| | Positively address action from the self-assessment carried out for the "Use of Resources" action plan | Actions completed in accordance with the AMP action plan | Continue to embed the principles of Asset Management Planning across the Council |
| | Development work on PI's | New PI's addressing Govt. requirements. | Further development of PI's and management information |
| | AMP for 2006. Following on an action plan is being developed to review and challenge performance/use and management of properties | Action Plan progress reviewed with Asset Strategy Board and Lead Member for Finance | Revised AMP in context of the new Community Strategy. |
| | Report on repair and maintenance backlog of all buildings falling under the CMP umbrella presented to Members | n/a | (see section on Customer Services and Professional Support) |

**Customer Services and Professional Support**

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| Property Helpdesk – extend and develop to improve communications and service for all building users. Engage with service users to receive feedback on needs and satisfaction levels in support of service planning. | Helpdesk implemented with success. Excellent feedback from users.<br><br>Survey done of client services satisfaction of Twilleys. Excellent feedback. | Expand the Helpdesk function into other areas of property<br><br>Review of invoicing process to be reviewed and implemented | Continue the development and incorporate the condition surveys and planned maintenance function<br><br>None |
| Development of property management information systems to support asset management across the Council. | Progress in the area of Commercial income and CMP – maintenance and Helpdesk. | Continue to develop within these 2 areas in particular – enhance current debt management process and expand planned maintenance processes | On going development |
| Strengthen working links with the Voluntary Sector Team and Community Sector. | Service has worked closely with the voluntary sector team on the community buildings review. Specific work done with the Voluntary Sector on HTH and TTH | | Develop structured approach to work with the community sector in the context of the new Community strategy via the Assets Strategy Board |

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| **Strategic Portfolio Reviews**<br><br>Commercial Portfolio - to review portfolio objectives and improve performance. | Portfolio review underway | Project review completed – clarity about purpose of portfolio and future management of properties | Implementation of actions resulting from review |
| Community Buildings portfolio – to improve management of the current portfolio and identify future need in accordance with the Community Strategy. | Portfolio review underway | Project completed – clarity about purpose of portfolio and future management of properties | Implementation of actions resulting from review |
| Accommodation portfolio – strategic long term review of future requirements and deployment. | Assessment of shortfall in accommodation carried out. However new requirements emerge continuously | Proposals for meeting gap completed | Need to complete new Accommodation Plan and identify resources to action. |
| **Key corporate and community projects**<br><br>Corporate Management of Property – assume responsibility for managing service properties based on corporate service level agreements for the deployment, maintenance and management of accommodation with service directorates assume responsibility. | Executive approval to proceed (Sept 06) and transfer operational properties to CPS with effect from 07/08 | Conclude detailed plans through to year end and initiate. | Implement 2 yr plan starting April 2007 |
| SMART Working – align the Accommodation Strategy to transform the Workplace by creating more modern, accessible and flexible working environments. | Implemented in RPH.<br>Alex House underway.<br>Cumberland Rd being considered | RPH completed<br>Alex House ½ done | Alex House completed – future plans for other buildings to be formulated |

| | | | |
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| Community Projects – Establish a more proactive approach to supporting projects including Hornsey Town Hall. | Work with and in support of HTH Community Partnership Board<br><br>TTH - bids for the selection of private partners being assessed | Future arrangements for HTH agreed<br><br>On-going involvement and consideration of use and negotiation, regarding the future management arrangements, including the relationship with CONEL | Define Council's future relationship with the managing Trust.<br><br>Determine the future relationship with managing body |
| **Service & Financial Targets**<br><br>To further develop and occupy the Wood Green administrative hub. | Full occupation of RPH Better use of Alex House | Other buildings to be identified | Continue to action the improved use of buildings |
| Achieve £4 m net usable capital receipts in 2006/2007 | On target | Achieved by year end | N/a |
| Decant and dispose of surplus sites – e.g. Hatherley Gardens. | Hatherley Gardens sold. 72 Stroud Green Road sold | HALS annexe on market | Disposals programme will continue year on year |
| Refurbish retained premises e.g. Alexandra House | Refurbishment started in Alex House | Alex House part completed.<br>Consider other buildings, such as 48 Station Rd | Finalise Alex House in 2007/08 |
| Manage revenue debt for the commercial portfolio | Systems in need of further development | Manhattan debt recovery module fully operational and integrated with existing debt management procedures | Improve on targets to reduce debt generally and specifically address the long term debt issue.. |

