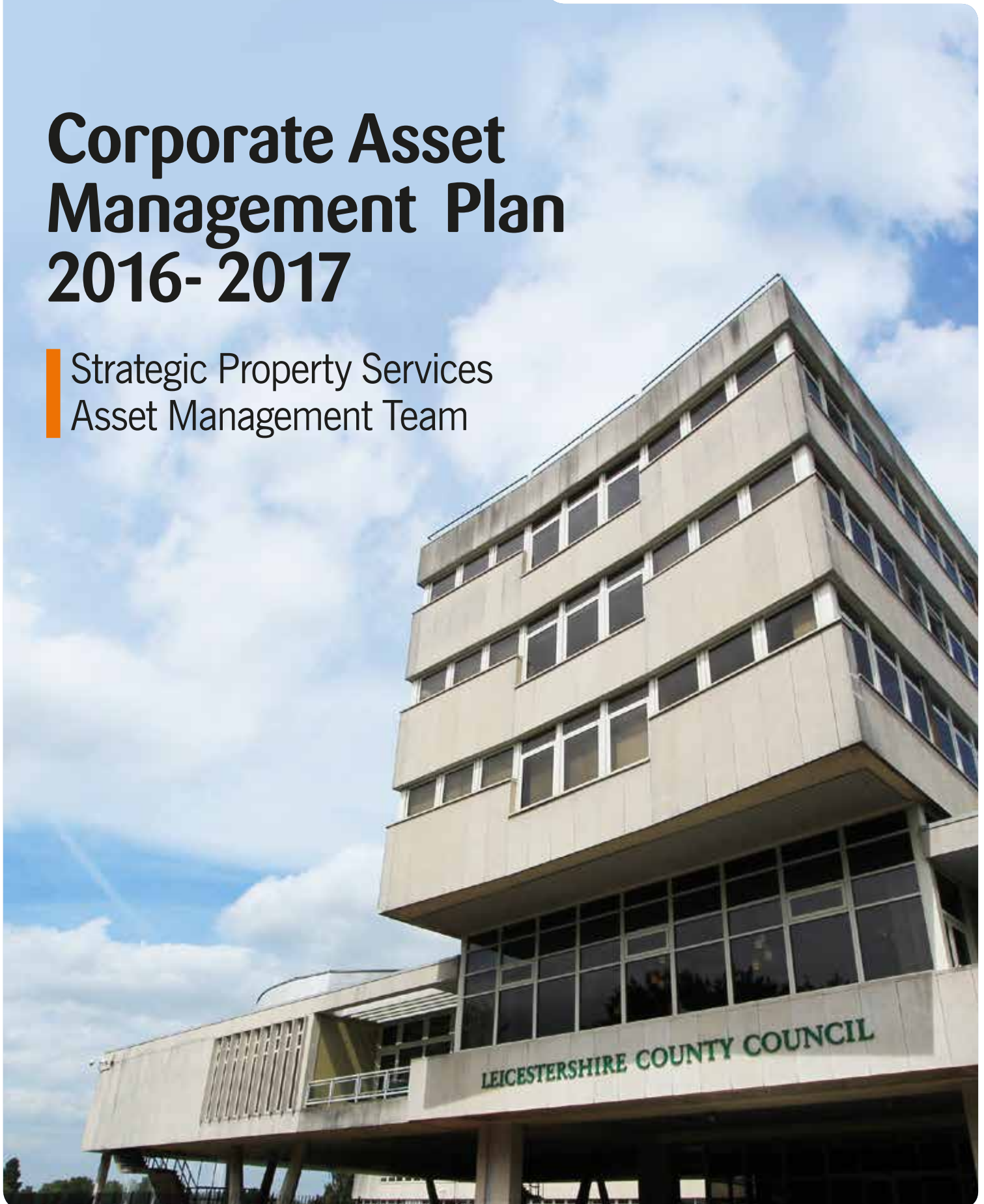




# Corporate Asset Management Plan 2016- 2017

Strategic Property Services  
Asset Management Team



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## Executive Summary

The **Introduction** to this Corporate Asset Management Plan 2016/17 (Corporate AMP 2016/17) commences with an overview of the context for this year's Corporate AMP 2016/17. The financial and austerity related pressures affecting public services continue as does the pace of change and growing demands upon the future delivery of public services. The County Council's corporate property resources continue to have a crucial role in determining the Council's ability to ensure the financial sustainability of the organisation and provide solutions to meet future service delivery requirements and the wider infrastructure needs of the county.

The Introduction also looks back to the delivery of the Corporate AMP 2015/16 objectives. It is evident that this has been an extremely busy and productive year and, despite setting deliberately ambitious and challenging targets, the Asset Management Delivery Plan 2015/16 has been well met. Areas where delivery has notably exceeded expectations include the Energy Strategy, which is well ahead of annual targets for revenue savings, reductions in total energy consumption, increases in renewable energy consumption and reductions in carbon emissions. There have been unprecedented high levels of property investment and development activity and the successful bringing forward of a number of large-scale housing development sites. The delivery of the County Hall Masterplan has also delivered very positive outcomes including the letting of surplus space to enable the co-location of around 450 staff from Health partners. The review of actual delivery against last year's specific Delivery Plan objectives provides a more detailed account of the many property projects and plans that have been delivered in support of Service plans and projects such as Academy transfers; the delivery of new school places; the transfer of 17 libraries to community groups; various property rationalisation plans to reduce operating costs; and support with securing successful economic development and growth funding bids.

Two areas where delivery fell short of the 2015/16 targets are Capital Receipts and Capital Programme. It should be noted, however, that both set exceptionally high targets. Receipts from property disposals amounted to £3.1m by the end of 2015/16 instead of the targeted £12m. This was largely due to delays outside of the Council's control in processing planning applications and s106 agreements. The projected receipts have not been lost but have been delayed to 2016/17 and subsequent years. The 2015/16 Capital Programme of £36m was one of the largest annual construction programmes ever set for the County Council – the previous year amounted to £13.3 million. A total of £30.9m had been delivered by the end of 2015/16 and the balance is re-scheduled for delivery in 2016/17.

The remainder of the Corporate AMP 2016/17 is divided into:

Part 1: Addressing the Future Needs – this sets out the corporate and service drivers for the Asset Management Delivery Plan 2016/17 (contained in Section 2.2).

Part 2: The Evolving Estate – this reflects upon the changes and performance trends of the County Council's asset base over recent years and indicates likely future patterns.

These two Parts are summarised as follows.

## Part 1: Addressing Future Needs

Part 1 commences by identifying the corporate priorities for the County Council as contained in the Leicestershire County Council Strategic Plan 2014-20; the Enabling Growth Plan (2015); the draft Infrastructure Plan; the MTFS 2016/17 – 2019/2020; and the Capital Strategy 2015-2019. This enables the development of the Strategic Vision for Property (Section 2). There is a strong focus in 2016/17 on the move towards more collaborative working with public sector partners, spear-headed by the Combined Authority and Devolution Deal initiatives. The Council's role in planning, preparing and seeking to facilitate future economic, housing and infrastructure development in conjunction with other local and regional collaborative measures (such as the LLEP) is also a distinctive priority for 2016/17 and beyond. As always, the financial context for the Council and for public services generally is a significant aspect in future asset management plans. The MTFS 2016/17 – 2019/20 requirement to deliver an additional £78m savings over the next four years maintains the constant pressure on the property estate for rationalisation, reducing property running costs, generating new property income streams, ensuring cost effective procurement of property and property services and creating capital receipts to support capital programme or other beneficial investment proposals.

The Strategic Vision for Property (section 2.1) remains very similar to the vision for 2015/16 but has been strengthened to take account of the new corporate measures noted above. The Asset Management Delivery Plan 2016/17 (section 2.2) sets out the list of specific property projects that respond to these corporate drivers and also to supporting the delivery of Service plans and objectives.

As for last year, this year's Asset Management Delivery Plan 2016/17 again amounts to a lengthy, comprehensive, challenging and ambitious set of property projects and tasks. Targets for capital receipts and the delivery of capital construction projects are a little higher than for last year which puts an increased focus on activities to strengthen existing management and procurement processes. Plans are included for bringing forward additional development sites, either for direct development by the Council for retention as income earning assets, for disposal for capital receipts, or to support economic growth and development in targeted areas. Projects are in place to continue the programme of industrial development schemes and energy investment schemes designed to deliver a range of revenue generating and revenue saving benefits as well as economic development benefits. The continued delivery of the Asset Investment Fund strategy is supported by various projects, acquisition plans and other investment initiatives. The transfer of the remaining community libraries will bring this programme to a conclusion in 2016/17 and a number of projects are included to secure improvements and savings with retained libraries and to support the developing Museums Collections strategy. A specific property project has been identified to help deliver additional Extra Care facilities and support will continue with the planned rationalisation and disposal of surplus Community Life Choices properties. A large programme of activities is identified in support of Children and Families Services not least of which includes the delivery of just under £32m construction projects. Projects are listed in support of Environment and Transport schemes and Property Services has specific tasks to support and deliver as part of the Combined Authorities and Devolution Deal initiative.

Part 1 concludes with an account of the resource implications in terms of the financial HR and ICT to enable the delivery of the Asset Management Delivery Plan 2016/17. The current

level of HR resources in Property Services and other support services (such as Legal Services) will need to be maintained to meet the volume, scale and complexity of the forward programme of activities and development schemes. Specific reference is also made to the commissioning and procurement of property construction as 2016/17 will see the further development and improvement of the Council's strategic client function in these critical areas.

