

**6. PROPERTY UNIT ANNUAL MONITORING REPORT:
1 JULY 1998 TO 30 JUNE 1999**

The following report outlines the performance of the Property Unit for the 12 month period ended 30 June 1999 compared with the Annual Plan. For monitoring purposes the Housing Section reports to the Community Services Committee, with the remaining sections listed below reporting to the Projects and Property Committee:

Property Manager
Property Services
Property Projects
Asset Management

The reports of the team leaders/managers of the foregoing sections are set out below:

A. PROPERTY MANAGEMENT

Officer Responsible Property Manager	Author Rob Dally
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Business Unit	Property (Property Manager)
Output Class	Information and Advice

Financial Performance

	1997/98	Current Year	
	Actual	Actual	Budget
<i>Expenditure</i>			
Advice to Council	\$109,386	\$111,759	\$112,231
<i>Net Cost of Information and Advice</i>	\$109,386	\$111,759	\$112,231

Comment

Very closely aligned to budget.

The Corporate Plan for Property Management has only one reported output class – Information and Advice. The overall sub-budget for Property Management was underspent by \$5,248 (2.01%).

Service Delivery Performance

Performance Indicator	Target	Results Achieved
1. Timeliness and quality of advice to elected representatives and business units in respect of property.	To elected representatives and City Manager's satisfaction.	Satisfactory feedback.

Business Unit	Property (Property Manager)
Output Class	Capital Assets

Financial Performance

	Last Year	Current Year	
	Actual	Budget	Actual
<i>Expenditure</i>			
New Assets			
Furniture/computer equipment	\$0	\$12,000	\$12,000

The consolidated result for the Property Unit (all sections), achieved an actual surplus of \$5,042,912 against a budgeted surplus of \$5,521,294, caused by a lesser volume of “surplus” property being disposed of compared with budget.

B. PROPERTY SERVICES TEAM & PROPERTY PROJECTS TEAM

Officers Responsible	Authors
Property Services Manager	Pam Ellis
Property Projects Manager	Angus Smith

Business Unit	Property Management
Output Class	Property Consultancy
Output Class	Property Projects

Financial Performance - Summary

	Last Year 1997/98	Current Year 1998/99		Variance
	Actual	Actual	Budget	%
Expenditure (Operating)	\$	\$	\$	
Property Consultancy	653,594	603,498	614,912	1.85-
Projects Management	195,227	188,462	192,479	2.08-
Special Projects	51,670	41,966	51,388	18.33-
Information & Advice	87,427	102,409	149,391	31.44-
Holding (Surplus) Property	127,919	309,123	318,597	2.97-
Total Expenditure	1,115,838	1,245,458	1,326,767	6.12-

Revenue (Operating)				
Property Consultancy	579,636	598,411	614,912	2.68-
Projects Management	206,659-	196,911-	192,479-	2.30
Special Projects	0	0	0	0
Information & Advice	0	0	0	0
Holding (Surplus) Property	434,818-	104,669	40,000-	161.67
Total Revenue	1,221,113	899,991-	847,391-	6.2

Net Cost Property Consultancy and Projects Management	105,275-	345,467	479,376	
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Comments

1. Total expenditure is under budget by 6.12%.
2. Total revenue of 6.2% over budget was boosted by recovery of development contributions from the Huntsbury Spur owners.

**Service Delivery Performance
Property Consultancy**

Performance Indicator	Target	Results Achieved
1. Client satisfaction demonstrated by customer survey. Balance of costs against revenue.	By 30/6/99	Regular client liaison. Costs balanced against revenue.
2. Acquisition of 80% of required properties within budget allocation and within time frame to enable planned works to proceed during the budget period.	By 30/6/99 or earlier for programmed works	Satisfactory achievement within financial constraints.
3. Maintenance and management of lease portfolio to client unit and lessee satisfaction and recovery of budgeted revenue.	By 30/6/99	Ongoing.
4. Provision of an accurate property database, balanced on a monthly basis with corporate assets register.	Monthly and annual balance	Achieved.