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| **Organisational Development and Capacity Building**<br><br>Review of management and team structure and resources to provide effective service delivery and the transfer of management of premises to a corporate responsibility. | Re-organisation in progressing with new posts established. Corporate Management of Property actioned. Good progress made with introduction of the new "Helpdesk" function | Establish new posts to manage planned maintenance and build capacity | On going planned maintenance and consolidation of CMP |
| Recruitment campaign to address long term resource gaps based on a review of functions and priorities. | Key posts advertised. Partial success. | Anticipate established posts filled and agency staff progressively replaced with permanent staff this financial year, subject to recruitment issues discussed in section 9 | Maybe a need to review grades / salaries of some key posts |
| Complete database development of Manhattan system within Corporate Property Services with a specific focus on the FM function, Property Helpdesk and non-financial Commercial information. | System developed for Commercial rent income and FM maintenance issues | Need to develop as a matter of urgency the debt management processes | Further modules to be developed to encompass other functions of the service. Resource implications for managing these complex implementation projects. |

## 3. Performance

Please complete Appendix 1.

For all indicators where performance against target or threshold is at risk set out: details in the table below

| Ref | Description | 2006/07 target / threshold | 2006/07 performance Apr-Aug | 2006/07 projection | Proposed remedial action to achieve target |
|---|---|---|---|---|---|
| | None at risk – see Appendix 1 | | | | |

## 4. Value for Money (Cost, Performance, Perception)

Heads of Service previously completed a Value for Money pro-forma which includes unit costs, comparative data and/or other value for money information that helps to demonstrate value for money for the service. Also refer to Appendix 2 –the Audit Commission Value for Money profile.

No VFM previously completed for this Service –

**Value for Money**

**1.** Internally monitored Performance Information currently compiled includes:-

- Letting performance of the commercial portfolio / billing and income performance
- Turnround time for RTB valuations
- Speed of processing PSL handbacks
- FM – maintenance of buildings performance
- Accommodation space standards performance

. We are currently participating in the London ACES benchmarking exercise.

Results from this are expected in early December.

This will provide comparative information on the following areas of activity:-

Service costs and productivity

Business costs and charges

Commercial portfolio performance and debt management

Asset values and performance

The new National PI's relating to:-

- Building usage and efficiency
- Energy performance
- Suitability
- Accessibility

## 5. Finance

5.1 Spend against Budget

Appendix 3 shows an analysis of the cost of your service. Where there are over-spends or under-spends either as at end of August or at projected year-end, please list reasons and proposed remedial action.

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| Projected variation of £400k in Commercial Section, shortfall in rental income. | The income shortfall within this financial year is due to an abnormally high vacancy level at Technopark and a general underperformance in the Industrial Portfolio. First quarter results are tracking below budget, however it is typical that this portfolio will outperform towards year end as back dated reviews and new leases take effect. A review of the Technopark, specific action on outstanding rent reviews and the underlying strength of the portfolio means that although there is likely to be a shortfall within the 2006/7 financial year this is not expected to carry forward into future years. |

5.2 Impact of Previous Years' Investment (New Table)

(List investment received over past 2 years per area/service and demonstrate how this has led to improved service performance/outputs/outcomes)

| **Area/Service** | **2004/05 £'000** | **2005/06 £'000** | **Planned impact** | **Actual impact** |
|---|---|---|---|---|
| None | | | | |
| | | | | |

5.3 Agreed **Cashable** efficiency savings 2006/07 to 2008/09 (Please set out progress on savings already agreed over the next 3 years in addition to Savings & Investments already agreed. Where savings have not been achieved state the reasons.)

| **Details of efficiency** | **2006/07 over 2005/06 £'000** | **2007/08 over 2006/07 £'000** | **2008/09 over 2007/08 £'000** | **Progress** |
|---|---|---|---|---|
| 40 Cumberland Road – Rent review reductions | | 45 | | Achieved – new rent agreed at £318900 from £365000 |
| 48 Station Road – Rent Review Reductions | 25 | 25 | | Achieved – new rent agreed at £350000 from £430000 |
| Hornsey Town Hall – Operational staff reductions | | 106<br>-42 | | Staff reduction savings were programmed to coincide with the disposal of the Town Hall under the Accommodation Strategy. As the disposal has now moved back to 2009/10 some staff savings will not be made until then (£42k now shown in section13 as a new revenue saving in 2009/10) |
| Tottenham Town Hall – Operational staff reductions | | 18 | | On target |
| Review of Commercial Portfolio and implementation of Manhattan with improved efficiency specifically relating to debt management | | 95 | 150 | Planned program to catch up on back rent reviews, reduce voids and provide income growth which, in line with more efficient working practices specifically through the use of Manhattan functionality, should enable these targets to be met. |
| Appeals against Rateable values following publication of 2005 rating list. | | | 100 | Negotiations with external consultants in progress and provisional appeal dates agreed with Valuation Office. |