## **Part 2: The Evolving Estate**

The total number of freehold and leasehold property interests owned by the County Council has reduced from 726 as at 1 April 2014 to 692 at 1 April 2015. This is as expected as the major rationalisation programmes, such as the Office Strategy, have now been delivered. There will continue to be further disposals of surplus assets and development land in 2016/17 as well as some potential new investment acquisitions. Overall, the total number of assets owned by the County Council is likely to remain at a fairly steady state in the region of 650 to 700.

The total actual (as opposed to estimated) value of the Council's property resources increased from £455m at 1 April 2014 to £522m at 1 April 2015. This is in line with expectations and the effects of the programme of bringing forward development sites will be having a positive impact upon the overall total value of property holdings. It is worth noting that 68% of the Council's total asset value still relates to the school's estate. This will reduce if all remaining schools convert to academies under prevailing government proposals.

The trend of the continually improving condition of the Council's retained properties continues with 77% of the property stock falling into the two highest A and B condition ratings. Likewise, the virtual elimination of Priority 1 backlog maintenance liability continues. However, the Council's ability to continue to maintain these trends into the future will be subject to the impact of future revenue savings and cutbacks on property maintenance budgets.

The outstanding improvements in energy consumption and the reduction of energy costs has continued into 2016/17 and the Property Energy Strategy continues to prove itself as one of the most notable achievements of both this year and last year.

The Asset Investment Fund also continues to demonstrate an excellent level of performance showing continuing increases in total value, net income and yields which compare very favourably against national benchmarks. Progress commenced with the re-structuring plans contained in the Investment Strategy approved in 2015/16 with some disposals and new acquisitions.

In conclusion, the Council's property resources performed extremely well in rising to the challenge of delivering last year's highly ambitious Asset Management Delivery Plan. The challenge is no easier for the delivery of this year's Corporate AMP 2016/17 and, in some respects, is even more demanding. However, the achievements from the previous year and the plans set out in this year's Corporate AMP 2016/17 place the Council in a strong position to deal with the future demands on its property resources and property services.

## Introduction to Corporate AMP 2016/17

### Context for CAMP 2016/17

The Council's property assets and the way they are managed, planned, used and procured have a fundamental impact on the Council's ability to deliver its corporate and financial plans and services. The Council has a keen appreciation of the role of its property estate in supporting the financial plans and sustainability of the organisation and in providing the facilities that are affordable and that are needed to enable the continued delivery of services. The Council is also increasingly aware of the key role played by property in supporting its transformation agenda. Looking ahead to 2016/17 and beyond, the scope as well as the need for the wider public estate to help promote the economic, housing and infrastructure development that is required for the future wellbeing of the county and region is particularly exciting and significant.

These future demands and challenges, as well as the more general move towards greater partnership and collaboration between public services' organisations and providers, all need to be reflected in the plans for the Council's property assets and in this Corporate AMP 2016/17.

Corporate business planning requires an integrated approach towards the planning of its resources. The links between financial and asset planning are particularly important. The Corporate AMP 2016/17 is closely aligned with the County Council's Strategic Plan 2014 - 20, the Medium Term Financial Strategy 2016/17 – 2019/20, the Enabling Growth Plan (2015) and the draft Infrastructure Plan

This Corporate AMP 2016/17 sets the strategic direction for planning, procuring, developing, utilising and managing the property resources that are used by the Council. It also ensures that the money spent on property and Property Services is a sound and effective investment of the Council's resources and that all legal and statutory requirements are being met.

The specific aims of this Corporate Asset Management Plan (CAMP 2016/17) are to:-

1. Establish clear asset management aims and objectives.
2. Align asset management planning with the corporate and service delivery needs having regard to financial and resource planning.
3. Set out the strategic direction for the management and future development of property resources.
4. Identify the future property and asset management requirements necessary to deliver service priorities.
5. Set out a programme of strategic reviews and initiatives together with an asset management delivery plan.
6. Develop and implement a framework for performance managing the need for the Council's property portfolio to make an ongoing increased contribution for the financial resilience of the authority.
7. Provide an overview of the Council's existing assets.

## Review of the delivery of CAMP 2015/16

Last year's Asset Management Delivery Plan was deliberately ambitious and challenging on account of the continuing financial and austerity pressures that continued to impact upon the Council and the Transformation Agenda that the County Council set itself in order to meet future demands.

The Asset Management Delivery Plan served its purpose by providing a targeted task list of necessary projects and actions to underpin the delivery of the CAMP 2015/16 strategy. Additional projects were also introduced as new pressures and priorities came to the fore during the year.

The delivery of the Asset Management Delivery Plan 2015/16 has been well met. Areas where delivery has exceeded targets and expectations include the Energy Strategy which is well ahead of the targets set for rolling out solar PV generation, delivering energy from renewable sources and delivering annual revenue savings. There have also been unprecedented high levels of property investment and development activity resulting in the acquisition of two new investments for the Asset Investment Fund; the identification of four new industrial development and investment projects which will yield financial as well as economic development/growth benefits; and the successful bringing forward and promotion of large-scale housing development sites in the north west and north east of the county. The delivery of the County Hall Masterplan during 2015/16 also led to some very positive outcomes. The further rationalisation and improved use of accommodation by the County Council released surplus space which has been leased to Health partners and enabled the co-location of around 450 staff.

Two areas where the 2015/16 targets have not been fully met are the Capital Receipts and Capital Programme. Both set exceptionally high targets. Of the £12m capital receipts anticipated from property disposals only £3.1m had been delivered by the end of 2015/16, primarily on account of delays and difficulties in progressing applications through the planning process and finalising section 106 agreements. These capital receipts remain in the pipeline but have been re-scheduled for delivery in 2016/17. The 2015/16 Capital Programme of £36m was one of the largest annual construction programmes ever set for delivery by the County Council, the majority of which comprised the first year of the two year DfE grant funded programme for new school places. A total of £30.9m was delivered by the end of 2015/16 with the balance re-scheduled for the 2016/17 Capital Programme.

The Table below provides a more detailed account of the realisation of the plans against the objectives set in the Asset Management Delivery Plan 2015/16.

**Figure 1.0 - Delivery of Asset Management Plan 2015/16 Objectives**

<b>Children &amp; Family Services</b>	
<b>Asset Management Delivery Plan 2015/16 Objectives</b>	<b>Actual Delivery 2015/16</b>
<p><b>Schools</b></p> <p>To provide additional primary school places and ensure there is a good supply of secondary places in each locality.</p>	<p><b>Schools</b></p> <ul style="list-style-type: none"> <li>The 2015/16 Capital Programme has delivered 922 additional Primary School places at 12 Schools.</li> </ul>

<p>New Schools Capital Planning and Delivery Group integrating C&amp;FS/Finance/Property Service put in place</p>	<ul style="list-style-type: none"> <li>• Progressing proposals to support the shortfall of primary places in Leicester Forest East and Hinckley.</li> <li>• Successfully delivered £30.9m capital projects out of a targeted £36.4m capital programme (including carry forward from previous year). - Remaining projects rescheduled to 2016/17.</li> </ul>
<p>Strengthen our relationship with Academies.</p>	<ul style="list-style-type: none"> <li>• Supported 4 Academy Transfers – Charwood College, Longslade College, Little Hill Primary and Greystokes Primary</li> </ul>
<p>Identify sufficient capital funding to fulfil our commitment to the programme of Area Special School Development.</p>	<ul style="list-style-type: none"> <li>• Progressing proposals to provide a replacement special school for Birkett House on the Wigston Schools campus</li> </ul>
<p>Ensure that basic needs capital allocated to the LA is targeted towards meeting the need for additional places.</p>	<ul style="list-style-type: none"> <li>• Revised planning and management processes in place featuring the new Schools Capital Planning Group and Delivery Group integrating C&amp;FS / Finance / Property Services.</li> <li>• Progressed advance designs to develop the draft programme of capital spend for 2016/17.</li> <li>• Delivered maintenance and improvements works such as Safeguarding and School Access Initiative.</li> </ul>
<p>To seek to support opportunities to address structural change to the pattern of education.</p>	<ul style="list-style-type: none"> <li>• Continue to support the delivery of the “In the Right Place” Strategy.</li> </ul>



<p>To work with each District, housing developer, maintained schools and Academies to ensure; that appropriate contributions are received for new school places.</p>	<ul style="list-style-type: none"> <li>Working collaboratively to secure educational contributions from all housing developments proposals to assist in additional place provision.</li> </ul>
<p><b>Non-Schools</b></p> <p>Promote the provisions for vulnerable individuals, groups, Early Years, and Children's Centres</p>	<p><b>Non-Schools</b></p> <ul style="list-style-type: none"> <li>Delivered Early Help Hubs to extend provision in Loughborough, Coalville and Hinckley to support provision for vulnerable and early years groups.</li> </ul>

<p><b>Adults and Communities and Wellbeing</b></p>	
<p>Support the reduction in operating costs for the Communities and Wellbeing Service as required in the MTFS.</p>	<ul style="list-style-type: none"> <li>Delivered transfers of 17Community Libraries to community groups by way of lease surrenders and new leases. The transfer programme continues into 2016/17.</li> </ul>
<p>Support a reduction in operating costs for the Adult Learning Service.</p>	<ul style="list-style-type: none"> <li>Delivered a reduction in operating costs through the review and reduction of the number of Adult Learning Service bases.</li> </ul>
<p><b>Adult Social Care</b></p>	
<p>Support the delivery of the 'In House Services' review within Adult Social Care.</p>	<ul style="list-style-type: none"> <li>Termination of Leases and Licences to support the planned rationalisation and reduction of Community Life Choice bases.</li> <li>Completed the remodelling and extension of both Melton Short Breaks and The Trees, Hinckley</li> </ul>
<p><b>Environment and Transport Transportation</b></p>	
<p>Provide new depots in Melton Mowbray and near Hinckley</p>	<ul style="list-style-type: none"> <li>Supported the delivery of the Depot review by seeking potential sites for replacement depots and prepared re-development/disposal plans for surplus sites</li> </ul>