Property Projects

Performance Indicators	Target	Results Achieved
1. Acquisition of required properties within budget allocation and within a time frame to enable planned works to proceed during the budget period.	By 30 /6/99	No acquisitions have been identified or programmed during the last year. Delivery of the Hospital car park and settlement of Farmers car park were achieved in a timely and efficient manner.
2. Being available and responsive with provision of valuable advice to clients both internal and external. Council and client satisfaction demonstrated by results of customer survey. Development of unplanned project work to a logical conclusion.	By 30/6/99	Survey not undertaken. Our self-assessment of these listed objectives is that they have been achieved on an ongoing basis. Informal feedback has been positive.
3. Balance of costs against revenue as at 30 June 1999.	By 30/6/99	Refer previous financial performance summary this has mainly been achieved.
4. Continued involvement and liaison with professional property institutes and practice of continuing professional development.	By 30/6/99	This has been pursued proactively and is ongoing.

Special Projects

Performance Indicator	Target	Results Achieved
<p>1. Acceptable progress on development of the following projects by 30/6/99:</p> <ul style="list-style-type: none"> • New Brighton Pier Terminus Stage III • Ferrymead land use issues • Cathedral Terminus • Tuam Street Car park • Historic buildings • New Art Gallery • City car parking developments • New Brighton Mainstreet 	<p>By 30/6/99</p>	<p>Expressions of interest campaign completed. Marketing has continued. Despite concerted efforts, market remains relatively uninterested.</p> <p>Being processed in accordance with Council policy. Almost at options report stage.</p> <p>Unique solution and project developed. Expectations exceeded.</p> <p>No action, some enquiry. Involvement as required.</p> <p>Minimal involvement to date.</p> <p>Significant involvement in Farmers, Hospital and Arthur Barnetts. Farmers and Hospital completed.</p> <p>Minimal involvement to date.</p>
<ul style="list-style-type: none"> • Other special projects as required 		<p>Involvement as requested. A number have been initiated and are on-going.</p>
<p>2. Provision of services to the Council and client units to a level which assists and promotes the decision making process and progress on approved developments.</p>	<p>By 30/6/99</p>	<p>There have been a number of projects of this nature. Further ongoing involvement is anticipated. Good working relationships have developed.</p>

Information and Advice

Comments

This section incorporates the costs which are not directly recoverable from Units of Council, and provides for information and advice on requests from the Council, members of the public, community organisations and other external sources. It also includes officer representation at Committee, Community Board and Council meetings to advise on issues arising from reports presented.

Service Delivery Performance

Performance Indicator	Target	Results Achieved
Response within specified time frame.	As required	Generally achieved.

Business Unit	Property
Output Class	Holding Property Services (Capital) Surplus Property

Financial Performance

	Last Year 1997/98	Current Year 1998/99		Variance
	Actual YTD	Actual YTD	Budget YTD	%
Expenditure (Capital)	\$	\$	\$	
Revenue (Capital)				
Net (Cost) Holding Property	304,258	1,100,596	3,037,000	63.76-

Comments:

The variance is primarily due to the sales of surplus properties not meeting budget predictions. The main contributing factors being; overly optimistic budget targets; down turn in property market; complexity of properties remaining on the list gives rise to delays and difficulties in disposing of them. A separate more detailed report is being presented to the Committee this same month (September).

Service Delivery Performance

Performance Indicator	Target	Results Achieved
1. Complete review of all Council property holdings	By 30/6/99	Needs to be progressed. This is a large task and will need to be carried over into 1999/00.
2. Subject to prevailing market conditions, dispose of defined surplus properties to estimated net value of \$4,400,000.	By 30/6/99	Refer comment accompanying Financial Performance above.
3. Commence the special development projects: <ul style="list-style-type: none"> • Lyttelton Street • Owles Terrace • Kennedys Bush Rd • Woodham Rd 	By 30/6/99 Planning issues have just been resolved. Management plan for area only just completed. Sale has been complicated by s40 offer back issues. These are being worked through.	Successfully sold A timetable to progress these in 1999/2000 is being developed.

Chairman's

Recommendation: For discussion.