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| Reductions in NNDR from outstanding appeals on 2000 rating list | 20 | | | Achieved |
| Increase in Commercial rent Income – Industrial & Commercial portfolio. | 30 | | | Will not achieve (already included within Section 5.1) |
| Rent savings on lease expiry of 72 Lawrence Road | 70 | | | Achieved – building handed back to landlord September 2004 |
| Rent savings on lease expiry of 87 Muswell Hill Broadway | 45 | | | Achieved – building handed back to landlord |
| Increase in Commercial Rent income - Technopark | 25 | | | Will not achieve |
| **Total Achieved** | 160 | 297 | 200 | |
| **Total Not Achieved** | 55 | 42 | | |
| **Grand Total** | 215 | 339 | 200 | |

5.4 Agreed **Non-cashable** efficiency savings 2006/07 to 2008/09

(Please set out progress on savings already agreed over the next 3 years. Where savings have not been achieved state the reasons.)

| Details of efficiency | 2006/07 over 2005/06 £'000 | 2007/08 over 2006/07 £'000 | 2008/09 over 2007/08 £'000 | Progress |
|---|---|---|---|---|
| **Car user & travel allowances** 200 staff moved into RPH from outside Wood Green so removing the need to travel to meetings in Wood Green for the staff involved | To be Assessed | 0 | 0 | Relocations of 200 staff to Wood Green are now substantially complete and travel savings should now be apparent within Services. Potential cashable savings on Car Allowances may also be present within relocated Directorate budgets. |
| **Disposals Policy** Improved process and better decision making. Agree to private sales of sites if Residential Social Landlord's do not perform. - Expedites capital receipts obtained, but likely to reduce social housing provision | 0 | 0 | 0 | The effect of the reduction in social housing provision brought about by this proposal is not acceptable to Housing/Social Services and therefore there is no progress to date and no progress expected in the foreseeable future without a change in their approach. |
| **Business re-engineering** More efficient working may produce staff savings and/or greater productivity | 0 | 1 | To be Assessed | Processes and procedures across the business unit are being reviewed as part of a continuing improvement assessment. Two processes relating to enfranchisement and disbursements within Valuation and Development team have been re-engineered to shorten the overall process time freeing up time resource. |
| **Total** | | | | |

5.5 Pre-Agreed Revenue Investment Proposals (growth bids).

(Please comment on progress on use of investments previously agreed)

| Details of Investment | 2006/07 over 2005/06 £'000 | 2007/08 over 2006/07 £'000 | 2008/09 over 2007/08 £'000 | Progress |
|---|---|---|---|---|
| None | | | | |
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## 6. Risk Management

*6.1* You will already be monitoring risks through your risk register. Please set out any issues or key risks that might impact on your service in the coming year.

| Risk Identified | *Inherent Risk* | | Controls | Residual Risk | | Further Action |
|---|---|---|---|---|---|---|
| | Impact | L.hood | | Impact | L.hood | |
| **Failure to adequately manage asset base.** | **7** | **1** | • AMP<br>• Development of Corporate Management of Property<br>• Resources and structures being addressed | **3** | **2** | Implementation plan being developed following approval of CMP<br>Will require additional resources |

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| **Council's Accommodation Strategy is not completed on time.** | **3** | **7** | • Ensuring that resources are made available and tight controls are in place to track progress. | **3** | **7** | Staff numbers continue to expand. Impacts upon the strategy and need for additional accommodation |
| **Strategic Sites fail to progress to development stage.** | **9** | **7** | • Corporate programme management system with clear responsibility for sites. Regeneration lead on cross service liaison meetings, were appropriate.<br>• Review of resources and project deliverables | **7** | **5** | Number and scale of projects proposed by Regeneration causing pressure on our existing resources. Need to agree priorities with Regeneration |
| **Failure to develop Manhattan as a corporate property IT system.** | **5** | **3** | • Project team continues to develop and progress | **4** | **2** | Need to identify staff time and resources to ensure that this long term project progresses at a the expected pace |

