

Appendix 3 - KEY PERFORMANCE INDICATORS (INVESTMENT & REGENERATION PORTFOLIOS)

PERFORMANCE INDICATORS						
		Responsibility	Reason	Data Source	Benchmark	Comments
	FINANCIAL (INCOME)					
1	Portfolio Income Growth	Asset Management	To assess how SBC portfolio compares to budget in terms of net receivable income	Monitoring reports/financial outturn	Target is to match or exceed Budget income outturn	Letting agents are used to secure new tenants on Market terms.
2	Deliver a Net Contribution to Revenue budget of £10.8m+ on average over a 3 year period.	Asset Management & Finance	To ensure continued provision of service delivery	Monitoring reports/financial outturn	Target is to match or exceed Budget income outturn	Average over a 3-year period allows for increases and dips in income year on year
	FINANCIAL (EXPENDITURE)					
3	Irrecoverable Revenue Expenditure	Asset Management	To monitor expenditure on refurbishments and holding costs against Budget and Business Plans	Monitoring reports/financial outturn	Target = Budget	MSCI would provide a benchmark. A suite of documents including the Asset Management Plan, Annual Investment Strategy and individual Asset Business plans set out proposed investment needed to ensure it is recoverable via the service charge or met from capital budgets

Version 2 April 2024 to be reviewed/updated annually.

	LEASE EVENT MANAGEMENT					
4	Rent Reviews	Asset Management	To avoid delays in recording rental uplifts and for good estate management reasons and to maintain tenant relationships		All reversionary rent reviews to be instigated prior to rent review date unless by exception	Reports are run 12-18 months in advance of lease event dates to ensure work can be programmed and external advice sought where necessary
5	Lease Expiries	Asset Management	To avoid delays in recording rental uplifts and for good estate management reasons and to retain existing tenants		All contracted out expiries to be instigated prior to expiry date unless by exception	Reports are run 12-18 months in advance of lease event dates to ensure work can be programmed and external advice sought where necessary
	TENANT RISK					
6	Regular review of occupier credit ratings	Asset Management	To ensure that current and future occupier risk is identified and mitigated against	Dun & Bradstreet & Experian	Target = bi-annual reporting	6 monthly 'RAG' update from credit monitoring source on high risk / high value occupiers with annual review of whole portfolio.

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7	Rent collection (lease rent only, exc turnover)	Asset Management	Regular monitoring of rent collection to assist with Finance budgeting and to identify problem tenants	Property Agents	80% within 14 days 95% of income demanded by Qtr end	Bluebox (BP), External Managing Agents (Investment) and Customer Services via Centros (Municipal) undertake the rent demand Monitoring in place Rent Arrears report issued Credit reference reports and alerts Regular communication with tenants
	PORTFOLIO RISK					
8	Portfolio Weighted Average Unexpired Lease Term to exceed market average lease length on new letting <i>[Current SE Office index is 7.9 years]</i>	Asset Management	To ensure strategies are in place to preserve longevity of income	Annual Valuation	Property sector regional geographic reports	Letting agents are used to secure new tenants on Market terms
9	Void rate of portfolio split into office and retail to be less than sector and geographical average	Asset Management	To ensure strategies are in place to ensure void costs remain as low as possible.	Property Agents	Property sector regional geographic reports	Monitoring void percentages against the industry average ensures the asset management strategy remains targeted and proactive to achieve best value in the current market conditions and reduces non recoverable costs incurred by the council.