Expansion of Driver Education Workshop to maximise an income generation opportunity.	<ul style="list-style-type: none"> <li>Delivered a new Driver Education Workshop facility at County Hall as part of the County Hall Master Plan</li> </ul>
Essential improvement of the highways network.	<ul style="list-style-type: none"> <li>Supported the implementation of highways schemes across the county through land acquisition and compulsory acquisition of land where necessary.</li> </ul>
<b>Chief Executives</b>	
Promotion of economic development and growth plans in Leicestershire including, through the delivery of the Council's Enabling Growth Plan.	<ul style="list-style-type: none"> <li>Development of proposals for possible Joint Venture agreement to enable development of grow-on space at LUSEP</li> <li>Progressed industrial development schemes on County Council sites in Coalville and Billesdon</li> <li>Bringing forward further development sites at Lutterworth, Market Harborough and in the Charnwood area.</li> </ul>
New Registrars and Marriage Facilities in County Hall and Oadby and Wigston.	<ul style="list-style-type: none"> <li>Completed the refurbishment and launch of the new Marriage and Registration headquarters facilities at Anstey Frith (County Hall)</li> </ul>

<b>Corporate Resources</b>	
Support the delivery of MTFs targets.	<ul style="list-style-type: none"> <li>Achieved £ 3.1 m capital receipts from the disposal of surplus land and buildings to support the Council's Medium Term Financial Strategy</li> </ul>
Further development of the Asset Investment Fund to improve financial resilience and promote Enabling Growth.	<ul style="list-style-type: none"> <li>Investment Strategy approved by Corporate Asset Investment Fund Advisory Board.</li> <li>The following four workspace / development investment projects have been progressed in line with</li> </ul>

	<p>agreed implementation plans</p> <ul style="list-style-type: none"> <li>○ Coalville Workspace Project including the securing of GD2 Funding</li> <li>○ Development of Offices and Workshops at Airfield Farm, Market Harborough</li> <li>○ Rural Workspace Project</li> <li>○ Development of Grow-on space at LUSEP</li> </ul> <ul style="list-style-type: none"> <li>● Acquisition of two further investment opportunities, subject to contract, with completion due in 2016/17 <ul style="list-style-type: none"> <li>○ Airfield Farm, Market Harborough</li> <li>○ Commercial site, Sharnford Road, Sapcote</li> </ul> </li> <li>● Successful bringing forward and promotion of potential development sites at Ibstock, Melton Mowbray and Ravenstone</li> </ul>
<p>Delivery of the County Hall Master plan.</p>	<ul style="list-style-type: none"> <li>● Progressing delivery of the County Hall, Master Plan, setting out short and long-term investment recommendations to: <ul style="list-style-type: none"> <li>○ Safeguard the long term integrity and value of this key asset</li> <li>○ Support the MTFS through intensification of use and the letting of surplus space to promote partnership working with other public sector bodies and generate additional income.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Commenced provision of new Data Centre.</li> <li>○ Completed the new 'Out of Hours' facility in Anstey Frith to support flexible working</li> <li>○ long Term maintenance strategy in place</li> </ul>
Implementation of the Property Energy Strategy	<ul style="list-style-type: none"> <li>○ Completed phase 1 of RE:FIT including biomass boiler and solar panels at County Hall, LED lighting, boiler and heating control upgrades at 5 other corporate sites and solar PV at 4 corporate sites.</li> <li>○ Completed Phase 2 of RE:FIT installing Solar PV at a further 5 libraries, Oakfield School, Vulcan Court industrial units, Middlefield Farm and Loughborough and Whetstone Civic Amenity.</li> <li>○ Invested £2,686,000 into 'invest to save' projects to deliver £206,000 annual revenue savings</li> <li>○ Installed 100kw of solar PV at Bosworth Academy as a pilot of the SCORE+ service</li> <li>○ Reviewed Gas contract to ensure most cost effective supply secured on a corporate basis.</li> </ul>

## Part 1 – Addressing the Future Needs

### 1.0 Corporate Priorities

The defining corporate priorities for last year's Corporate AMP 2015/16 were contained in the County Council's following strategic documents:

- Strategic Plan 2014-2018
- MTFS 2015/16 – 2019/20
- Capital Strategy 2014-2018

In addition to the current versions of these three documents, the introduction of the following plans and strategies have an important influence in setting the context for the development of this year's Corporate AMP 2016/17:-

- Leicester & Leicestershire Economic Partnership (LLEP)
- Strategic Economic Plan (SEP)
- Leicestershire County Council's Enabling Growth Plan (March 2015)
- Leicestershire County Council's Infrastructure Plan (Draft)

Furthermore on the 2<sup>nd</sup> December 2015 the County Council approved the submission of a Combined Authority proposal, along with the City Council and District Councils. This submission is due to be considered by Parliament this summer with the intention that the Combined Authority is approved in October 2016. A Devolution Deal, which will extend the powers and responsibilities of the Combined Authority, is being developed in parallel. The intention is to engage in negotiation with Government by the end of the 2016 and is further supported by a Devolved Delivery proposal.

The key implications of these corporate plans and strategies are considered in more detail below.

### 1.1 Leicestershire County Council Strategic Plan 2014 - 2018

Approved by Cabinet and adopted by full Council in May 2014, the revised Leicestershire County Council Strategic Plan creates a framework that will enable the Council to fundamentally change the way it operates as an organisation and how services are provided in order to meet the joint challenges of ongoing Central Government funding reductions and changing and increasing community demands.

The following mission statement has been adopted –

*“The County Council will lead Leicestershire by working with our communities and partners for the benefit of everyone”*

The Council's Strategic Plan sets out the Council's economic priorities. These are grouped within three main themes, 'Place', 'People' and 'Business', in line with the approach taken in the Leicester and Leicestershire Economic Partnership's (LLEP) Strategic Economic Plan (SEP). The following six priority areas are highlighted:-

1. *Leadership and Transformation.*
2. *Enabling Economic Growth – A Thriving Leicestershire Economy.*
3. *Better Care – Health and Social Care Integration.*

4. *Supporting Children and Families.*
5. *Safer Communities.*
6. *Environment.*

The Strategic Plan focuses on the need to build on the council's strong track record of working with communities (and other partners from all sectors) by engaging with and empowering them to secure the innovative delivery of services and create greater community resilience. It is recognised that there are a number of key components that will contribute to achieving enhanced community working:-

*Customer Services and Digital Delivery  
Technology, Business Intelligence and Innovation  
Integrated Services and Strategic Commissioning  
Asset Rationalisation and Utilisation  
Transformation through our People Strategy and Organisational Development  
Equalities and Diversity*

## **1.2 Enabling Growth Plan (March 2015)**

The Enabling Growth Plan sets out how the County Council will use its resources, assets, intelligence, market insight and influence to support and promote economic growth and sustainable employment in Leicestershire and how the County Council will work closely with the LLEP and partners to deliver the SEP, Growth Deal, City Deal and European Structural and Investment Funds (ESIF) Strategy.

The Plan contains a number of priorities. Those that are particularly relevant to the planning use and development of the Council's corporate property resources are presented below:

- Making the most effective use of our land and property assets and using market intelligence and wider evidence and insight to inform investment and other key decisions
- Investing in key economic development opportunities and the infrastructure needed to facilitate them
- Working with partners, investors and developers to unlock and bring forward employment land and development sites
- Building on the county's locational advantages by supporting development of the logistics and distribution sector
- Supporting development of market towns and service centres for employment and to act as centres for local rural communities
- Promoting the county and its development internationally and nationally to potential investors

## **1.3 Infrastructure Plan (Draft)**

The County Council is seeking to establish a more strategic approach towards identifying and planning the public services infrastructure development to meet with future changing demographic and socio-economic needs across the County.

The Infrastructure Plan will be completed during 2016 and is likely to be considered for approval in September.

## 1.4 Medium Term Financial Strategy 2016/17 – 2019/20

The Medium Term Financial Strategy (MTFS) has been developed against the backdrop of continuing extremely challenging economic conditions resulting in significant and on-going reductions in Government funding. Public sector net borrowing is not expected to be eliminated until after 2018/19.

Leicestershire County Council continues to face significant financial challenges through the combined effects of:

- Low funding coupled with ongoing reductions in and the removal of Revenue Support Grant in 2019/20;
- Below average per pupil Direct Schools Grant (DSG) rates of funding;
- Increased costs of Adult Social Care due to increased numbers of people with learning difficulties and an ageing population with increased care needs.
- An increase in costs of waste disposal due to Landfill Tax;
- Increased costs of Children's Social Care due to pressure on the placements budget.
- The implementation of the National Living Wage
- Addressing the deficit within the pension fund.

The MTFS describes County Council's approach for dealing with these pressures over the next four years.

The MTFS requires a total of £78m in savings over the next four years, of which savings of £59m have been detailed and the balance of £19m is currently shown as a budget shortfall in 2019/20. The Council has started a number of corporate transformational reviews to address the budget shortfall. The achievement of these savings is an extremely challenging task especially given that savings of £100m have already been delivered over the last five years. The MTFS includes savings generated in the following areas:

- Reduction of senior management and administration.
- Better commissioning and procurement.
- Service redesign.
- Collaboration / shared or single services.

The Council's corporate property resources have a key role in supporting the MTFS through securing revenue savings in reduced property costs; creating and releasing capital receipts to support the capital programme; generating new income streams from leased property and from appropriate property and renewable energy investments; ensuring value for money property procurement and construction. Longer term asset strategies are essential to help tackle these financial challenges.