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| **Loss of key staff members** | **5** | **7** | • Advertise and appoint to the vacant posts. Develop recruitment campaign with Personnel to address recruitment issues.<br>• Use temporary/agency staff in the short term;<br>• Monitoring % of staff leaving within the first 12 months of commencing employment;<br>• Develop a promotional programme that will aim to improve the Service's image as an employer of choice; and<br>• Monitoring staff employment through the People Plan. | **3** | **3** | 3 key posts have recently become vacant and there is a need to address scarcity of qualified staff and address recruitment problems in general, following only partial success in a recent advertising. |

SECTION B

# What will affect the work of your Business Unit in the next four years?

7. Legislative regulatory, national policy changes or other external pressures including demographic changes

**New Fire Safety Law – Regulatory Reform (Fire safety)** comes into effect October 2006. This makes significant changes to fire safety legislation and requires a new role of "Responsible Person", improved fire safety management systems need to be developed.
**Energy Performance of Buildings Directive** – There will be a greater emphasis on the requirement for energy management and the certification of buildings. This will impact on new build and refurbishment works to meet the new building regulations
**Energy Assessment for residential dwellings –** likely to affect RTB valuations process – being introduced June 2007.
**Treasury Policy** – Intension to reduce the public estate, which will impact on the disposals programme
**Community Buildings –** proposal for there to be a RTB type process for these buildings

8. Customer Focus

| Customer type | Current assessment of perceptions | Proposed actions to improve perceptions to an acceptable level |
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| Building users | The introduction of the building faults "Helpdesk" has improved the process for reporting and recent surveys have indicated a very favourable response. | Continued monitoring of this 'closed-loop' system will enable performance monitoring and work completion assessment. |

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| Training of staff to manage customer needs and expectations | Current unknown. Initiate to address this to be discussed with OD&L | Need to review and assess current skills of staff. Need to address skills gap. See Smart working – item 5 below |

## 9. SMART Working

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| **People**<br><br>Set out progress against your People Plan objectives and identify 3 key areas of work for 07/08. | There are 5 key themes that require priority action for the rest of this year into the forthcoming year<br><br>Key areas for continued work into 2007/08<br><br>**Recruitment**<br>Recruitment to key posts within the Business Unit continues to be an issue. Recent recruitment process only partially successful. Need to reconsider approach and review remuneration.<br>Develop and offer flexible working options within the recruitment and retention package to attract staff unable to work to the conventional 9-5 regime.<br><br>**Re-organisation and use of resources**<br><br>New structure now agreed and recruitment to new/vacant posts in progress. Continue to progress the re-organisation of the Service and consolidate structures to accommodate, in particular the Corporate Management of Property and the evolving higher profile corporate role.<br><br>**Change Management**<br><br>In the area of FM, in particular, need to work with OD&L to ensure a smooth transition from old to new working practices.<br>Considerable change in roles and working methods due to the Corporate Management of Property |

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| | **IIP assessment / analysis –** From the analysis of the recent survey there needs to be a review of our induction process / managing people in new roles needs to be reviewed and monitored into the future. (Currently Service assessed as Amber).<br><br>**Customer Focus –** Develop a training programme, with OD&L, to address issues relating to customer focus e.g customer needs, expectations and approach. Improve communication and access to information. |
| **Work methods and Technology**<br>Identify any key IT projects for the coming year so that the impact of these projects can be assessed.<br>*Impact includes any requirement for IT resource such as new or changes to existing software, any systems requiring upgrades, accommodation moves, changes to operating hours. Your IT Business Partner will work with you to assess this impact and provide budgetary estimates.* | Continued development of Manhattan but no specific impacts that have not already been actioned or catered for. |
| **Workplace**<br>Identify any accommodation issues. | The Asset Management Group and Business Support Team are moving from level 1 to level 5 in 2007. This will provide the opportunity to co-locate with other parts of the Service. |

# SECTION C

# Proposals for the year ahead

10. New objectives for the next financial year- these need to be specific and relate to service improvements.
(Please also refer to Section A, Box 2 for areas to be carried forward and section B in completing this table.)

| Number | Objective | Why is this important? | Key activities | Dependencies and joint working |
|---|---|---|---|---|
| **Corporate Asset Management Planning** | | | | |
| 1 | Implementation of an updated accommodation plan. | By achieving the agreed accommodation strategy, which includes building vacations and disposals, we contribute to the overall efficiency of the Council's administration and create additional capital income. | Carry out an updated assessment of demand and capacity.<br><br>Relocate all groups from buildings targeted for disposal.<br><br>Dispose/redevelop the use of surplus property | Dependencies and joint working with non-Council groups; e.g. Age Concern and Citizens Advice Bureau.<br><br>Identifying viable external purchasers |
| 2 | Drive the flexible working opportunities that the new office layout format allows. | To both improve working arrangements and make best use of accommodation. | Prepare booklet and 'market' the approach to Business Units.<br>Identify and assist in the implementation of 'pilots' – including Corporate Property Services | Sign up to the principles by Management Board. |

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| 4 | Incorporate 'new' buildings from the Corporate Management of Property process into the accommodation strategy and plan. | To make the most effective use of all corporate property. | Data gathering of the current use of new buildings.<br><br>Drawing up of an accommodation strategy that includes the 'new' buildings. | Co-operation of managers in buildings being transferred to CMP |
| | Assume full responsibility for the Corporate Management of Property including:-<br>- Libraries<br>- Social Services<br>- Environment<br>Childrens' Homes | The Corporate Management of Property will improve the management of property and safeguard the assets for the Council for the future | Developing 'skills capacity' | HR |
| | | | Working with and engaging stakeholders during the transition process. | OD&L / Stakeholders |
| | | | Development of FM term contracts. | CPU/CPG |
| | | | Launch an agreed 'Landlord and Tenant Handbook' | |
| | | | Establish a CMP User Forum | |
| | | | Development of enhanced processes using "Manhattan" | IT/Consultants |

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| **Customer Services and Professional Support** | | | | |
| 5 | "Electronic Room Booking" system | To ensure an effective and professional system for service users | Install software / train staff / change management issues | IT |
| 6 | Further develop the Helpdesk and expand the scope to include, for example, external customers such as commercial portfolio tenants. | To provide an efficient and comprehensive service to our customers | Invest further time in developing Manhattan to cope with the demands of our system.<br><br>Confirm the key information relating to our external tenants and build into the Helpdesk function | IT / Consultants<br><br>Commercial Team providing tenancy information<br><br>Sufficient funding available to invest in the software development |
| **Organisational Development and Capacity Building** | | | | |
| 7 | Direct Service towards a more commercial approach to business activities | To maximise/optimise the best use of resources | Develop more robust property information. Better accountability of our time and have improved resource management controls | IT / Finance (accountancy) |

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| | Establish trainee Valuer posts and contribute to addressing career opportunities in the Service<br><br>Further improve career opportunities by encouraging interchange between disciplines | Help to provide a career path for staff and exploit peoples' skills | Discuss issues with HR<br><br>Make contact to education establishments | HR |
| 9 | Develop information systems that provide high-level information for senior staff across the Council. e.g. "Dashboard Type" performance information | Need to present complex data in a meaningful manner to help better informed decision making | Identify needs/expectations of services<br><br>Develop software | IT<br><br>Gathering of key data |
| 10 | Develop programme and project management skills | To ensure that all project based work is controlled, monitored and reported in a consistent and structured way. | Training / briefing in programming / project management methods e.g. Prince II. | OD&L |
| 11 | Introduce workload monitoring systems | To ensure that work is done efficiently and within acceptable timescales | Consider IT requirements<br>Review working methods | IT<br>Finance / Accountants |

1. Capital Investment Proposals

| Proposed investment (description of scheme/ programme line) | Capital sought from Council resources | | | Council contribution as a % of overall capital cost | Impact of bid being unsuccessful |
|---|---|---|---|---|---|
| | 2007/08 £ | 2008/09 £ | 2009/10 £ | | |
| Roof repairs – Broadway Annexe, Crouch End N8 | 60 | | | 100 | Will lead to further damage to internal fabric inevitably resulting in building becoming unfit for purpose with Health and Safety implications. Neglect will result in greater costs later. |
| Roof repairs – 639 High Rd N17 | 150 | | | 100 | Will lead to further damage to internal fabric inevitably resulting in building becoming unfit for purpose with Health and Safety implications. Neglect will result in greater costs later. |
| Windows refurbishment – 684 High Rd N17 | 60 | | | 100 | Will lead to further damage to internal fabric inevitably resulting in building becoming unfit for purpose with Health and Safety implications. Neglect will result in greater costs later. |
| Roof repairs to Unit 5 St Georges Industrial Estate N22 | 250 | | | 100 | Will lead to further damage to internal fabric inevitably resulting in building becoming unfit for purpose with Health and Safety implications. Neglect will result in greater costs later. There is a legal obligation to do this work under the terms of the lease. |
| Essential Non-compliance of buildings issues – Electrical, asbestos, water and fire.(Critical "must-do" items) | 750 | 750 | 500 | 100 | Failure to underpin systematic management through planned maintenance will expose the Council to potential legal processes from the H&S Executive for example. This capital spend is to take account of works for buildings being transferred to the Service as part of the Corporate Management of Property. |