## 1.5 Capital Strategy 2015 – 2019

The Capital Strategy is derived from the priorities identified within the Corporate Strategic Plan 2015-19, the MTFS and the departmental strategic plans.

The capital programme for 2015-19 totals £228.9m (over 4 years). As detailed in the MTFS, funding to support the capital strategy is through a combination of Central Government grant, external contributions and grants, capital receipts, and contributions from revenue balances and earmarked funds. No unsupported borrowing is included in the current programme. Grant funding is the largest source of financing for the capital programme, totalling £155.3m across the 4 year capital programme. Capital grants are awarded by central government departments including the Department for Education, (DfE), the Department of Health (DoH) and the Department for Transport (DT). While central government grants are allocated by specific central government departments, they are not ring fenced.

The sale of capital assets generates capital receipts which are used to finance the capital programme. A total of £28.4m is estimated to be achieved from property sales during 2015-19. These capital receipts targets drive the proposals in the Asset Management Delivery Plan 2016/17 in Section 2.2 to bring forward development sites, to deliver the specified Disposals Programme, and to re-invest into appropriate property and energy investments.

Other funding includes, £8.4m from a loan repayment, £29.8m from revenue/ earmarked funds and £7m in external contributions mainly from section 106 housing developer contributions.



## 2.0 Strategic Vision for Property

### 2.1 Vision Objectives and Outcomes

Last year's Corporate AMP 2015/16 marked a significant shift from a focus that historically had been narrowed upon the Council's own estate to one that aimed to adopt a wider perspective of the opportunities available through the overall public sector estate.

This strategic vision continues to hold good for 2016/17 and has been further reinforced by the evolving direction of travel through the Combined Authority and Devolution Deal proposals.

The 5 pillars of the County Council's Strategic Vision for Property have been in place for the last couple of years. They continue to be sound and have been expanded to reflect the developing Corporate priorities and new ambitions:

**1. Delivering Asset Strategies that support the delivery of the MTFS, the Strategic Plan, and related Enabling Growth and Infrastructure plans:**

In addition to the key imperative to support the delivery of the MTFS targets, the County Council's asset strategies must also facilitate :-

- Leadership and transformation including the development of the Combined Authority.
- Investing in property to deliver economic investment and industrial development
- The delivery of the Council's Infrastructure Plan and Enabling Growth Plan
- Health and Social Care integration including Extra Care
- Supporting children and families.
- Safer Communities.
- Promoting a sustainable environment.

**2. Maximising the opportunities that are available through the 'total local public estate'**

Plans for County Council assets will take into account the potential that may be available through the collective public sector asset base in a geographic area to enable the delivery of:

- Priority Strategic Plan outcomes.
- Combined Authority and Devolution Deal objectives
- Infrastructure provision through highways initiatives
- Locality based requirements – for example, to address specific local service needs; to support local economic development or regeneration requirements.
- Improved and better integrated public services – for example, shared facilities for back office or customer facing services.

**3. Providing county wide property services that are available for all public services' partners**

The aim is to maximise the benefits that may exist through pooling the needs and provision of property services across public sector partners as a means for securing efficiency and

revenue savings and for providing more 'joined-up' property solutions through more 'joined-up' property services.

**4. Maximising the range of benefits through the commissioning of property projects and property services**

The County Council is a significant commissioner for the supply of construction, consultancy and energy services in Leicestershire, and the effective management of this process will:

- Ensure cost effective construction and energy services are provided to the County Council;
- Maximise the benefits of collaboration and partnership in commissioning property services in the public sector;
- Support the operation of commercial and traded services to provide financial sustainability to Council operations;
- Secure innovation and continuous improvement in the commissioning and delivery of County Council property services;
- Secure inward investment in SME business in Leicestershire and the wider East Midlands region;
- Promote training, development and retention of a skilled labour market in the region.

**5. Providing public sector facilities that the Leicestershire public are proud to use and own**

The County Council has a strong role to play in providing public sector facilities that:

- Are known and recognised by the Leicestershire public.
- Are of an appropriate quality.
- Are assets, not liabilities
- Are well managed and maintained.
- Are environmentally friendly.
- Include some facilities that inspire and excite.
- Provide facilities and services that are considered to be important by the Leicestershire public, but would otherwise not be available.
- Enhance the locality as a place to live, work, learn and play in.
- Send a positive message about Leicestershire and its people.

## 2.2 Service Objectives

The above 'Vision Objectives and Outcomes' set the strategic direction for the County Council's estate. The following table, developed in consultation with the Council's Service Areas and Service Business Partners, highlights tasks and projects to be delivered during 2016/17 in order to support service plans and objectives in addition to corporate plans and initiatives

Table 2

**Figure 2.0 - Corporate Asset Management Delivery Plan 2016/17**

<b>Corporate Resources</b>		
<b>Service Priority / Development Area</b>	<b>Strategic Approach</b>	<b>Delivery</b>
<p>Support the delivery of the strategic corporate priorities of the County Council in terms of :</p> <ul style="list-style-type: none"> <li>• LCC Strategic Plan</li> <li>• LCC's Enabling Growth Plan</li> <li>• LLEP Strategic Economic Plan</li> <li>• Combined Authority and Devolution Deal</li> </ul>	<ul style="list-style-type: none"> <li>• Making the most effective use of our land and property assets and using market intelligence and wider evidence and insight to inform investment and other key decisions</li> <li>• Investing in key economic development opportunities and the infrastructure needed to facilitate them</li> <li>• Working with partners, investors and developers to unlock and bring forward employment land and development sites</li> <li>• Building on the County's locational advantages by supporting development of the logistics and distribution sector</li> <li>• Promoting the county and its development internationally and nationally to potential investors</li> <li>• Supporting development of market towns and service centres for employment and to act as centres for local rural communities</li> </ul>	<ul style="list-style-type: none"> <li>• Increased collaboration with public sector partners to provide facilities and property services to support the delivery of integrated and improved public services</li> <li>• Reducing Carbon Emissions and maximising the environmental sustainability of the public estate</li> <li>• Enhancing Leicestershire's Natural, Historic and Cultural Environment</li> <li>• Enabling further housing and employment development through the release of land in public sector and other ownership</li> </ul>
<b>Corporate Resources</b>		
<p>Support the delivery of MTFs targets.</p>	<ul style="list-style-type: none"> <li>• Reduce revenue property operating costs.</li> <li>• Deliver capital receipts to support the Capital Programme.</li> <li>• Increase revenue income.</li> <li>• Improved Procurement and Commissioning processes in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Continual reviews, performance monitoring and managing of County Council properties to reduce costs</li> <li>• Completion of County Hall Master Plan</li> <li>• Ongoing promotion and delivery of bring forward development sites.</li> <li>• Identify and support property investment and development activity through the Corporate Asset Investment Fund.</li> <li>• Continued improvements to the procurement, delivery and performance management of construction projects..</li> </ul>

Table 2

Corporate Resources	Service Priority / Development Area	Strategic Approach	Delivery
Implementation of the Property Energy Strategy and related initiatives.	Continuing implementation of an invest-to-save programme that will:-	<ul style="list-style-type: none"> <li>• Reduce energy consumption</li> <li>• Increase the energy efficiency of buildings</li> <li>• Enable the generation of renewable energy</li> <li>• Provide a long term revenue income stream for the County Council</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and implement a mid-strategy review of all corporate buildings to identify further scope for projects at various locations using a combination of in-house and procured support.</li> </ul>
	Continued development of new investment opportunities in energy resources.	<ul style="list-style-type: none"> <li>• Business case and service development for installation of renewable energy assets for sale of power and heat to Asset Investment Fund and Heritage Assets through RE:FIT (energy performance) framework contractor.</li> <li>• Complete county-wide investigation into potential District Heating Network to establish heating potential across Leicestershire.</li> </ul>	
	Generate income and support schools to install energy efficiency measures and renewable energy through the Score+ service	<ul style="list-style-type: none"> <li>• Continued development of business models for SCORE+ service</li> <li>• Managed service agreement with school and RE:FIT (energy performance) framework contractor.</li> <li>• Completion of energy centre at new Hinckley Park Primary School.</li> </ul>	
	Review of energy purchasing/sourcing contracts.	<ul style="list-style-type: none"> <li>• Complete and deliver in-house led review of all corporately operated buildings/sites working in partnership with ESPO (incumbent supplier).</li> </ul>	
	Investigation and potential implementation of new ideas to generate revenue and, produce renewable energy and reduce energy costs.	<ul style="list-style-type: none"> <li>• Begin review and feasibility studies through in-house and procured energy support.</li> <li>• Collaborations with external organisation to generate revenue</li> </ul>	
	Investigate commercial income earning energy opportunities across Investment Portfolio.	<ul style="list-style-type: none"> <li>• Undertake feasibility through RE:FIT framework to establish potential.</li> </ul>	
	Develop a corporate water management strategy	<ul style="list-style-type: none"> <li>• Review all corporately operated buildings/sites and develop a strategy and action plan to maximise the opportunities arising from de-regulation of water supplies.</li> </ul>	