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| nstall energy contr systems to the main administration buildings portfolio | 100 | | | 100 | This is an invest to save item. – we will waste energy and therefore revenue and also not contribute to our "Green Council" commitment |
| DDA (Disability Discrimination Act) adaptations Phase 4 | 120 | | | 100 | Essential work to conclude the DDA programme of adaptations. |
| Flexible working initiative | 100 | | | 100 | Invest to save item. Will reduce admin accommodation costs by achieving more intense use of space |
| Internal layout modifications and improved ventilation system - 40 Cumberland Road N22 – | 831 | | | 100 | Invest to save item. To follow the principles of corporate space standards, applied in RPH and Alex. House and achieve more intense use of space. |
| Relocation of Council Staff from Broadway Annexe and Weston Park Annexe to enable the redevelopment of the Hornsey Town Hall site | 200 | 300 | 400 | 100 | For the Hornsey Town Hall Development to proceed these buildings on site needs to be vacated and sold |

## 2. New Revenue Investment Proposals (growth bids).

This proposal must include any additional revenue implications arising from any capital proposals in Table 11.

| Proposed investment | How does this support Council Priority | Justification (linked to PBPR Section A & B) | 07/08 over 06/07 £'000 | 08/09 over 07/08 £'000 | 09/10 over 08/09 £'000 | 10/11 over 09/10 £'000 | Staff affected | Posts affected | Dependencies/ impact |
|---|---|---|---|---|---|---|---|---|---|
| *(a)* ***Key service priority investments*** | | | | | | | | | |
| Review and Management of the Community Buildings portfolio. | By maintaining and enhancing the Property support infrastructure we ensure that front line services have properties fit for purpose which underpins their ability to comply with the Councils key priorities | This part of the portfolio is in need of urgent review as, for example, the R&M responsibilities are ambiguous and can negatively impact on Council resources. | | | | | | | The community buildings portfolio is currently unstaffed and in need of urgent review. Management of this portfolio is complicated due to the lack of financial capacity and property knowledge of the tenants and the sensitive nature of the services provided form these facilities. The council potentially has a massive unfunded liability stemming from lack of maintenance, arrears, misuse and H&S incidents. Proactive management of theses assets will minimise this liability and generate increased rent from reviews and renewals to market. We require a new post of Community Buildings Manager to manage the portfolio and educate tenants in new Fire & H&S Environment legislation requirements . Updated condition reports are also required of the buildings and although the cost of most works will be payable by tenants, they may not have adequate funds or expertise to do so and responsibility may fall to the council. |
| Review | | | 30 | -30 | 0 | 0 | | | |
| Portfolio Manager | | | 50 | 0 | 0 | 0 | 1 | 1 | |
| Savings | | | 0 | -20 | 0 | 0 | | | |
| Cond. Reports | | | 65 | -50 | 0 | 0 | | | |
| Works | | | 75 | -25 | -25 | 0 | | | |
| TOTAL | | | 220 | -125 | -25 | 0 | 1 | 1 | |
| Manhattan | As above | To assist in | 100 | -50 | 0 | 0 | 1 | 1 | Phase 2 of the Commercial Manhattan |