Table 2

Corporate Resources Service Priority / Development Area	Strategic Approach	Delivery
	Ensure the County Council's Asset investment Fund buildings comply with minimum Energy Performance Certificate (EPC) requirements by 2018	<ul style="list-style-type: none"> <li>• Develop and implement strategy to target those buildings that fall below the minimum standard ( E) and ensure a strategy is in place for compliance by April 2018</li> </ul>
	Energy contributions to County Hall projects	<ul style="list-style-type: none"> <li>• Eastern Annexe, Rutland windows replacement, Pen Lloyd perimeter heating. Holistic feasibility considering energy, maintenance and Master Plan requirements to be undertaken through in-house and procured support</li> </ul>
Ensure ISO 14001 certification.	<p>To address the Environmental Risk Register for Property Services.</p> <p>To address Climate Change Resilience for services both at high and low risk.</p> <p>Ensure that an Environmental Management System is in place as part of ISO 14001</p>	<ul style="list-style-type: none"> <li>• Work with Strategic Development Team in Environment and Transport to :- <ul style="list-style-type: none"> <li>○ Mitigate the risks identified in the Environmental register.</li> <li>○ Mitigate risks identified in the Climate Change Risk Register.</li> <li>○ Develop and implement a process to ensure that energy and environmental issues are addressed as part of all projects</li> <li>○ Investigate minimum build and retrofit standards to strengthen compliance and environmental considerations</li> </ul> </li> </ul>
Ongoing development of the Asset Investment Fund to improve financial resilience and promote Economic Growth.	Review, Develop and Implement Investment Strategy.	<ul style="list-style-type: none"> <li>• Strategy to be reviewed and revised implementation plan developed and agreed.</li> <li>• Delivery through existing governance and in-house processes to achieve :- <ul style="list-style-type: none"> <li>○ The delivery of revenue surpluses and continued capital growth.</li> <li>○ Progress the disposal of those assets surplus to requirements to generate capital receipts</li> </ul> </li> <li>• In line with MTFS funding allocation secure the acquisition of further suitable new investment properties</li> <li>• Delivery of new workspace by progressing the following pipeline projects in accordance with agreed timetables:- <ul style="list-style-type: none"> <li>○ Coalville Workspace Project</li> <li>○ Development of Offices and Workshops at Airfield Farm, Market Harborough</li> </ul> </li> </ul>

Table 2

Corporate Resources		
Service Priority / Development Area	Strategic Approach	Delivery
		<ul style="list-style-type: none"> <li>○ Rural Workspace Project</li> <li>○ Development of Grow-on space at LUSEP</li> <li>• Work with the Loughborough University to support the delivery of infrastructure to enable the development of further phases of Loughborough University Science and Enterprise Park to be progressed.</li> </ul>
Realisation of Development Potential from properties within the County Council portfolio to ensure a pipeline of Capital Receipts to support the Capital Programme	Identification of potential opportunities through Asset Challenge and individual portfolio restructures	<ul style="list-style-type: none"> <li>• Ongoing review of property portfolio to identify opportunities and agree planning strategy.</li> <li>• Initiate responses to Strategic Planning Consultations on behalf of the County Council, as landowner, monitor delivery of development across the County and co-ordinate the strategy for the preparation of planning applications for individual sites.</li> <li>• Develop and implement a program for the ongoing promotion of individual sites and wider strategic development schemes through the Strategic Planning System and achieve appropriate planning consents to facilitate the maximisation of future capital receipts through the realisation of development potential</li> </ul>
Delivery of the County Hall Master plan.	Delivery of approved County Hall Master Plan as a Transformation Enabler project.	<ul style="list-style-type: none"> <li>• Support delivery of project's Property workstreams.</li> <li>• Continue to roll out of flexible working policy including intensification of desk usage to minimise revenue costs</li> <li>• Progress the letting of surplus space to promote partnership working with Health and other public sector bodies and generate income</li> <li>• Deliver new data centre and develop strategy for Block H (ICT)</li> <li>• Review of maintenance investment in Eastern Annexe in conjunction with energy review (above ) to maximise utilisation and reduce revenue costs particularly energy. Explore potential to form part of district heating system.</li> <li>• Review of maintenance arrangement and proposed investment for Pen Lloyd and Rutland buildings</li> </ul>

Table 2

<b>Corporate Resources</b>		
<b>Service Priority / Development Area</b>	<b>Strategic Approach</b>	<b>Delivery</b>
Performance measurement and monitoring of Corporate Properties and commissioned property construction and property services.	Develop appropriate performance indicator and benchmarking across all relevant areas.	<ul style="list-style-type: none"> <li>Strategic Property Services to implement appropriate Performance Indicator measurers for County Council assets and property services.</li> <li>To develop performance management and benchmarking system for commissioned property construction and property services.</li> </ul>
<b>Adults and Communities</b>		
<b>Service Priority / Development Area</b>	<b>Strategic Approach</b>	<b>Delivery</b>
Ongoing support for the development of the 'Museums Collections Strategy'.	A programme of site specific reviews and projects.	<ul style="list-style-type: none"> <li>Identify opportunities for property rationalisation and disposal of surplus assets in line with the draft Communities and Wellbeing Strategy and County Hall Master plan.</li> <li>Review Communities and Wellbeing storage requirements, specific sites in scope include: <ul style="list-style-type: none"> <li>Sherrier Centre.</li> <li>Barrow Museum Store.</li> <li>Matrix House.</li> <li>County Hall (Eastern Annex).</li> <li>Unit One, Atlas Court, Coalville</li> </ul> </li> </ul>
Support development of the Communities & Wellbeing Strategy.	Transfer Community Libraries to local communities to reduce staffing and property operating costs.	<ul style="list-style-type: none"> <li>Complete programme of remaining 16 transfers and develop alternative strategies where no expressions of interest have been received from Community groups.</li> </ul>
	Smart Library Pilot Scheme	<ul style="list-style-type: none"> <li>Delivery in conjunction with C&amp;W and the commissioning a pilot scheme at Syston Library</li> </ul>
	Reduction in Property Costs.	Continue to consolidate collections and loan artefacts into Barrow/other storage and Eastern Annex (or alternative location).
	Support the continuing delivery of the Using Buildings Better Strategy to increase revenue for the service.	<ul style="list-style-type: none"> <li>Reconfigure space within Hinckley Library to provide improved let-able learning and ICT space.</li> <li>Review available space in Glenfield, Loughborough, Melton and Coalville Libraries and revisit LALs business case for the provision of additional learning spaces in 2017/18.</li> </ul>
	Develop the visitor offer at The Manor House Donington le Heath	<ul style="list-style-type: none"> <li>New ticket office to be facilitated and delivered at The Manor House Donington le Heath ready for public re-opening</li> </ul>



Table 2

<b>Adults and Communities</b>  <b>Service Priority / Development Area</b>	<b>Strategic Approach</b>	<b>Delivery</b>
Support the review of the Adult Learning Service	A programme of site specific reviews and projects to support the review	<ul style="list-style-type: none"> <li>• Improve learning facilities under the Using Buildings Better project to enable more efficient use of Community &amp; Wellbeing occupied buildings.</li> </ul>
		<ul style="list-style-type: none"> <li>• Review fees and negotiate property agreements for third part premises identified as part of the review.</li> </ul>
Support the delivery of the 'In House Services' review within Adult Social Care.	Support the amalgamation of the Community Life Choices and Short Break services through the creation of improved and more intensively used social care buildings.	<ul style="list-style-type: none"> <li>• Completion of the remaining scheme for Short Break services at Carlton Drive, Wigston.</li> </ul>
	Rationalisation of current Community Life Choices properties.	<ul style="list-style-type: none"> <li>• Disposal of underutilised Community Life Choices properties across the County</li> <li>• Millfield, Hinckley.</li> <li>• The Mount, Melton Mowbray.</li> <li>• Termination/assignment of leases where assets no longer fulfilling service requirements.</li> </ul>
	Support reduction in the use of long term residential accommodation.	<ul style="list-style-type: none"> <li>• Feasibility study of possible development options for the remodelling of Smith Crescent and/or Hamilton Court and/or The Trees to develop short term assessment / enablement facility in line with demand modelling.</li> </ul>
Enable a greater number of older people to live independently through the development of Extra Care Housing in Leicestershire.	Support Service in the review, and development of LCC Extra Care Strategy.	<ul style="list-style-type: none"> <li>• Explore the potential for delivering an Extra Care facility on surplus County Council land in Melton Mowbray</li> </ul>

Table 2

<b>Children &amp; Families Service</b>  <b>Service Priority /Development Area</b>	<b>Strategic Approach</b>	<b>Delivery</b>
To provide the additional primary and secondary school places required in each locality and identify the capital budget necessary		Delivery of C&FS Capital Programme 2016/17 of £ 37.4m (including carry forward from previous year).
	Deliver a new primary school in Braunstone. September 2016.	To establish Fossebrook Primary in Braunstone / LFE.
	The Mount Grace campus will be converted to provide a 630 place primary school as replacement to Holliers Walk. September 2016.	To develop Hinckley Parks Primary School on the Mount Grace campus.
	Delivery of a new 210 place primary school to be developed.	To provide a new primary provision in Birstall with an attached recreational centre for Hallam Fields
	Major primary adaption projects at primary school throughout Leicestershire.	Adaptions at various primary schools.
	To support the removal of 10+ educational system i.e. (Retention of the Year 6 in primary schools)	Adaptions at various primary schools in Wigston, Castle Donington and Shepshed to enable the retention of Year 6.
	Redevelopment of Wigston campus.	Redevelopment of the Wigston Academy campus including release of Abington house.  Implementation and collective decision making via schools Capital Planning and Delivery Groups
Identify sufficient capital funding to fulfil our commitment to the programme of Area Special School Development.	Completing the final development in Wigston.	Delivery of a new area Special School, Wigston.  Implementation and collective decision making via schools Capital Planning and Delivery Groups
To ensure that basic needs capital allocated to the LA is targeted towards meeting the need.		To be achieved in key projects identified in other priorities.  Implementation and collective decision making via schools Capital Planning and Delivery Groups
To seek to support opportunities to address structural change to the pattern of education.	Age range changes	Adaptions at various schools within Leicestershire.