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| System developments | | the development of robust property information which will support decision making in ensuring efficient use of assets. | | | | | | | Implementation to provide resources for data input from lease files. Provision of reports and independent reporting capability. Ongoing development of the system to enhance security functions and enable access from stakeholders. |
| Registration of unregistered land | As above | This will dramatically simplify the processing of property transactions by having current accurate records of land ownership. | 35 | -35 | 0 | 0 | I | 0 | Statutory requirement to register all unregistered land by 2012. One additional person for one year to work with the Land registry and GIS.<br>The Land Registry have been in discussions with us and intend to use us as a "pilot" undertaking most the work at there expense.<br>If we take up their offer and support at this early stage their charges for their part of the process will be c**£5k**. If left until nearer the 2012 deadline, the cost will be c **£300k.**<br>Additionally this mandatory process will simplify property enquiries and process simply the legal work when a property transaction is required.<br>It will also ensure that the Council's ownership is formally recorded through the Land Registry and safeguarded in perpetuity. |
| Commercial Property Compliance | As above | Mandatory changes in responsibility in relation to fire regulations etc. as per | 50 | -40 | 0 | 0 | I p/t | I p/t | There is a pressing need to educate the commercial team of new Fire and H&S Environment legislation. Updated condition reports are required of the council's commercial estates and funds need to be allocated to undertake |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | works identified. (Most works will be recoverable under services charges). Cost of reports and additional staff required to implement and setup the monitoring system. |
| Valuation software | As above | Will ensure that full Valuation information relating to various asset reuse options is readily available to support the drive towards a more efficient and business like approach | 20 | -17 | 0 | 0 | 0 | 0 | Valuation software is critical for Service delivery and providing quality advice. It will also support valuations undertaken for accounting purposes and help satisfy statutory obligations for such work as disposal projects. New software will offer a proper investment valuation process and provide analysis. For example, a discounted cash flow would help provide performance indicators such as internal rate of returns, which in turn would assist in the review of the non-operational portfolio. Valuations can be analysed on a sector by sector basis as well as comparing properties within each sector. An assessment could also be made whether a property(s) represents financial return/value for money etc. Residual valuation software would also be beneficial. |
| (b) ***Unavoidable cost pressure (price above inflation, demand above plans—evidence required)*** | | | | | | | | | |
| | | | | | | | | | |
| (c) ***Revenue Implications of capital bids (table 12)*** | | | | | | | | | |
| Relocation of Staff from Broadway Annex / Western Park Annexe | As above | Rental of additional space to allow staff relocations to free up buildings | 80 | | | | 0 | 0 | Development proposals do not proceed as a suitable partner is not found to realise the Hornsey Town Hall Development.<br>Suitable alternative accommodation is not available. |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | targeted for disposal under the Hornsey Town Hall Development | | | | | | | |

## 13. New cashable efficiency savings

Insert proposed efficiency savings, giving an outline of the proposed saving, the impact that this saving will have on performance (if any), the value of the saving in 2007/08 to 20010/11, the number of staff who would be made redundant and the number of posts which would be deleted. This is additional to the already agreed efficiency savings set out in the table 5.3. The total across the four years should agree to the total target savings.

| Proposed efficiency saving | Impact on performance | 2007/08 over 06/07 £'000 | 2008/09 over 07/08 £'000 | 2009/10 over 08/09 £'000 | 2010/11 over 09/10 £'000 | Staff affected | Posts affected | Dependencies/ impact |
|---|---|---|---|---|---|---|---|---|
| *a) <u>Cashable Efficiency savings</u>* | | | | | | | | |
| **FM Outgoing Rent** :- Additional savings on 48 Station Road, previously assumed at £50k, achieved £80k | None | 30 | 0 | 0 | 0 | 0 | 0 | None |
| **FM Income** :- Additional lettings and rent increases have meant that the "commercial" rent income elements of the FM portfolio have overachieved against budget in last two years and will continue to do so. | None | 40 | 0 | 0 | 0 | 0 | 0 | None |
| **Increased fee charges (disposals)**<br><br>Currently fees charged to purchasers at 2%, proposed increase to 2½% | None | 10 | 0 | 0 | 0 | 0 | 0 | None |
| **Additional fee income (Valuation / Development)**<br><br>Supporting regeneration projects not | None | 0 | 10 | 10 | 10 | 0 | 0 | None |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible]ating to Council Lan[illegible] | | | | | | | | |
| **Aerial Sites**<br><br>Identify new locations and market potential sites to telecommunication companies. | | | 10 | 10 | 10 | 0 | 0 | Subject to necessary approvals and policies |
| **Energy Conservation Savings**<br><br>(see capital bid) | None | 30 | 30 | 0 | 0 | 0 | 0 | Dependent upon successful Capital bid |
| **Advertising Hoardings**<br><br>1 Use of external contractor to maximise income from existing sites and regulate illegal sites.<br><br>2 Increase income by letting new sites to advertisers | None<br><br>None | 0<br><br>0 | 50<br><br>0 | 0<br><br>50 | 0<br><br>50 | 0<br><br>0 | 0<br><br>0 | Subject to Planning Approval<br><br>6 new sites initially identified along Watermead Way , Tottenham producing £50k<br><br>Subject to Planning Approval |
| **Car Parking – review of current office provision**<br><br>Review current office provision with a view to bringing in a reduction in spaces / possibly charging | None | 0 | 30 | 35 | 0 | 1 p/t | 1 p/t | Subject to consultation with HR. |
| | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Reduction in number of buildings**<br><br>Rationalisation of properties through reviews of the various portfolios as part of the Asset Management Plan. Meeting Treasury's targets of reducing the size of the public sector estate. | None | 0 | 0 | 0 | TBA | | | TBA |
| **Hornsey Town Hall**<br><br>Operational staff reductions | | | | | 42 | 2 (p/t) | 1 | Successful disposal of Hornsey Town Hall |
| b) ***Service Reductions*** | | | | | | | | |
| **Alexandra House Reception**<br><br>As part of the refurbishment. redesign a "staff only" entrance to improve security, reduce receptions and achieve staff cost reduction. Some internally funded initial investment will be required. | None | 15 | 15 | 0 | 0 | 2 (p/t) | 1 | No front line services being relocated to Alexandra House. |
| **Total** | | 125 | 145 | 105 | 70 | | | |