Table 2

<b>Children &amp; Families Service</b>  <b>Service Priority /Development Area</b>	<b>Strategic Approach</b>	<b>Delivery</b>
To work with each District, housing developer, maintained schools and Academies to ensure that contributions are received for new school places.		Capital programme includes Section 106 monies to support the development and delivery of schemes in conjunction with C&FS.
To support the development of a vibrant and sustainable mixed market approach to the provision of school and other learning places in Leicestershire.		Support expressions of interest to establish free schools where there is sufficient need.
Continue to strengthen our relationship with Academies.	<p>Delivery of the Priority School Build Programme.</p> <p>Delivery of the Academies Agenda</p>	<p>Working with the EFA, Schools and Academies to deliver major redevelopment schemes:</p> <ul style="list-style-type: none"> <li>• Thurmaston, Bishop Ellis.</li> <li>• Birstall, Longslade.</li> <li>• Birstall, Highcliffe.</li> <li>• Countesthorpe, Leyslands.</li> </ul> <p>Assist Academy transfers and sponsorships Countywide in conjunction with Legal &amp; C&amp;FS.</p>
To further develop strong asset management to ensure all school buildings are maintained fit for purpose.	<p>Mobiles on school sites</p> <p>Surplus school sites</p>	<p>Develop a strategic approach for planning and condition issues relating to mobile classrooms</p> <p>Develop a strategic approach to manage surplus school sites:</p> <ul style="list-style-type: none"> <li>• Heathfield High, Hinckley</li> <li>• Danemill Annexe, Enderby</li> <li>• Ashmount, Loughborough</li> <li>• Holliers Walk Primary, Hinckley</li> <li>• Birkett House, Wigston</li> <li>• The Drive Countesthorpe</li> </ul>

Table 2

<b>Children &amp; Families Service</b>		
<b>Service Priority /Development Area</b>	<b>Strategic Approach</b>	<b>Delivery</b>
Early Years, and Sure Start Childrens Centres	Reduction in Property Costs	Review of premises and property agreements at third party premises as identified by the Service.

<b>Environment and Transport Service Priority / Development Area</b>	<b>Strategic Approach</b>	<b>Delivery</b>
To make contingency plans for the impending lease termination of the Melton Mowbray highways depot in 2019.	To provide an alternative strategic base for highways and winter road maintenance tasks.	Develop and deliver agreed contingency plan for a depot in the Melton Locality.
Create a "Living Water" facility at Croft and decommissioning of current facility at Billesdon.		Undertake a feasibility for both Billesdon and Croft depots and review options
To locate and secure a suitable base / depot area for the parking of fleet buses following the closure of the Millfield Centre.		Develop and deliver agreed plan for a fleet base in the Hinckley Locality.
To make contingency plans for the impending lease termination of the Lount composting site in 2020.		Commissioning of an immediate land search to secure and develop an alternative site within a 5 mile radius of Lount
To advance the navigation of the Ashby canal.	To acquire the necessary lands to implement the further construction work to extending the Ashby canal.	Develop and deliver agreed plan for extending the Ashby canal corridor.
Transfer of land between LCC and Highways England on trunk roads, de-trunked roads, side roads, and at locally agreed sites		Transfer of 1,200 potential plots of land countywide over the next 3 years subject to the release of information by Highways England
Appropriation of land to highways where ownership falls within adopted highway extent	Identify and transfer land to correct department where it is being operationally utilised for highway purposes	Formal appropriation of specific areas of land by agreement between Corporate Resources & E&T

Table 2

<b>Environment and Transport Service Priority / Development Area</b>	<b>Strategic Approach</b>	<b>Delivery</b>
Identification of non-operational surplus highway land	Identify and enable the sale of surplus highways land to generate capital receipt and economic regeneration where possible	Sale of identified surplus land
Construction of a new bridge over the river Soar at Zouch, Loughborough (A6006).	Acquire the necessary lands to implement the new construction project	Potential compulsory acquisitions of require land/property
Expansion of infrastructure due to planned developments in south Leicestershire.	Acquire land necessary to implement the highway improvements	Potential compulsory acquisitions of required land/property.
Need for highway land asset acquisition for essential highway improvements	Acquire lands necessary to implement highway improvements	Potential compulsory purchase Desford Crossroads and countywide sites where required
Need for easements to facilitate access for highway operations in third-party owned land	Support the creation of easements where required to enable highway improvements & maintenance	Support for creation of easements to protect highway requirements – sites currently in scope; Saltersford Bridge, Burton Road, Oakthorpe (temporary diversion of watercourse)
Enable sale of former highways LCC-owned land	Facilitate sale of land where it has been formally identified by E&T not to be required for highway purposes	Potential land required for development to be determined as and when need arises.
<b>Chief Executive</b>		
<b>Service Priority / Development Area</b>	<b>Strategic Approach</b>	<b>Delivery</b>
Review the location of Registrars and Marriage Facilities	Support the development of Business Cases for the development of new facilities to expand the service offer	Support the Service led review and delivery of subsequent strategy and feasibilities in Hinckley, Oadby and Wigston.
Promotion of economic development and growth plans in Leicestershire including, through the delivery of the Council's Enabling Growth Plan.		<ul style="list-style-type: none"> <li>Continuing support and contribution to Enabling Growth Board activities Countywide.</li> <li>Implementation of agreed asset investment projects countywide.</li> </ul>
	Support the corporate review of Sec 106	Support in development of processes and roll out

Table 2

<b>Chief Executive</b> <b>Service Priority / Development Area</b>	<b>Strategic Approach</b>	<b>Delivery</b>
Review of Section 106 policy.	policy across the County Council and co-ordinate delivery of required infrastructure and service improvements	delivery across all services Countywide to maximise contributions to aid community improvements.

## 3.0 Resource Implications

This section highlights the resource implications associated with the delivery of the strategic vision for property including the Corporate Asset Management Delivery Plan 2016/17 in Section 2.

### 3.1 Finance

This CAMP has been developed and produced in conjunction with the financial plans, programmes and budgets for the Council. This ensures that the planning for financial and property resources are directly linked and connected.

Sections 1.2 and 1.3 summarise the Medium Term Financial Strategy (MTFS) and the Capital Strategy for 2014/15 – 2018/19 This section details the capital receipts, capital programme and revenue expenditure proposals for the Council's property resources in keeping with the MTFS 2016/17 – 2019/20.

#### 3.1.1 Capital Programme

A Service Based summary of the property elements of the Capital Programme is set out below and in greater detail in Appendix 2.

The table sets out those MTFS capital projects that are property related or require a substantial input from Property Services to support or deliver.

Out of the Total capital spend of £ 207,522,000 set out in the current MTFS, £79,233,000 or (38%) is reliant on property delivery. Fig 3.0 shows the split within services areas and the fact that the majority of this expenditure is front loaded for delivery on or before April 2018

**Figure 3.0 - Capital Programme Schemes – 2016/17 – 2019/20  
(Property related projects)**

<b>Capital Budget</b>	<b>2015/16 (for reference) £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/1 9 £000</b>	<b>2019/20 £000</b>	<b>Total £000</b>
C&FS	28,837	31,957	7,628	0	0	39,585
Adults and Communities	660	150	0	0	0	150
E&T - Waste Management	520	118	500	1,250	0	1,868
Chief Executive's	1,275	0	0	0	0	0
Corporate Resources	5,650	12,750	19,700	3,580	1,600	37,630
<b>Total</b>	<b>(36,942)</b>	<b>44,975</b>	<b>27,828</b>	<b>4,830</b>	<b>1,600</b>	<b>79,233</b>

### 3.1.2 Capital Receipts

The projected capital receipts are shown below. Completion of projected property disposals is often dependent upon the planning process and the confirmation of planning consents and section 106 agreements. This may give cause for delay, as experienced in the delivery of the Capital Receipts programme for 2015/16 when it has been necessary to re-schedule the £9 million receipts that were not delivered in 2015/16 into targets for 2016/17 and subsequent years.

**Figure 3.1 - Capital Receipts (In relation to property disposals supporting MTFS total capital receipt targets)**

Year	2015/16 (for reference)	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000
General	£10.580	£12.059 M	£3.994M	£2.269M	£2.269M
Earmarked	£1.363	£3.88M	£2.4M	£0.53M	£0
<b>Total</b>	<b>(£12.21)</b>	<b>£15.939</b>	<b>£6.394</b>	<b>£2.799</b>	<b>£2.269</b>

### 3.1.3 Finance – Revenue

The following table relates to the total revenue fund managed by Property Services for the repair and maintenance of LCC maintained schools and the corporate estate for 2016/2017-2019/2020.

Looking forward these figures could change significantly if a further tranche of schools convert to academies and become responsible for their own property maintenance and budgets. Although still subject to approval by Government, the intention is that most schools will have converted to academy status by 2020. This could represent a further reduction in the future total revenue budget (reference Fig 3.2) and could significantly affect the critical mass for maintenance of the retained non schools estate

Maintenance programmes are put together using information obtained from the five yearly condition surveys which are undertaken for all properties used by the Authority. All programmes are compiled and approved against the wider corporate asset management context prior to the final programme being approved.



**Figure 3.2 - Central Maintenance and Schools Fund Revenue Budgets 2015/16 - 2019/20.**

REVENUE BUDGET	2015/16 (£)	2016/17 (£)	2017/18 (£)	2018/19 (£)	2019/20 (£)
Schools Fund	<i>projected</i>	<i>projected</i>	<i>projected</i>	<i>projected</i>	<i>projected</i>
<i>Buy Back</i>	<u>1,250,000</u>	<u>1,200,000</u>	<u>900,000</u>	<u>750,000</u>	<u>750,000</u>
Central Fund LEA Retained Emergency Fund	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Corporate Tenant Budget	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Central Maintenance Fund (All Property except Schools)	<u>2,550,000</u>	<u>2,613,750</u>	<u>2,679,094</u>	<u>2,746,071</u>	<u>2,814,723</u>
Condition Improvement Fund (Received from Central Government)	<u>4,200,000</u>	<u>3,200,000</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
*Total Revenue Budget managed by Property Services	<u><b>8,650,000</b></u>	<u><b>7,463,750</b></u>	<u><b>4,579,094</b></u>	<u><b>4,646,071</b></u>	<u><b>3,714,23</b></u>

Definitions: -

- Schools Fund** – Funding available to undertake regulatory compliance, service contracts and day to day reactive maintenance. This funding has been delegated to schools, but a Buy Back facility is in place where schools can put the funds into a scheme administered by Property Services. The funds are used to deal with these issues across the portfolio of schools in the scheme. With the rate of Academy conversion this scheme is becoming less viable to maintain and is forecasted to end by 2019/20.
- Central Fund LEA retained** – Funding available to undertake major repairs and funding towards insurance works to all schools (excluding Voluntary Aided). This fund was frozen in 2012 and has now been depleted and will no longer be available from 2016/17 onwards. The Authority will no longer be responsible for the maintenance of academy schools.
- Corporate Tenant Budget** – With the introduction of the Corporate Landlord model, maintenance budgets previously held by departments were transferred to Property Services, with the exception of Civic Amenity sites. £100,000 is delegated to Environment and Transport for their day to day maintenance and £50,000 for smaller tenant items.

### 3.2 ICT

The first 'go live' phase of the new replacement Property Asset Management System (PAMS) took place in January 2016 with further phases and modules coming on line during 2016 resulting in the final replacement and closure of the longstanding Property Management Information System (PMIS).

During the lifespan of the project a significant number of business improvements have been made and PAMS will integrate with the Oracle financial accounting system and provide commitment accounting in line with the corporate strategic objectives.

There is a heavy reliance on both Strategic and Operational ICT to support the integration and data migration to PAMS but once complete this system will ensure the continuity of good quality asset management information and provide further efficiencies.

### 3.3 Human Resources

In recognition of the substantially increasing workload driven by the growth in levels of construction, development, investment, energy and disposals activity across Property Services the cutbacks planned for staff resources were reduced during 2015/16. This has helped to enable the delivery of last year's Corporate AMP 2015/16 and is hoped to do the same for 2016/17.

### 3.4 Commissioning and Procurement

Many improvements and new processes were put in place during 2015/16 to aid with the improved and increased delivery of commissioned property construction projects and property services. This programme of improvements will continue during 2016/17 with a particular focus on performance monitoring and benchmarking procedures.

## Part 2 – The Evolving Estate

### 4.0 Existing Asset Base

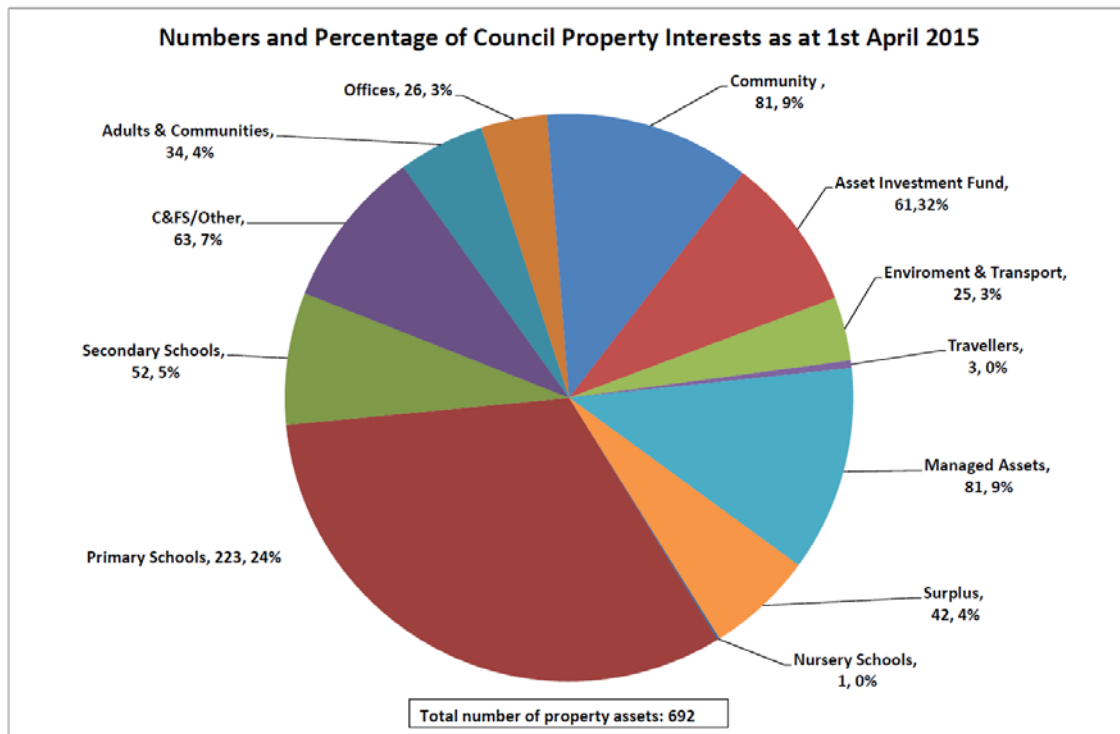
This section provides a general overview of the County Council's freehold and leasehold asset base and the current deployment of these assets to support the delivery of services. It also looks at the performance of the estate in areas such as physical condition, financial returns and suitability. Information is also provided about the amount of money expended on the Council's property resources.

#### 4.1 Make-up of Current Asset Base

Appendix 1 contains the 'Summary of Assets and Values (2014/15) included in the County Council's audited accounts. Audited accounts for 2015/16 are not available at the time of producing the Corporate AMP 2015/16.

The following diagram presents the total number of property interests owned and occupied by the County Council broken down by type of user.

**Figure 4.0 - Council Property Interests as at 1<sup>st</sup> April 2015**

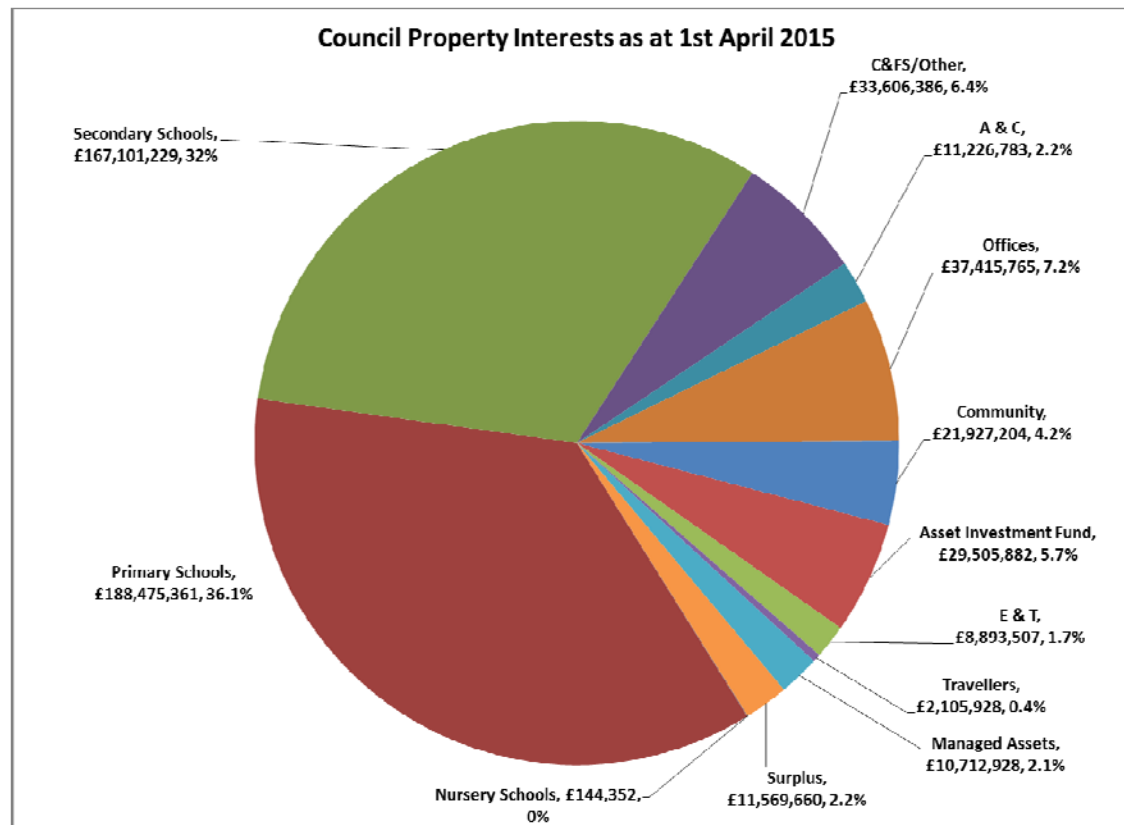


The total number of property interests owned by the County Council has reduced from 726 as at 1<sup>st</sup> April 2014 to 692 at 1<sup>st</sup> April 2015. This is in line with the predictions made in the Corporate AMP 2015/16 which explained that the major rationalisation programmes of previous years (e.g. the Office Strategy) would be completed and the rationalisation and reduction in space used and occupied by the County Council would continue at a steadier pace. Looking ahead these will continue to be further disposals of surplus assets and development land in 2016/17 as well as the acquisition of new investments. Overall, the total number of assets owned will remain in the region of 650-700.