## 4. New non-cashable savings

Non-cashable savings are achieved by (1) Higher output or increased quality (extra service, extra productivity, etc) for the same inputs or (2) Proportionately more outputs or improved quality in return for an increase in resources.

An example of a non-cashable efficiency is a review of business processes which results in more transactions being processed with the same number of staff whilst maintaining quality of service.

| **Proposed service improvement/ different way working or** | **Impact on performance (for LBH & Partners)** | **07/08 over and above 06/07 £'000** | **08/09 over and above 07/08 £'000** | **09/10 over and above 08/09 £'000** | **10/11 over and above 09/10 £'000** | **Dependencies/ impact** |
|---|---|---|---|---|---|---|
| Improved Management of the Community Buildings portfolio | Reduced risk of incidents / accidents on Council sites. Provide better service to our tenants. Improve the quality and safety of the community. | | | | | Dependent upon acceptance of Revenue Investment bid for new Community Buildings Manager. |
| Improved compliance of Commercial properties | Reduced risk of incidents / accidents on Council sites. Provide better service to our tenants. Improve the quality and safety of the community. | | | | | Dependent upon acceptance of Revenue Investment bid for Commercial Property Compliance |
| **Total** | | | | | | |

**Appendix 3 - Financial Tables** **PROPERTY SERVICES**

**Table 1. Cost of Your Service** (This table will be filled in by Corporate Finance to agree to the cash limit schedule for August). *Please give the projected year end variance for each service budget within your business unit)*

| **Service Area** | **Gross Expenditure Budget @ July 06 (£'000)** | **Gross Income Budget @ July 06 (£'000)** | **Net Budget @ July 06 (£'000)** | **Net Projected Outturn (£'000)** | **Projected Year End Variance (£'000)** |
|---|---|---|---|---|---|
| F40000 Property Management | 136 | -55 | 81 | | |
| F041 Comm Mgt & Spt | 3564 | -4660 | -1,096 | -696 | 400 |
| F045 Property Valuation & Strategy | 708 | -52 | 656 | | |
| F042 Business Support | 565 | -267 | 298 | | |
| F046 Accommodation Strategy | 1,099 | 455 | 1,554 | | |
| F043 Facilities Management | 8,811 | -1,717 | 7,094 | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| **Total Budget (cash limit)** | **14,883** | **-6,296** | **8,587** | **-696** | **400** |

## Appendix 3 - Financial Tables (Continued)

**Table 2. Cost of Your Service** *(This table breaks down your budget into expenditure & income types)*

| **Subjective Description** | **Budget @ July 06 (£'000)** |
|---|---|
| Employees | 4,782 |
| Premises | 8,671 |
| Transport | 66 |
| Supplies & Services | 1,020 |
| Third Party Payments | 331 |
| Transfer Payments | 0 |
| Contingencies | 13 |
| Total Expenditure excl. o/heads/ capital charges | **14,883** |
| Government Grants | 0 |
| Other Contributions | -1,096 |
| Receipts | -5,145 |
| Contingencies | -55 |
| Total Income excl. overheads | **6,296** |
| ***Total Net Budget (cash limit)*** | **8,587** |
| | |
| *Overhead / Support Services Charges* | 2,367 |
| *Capital Charges* | 3,124 |
| *Overhead Income* | -12,571 |
| ***Total Budget incl. overheads & capital charges (SAP rec)*** | **1,507** |

## Appendix 3 - Financial Tables (Continued)

**Table 3 Grants** *(of this revised budget please set out what grants are included, what they fund, the end date and plans for accommodating in mainstream funding)*

| Grant | Amount £'000 | Purpose | End Date | Mainstreaming Plans |
|---|---|---|---|---|
| None | | | | |
| | | | | |
| | | | | |
| | | | | |
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| | | | | |
| **Total** | | | | |