## 4.2 Value of Asset Base

Table 4.3 presents the total asset value of the Council's total property holdings, broken down by value.

**Figure 4.1 - Assets and Values as at 1<sup>st</sup> April 2015 (All Assets)**



The following table presents the changes in the total asset value of the Council's property holdings since 2010.

**Figure 4.2 - Table showing difference in Asset Values since 2010**

<b>Valuation Date</b>	<b>1<sup>st</sup> April 2011</b>	<b>1<sup>st</sup> April 2012</b>	<b>1<sup>st</sup> April 2013</b>	<b>1<sup>st</sup> April 2014 (Est in brackets)</b>	<b>1<sup>st</sup> April 2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Total Asset Value</b>	640,666	676,027	788,500	455,600 (361,040)	522,685

The Corporate AMP for 2014/15 was prepared in advance of the closing of the accounts and was projected to take into account un-confirmed changes by government to the way valuations of schools were to be undertaken. These changes have since been confirmed and the school valuations updated, resulting in an increase in the original projections for the schools and thereby the total estate value.

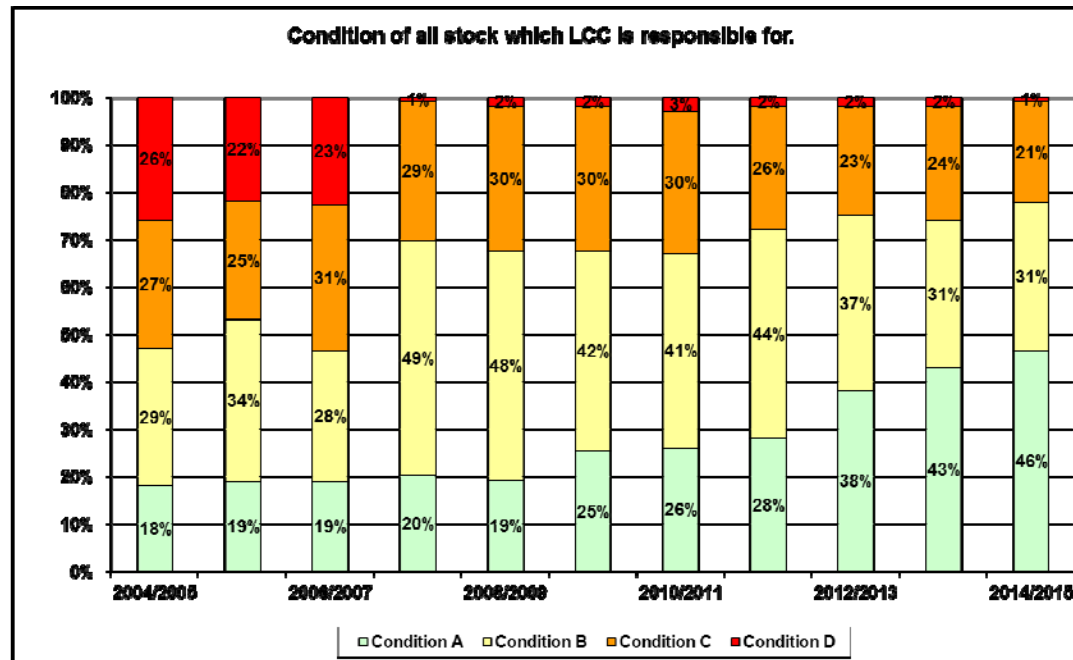
Whilst the total value of the Council's asset base has been reducing as properties are rationalised and surplus assets are sold, the dramatic swing in values from 1<sup>st</sup> April 2012 to 1<sup>st</sup> April 2015 are largely due to the creation of leasehold interests from the Council's school freehold interests as they transfer to Academy status as well as to changes by government to the methodology for valuing schools..

As at 1<sup>st</sup> April 2015, 68% of the Council's total asset value still relates to the school's estate. This will reduce if all remaining schools convert to academies as proposed by government.

### 4.3 Condition

LCC uses CIPFA Performance Indicator PMI 1A Condition to monitor the condition performance of the Council's assets. The following diagram presents the trends for the condition of Council properties, extending over an 10 year period, from 2004/05 to 2014/15.

**Figure 4.3 - Condition of Council Property Assets diagram as at December 2015**



<b>Condition A</b>	<b>Good. Performing as intended and operating efficiently</b>
<b>Condition B</b>	<b>Satisfactory. Performing as intended but exhibiting minor deterioration</b>
<b>Condition C</b>	<b>Poor. Exhibiting major defects and/or not operating as intended</b>
<b>Condition D</b>	<b>Bad. Life expired and/or serious risk of imminent failure</b>

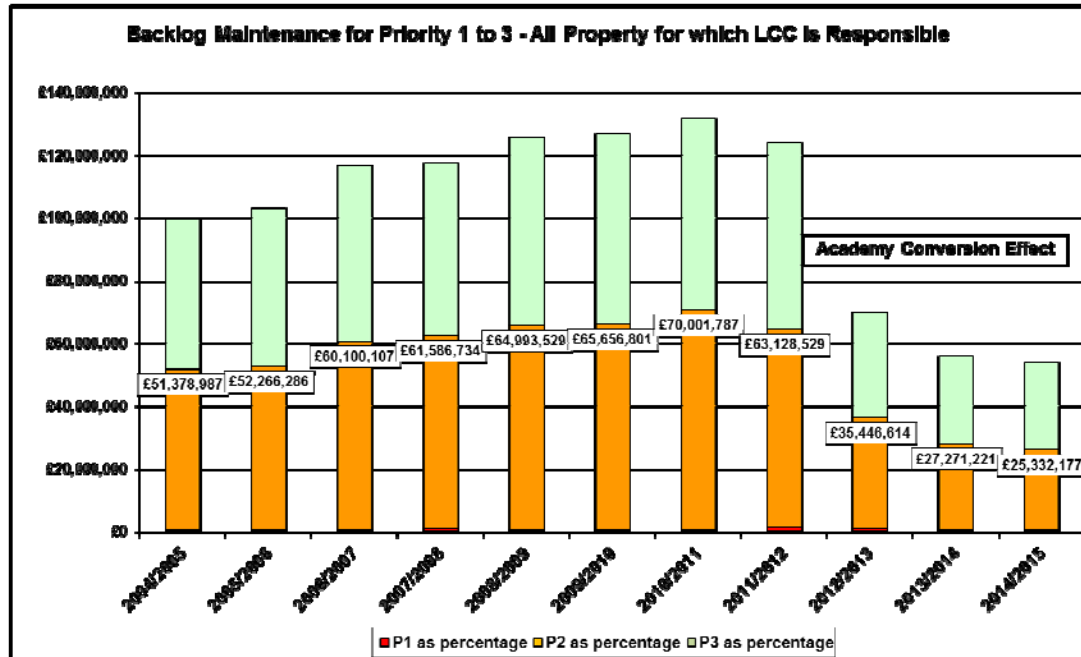
The graph shows that over the last 10 years the County Council has made substantial efforts to target available resources to those assets that fell into Category D (those assets being life expired or had a serious risk of imminent failure) which could cause disruption of services to the public e.g. a school closure due to a boiler failure. Since 2009/10 there has also been progressive increase in the proportion of assets in category 'A' and a reduction of poorly performing buildings (orange and red indicators). This is partly due to a programme for the replacement of time expired modular buildings on school sites, a proactive asset strategy targeting the release and disposal of buildings in poor or unsuitable condition, and, since 2012, the significant transfer of the schools estates through the academy process resulting in almost half of the County Council's retained estate being classified as 'Good'.

The objective is to continually maintain the County Council's assets in a good to satisfactory condition but there are concerns that this will be increasingly difficult due to the continuing cut-backs on revenue budgets, including the maintenance budgets.

## 4.4 Maintenance Backlog

The following table presents the trend in maintenance backlog costs over the last 10 years.

**Figure 4.4 - Backlog Maintenance of County Council Assets as at December 2015**



### KEY

<b>Priority 1</b>	Urgent Work that will prevent immediate closure of premises and/or address immediate high risk to health and safety of occupants and/or remedy a serious breach of legislation
<b>Priority 2</b>	Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to health and safety of occupants and/or remedy a less serious breach of legislation
<b>Priority 3</b>	Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a medium risk to health and safety of occupants and/or remedy a minor breach of legislation

The table shows that virtually all Priority 1 'urgent' works are addressed and almost eradicated from the Council's stock of property. The remaining maintenance backlog requirements are fairly equally divided between priority 1 and 2 levels.

The substantial drop in the total maintenance backlog costs over the last 3 years is largely due to the transfer of repairing liabilities to the Academies and Trust schools during which process some of the inherent maintenance liabilities were addressed.

The on-going aim is to maintain this trend of reducing maintenance backlog costs and maintain buildings in a fit for purpose condition. This will, however, be subject to the future impact of continuing revenue savings and cutbacks on maintenance budgets

## 4.5 Planned and Reactive Maintenance

Planned maintenance is generated from condition surveys where priorities and a program of maintenance work are created from the database. As more schools transfer to academy status, the burden upon Local Education Authority's liability to repair reduces. The responsibility for repairs and maintenance, together with all statutory compliance issues, falls to the Academy head teacher and governors, although these services can be provided by Operational Property Services on a contract basis.

Reactive maintenance is generated from the calls to Operational Property Services' helpdesk from schools, offices and other building users. Because these are emergency requests resulting from a building failure or breakdown they require immediate response on a piecemeal basis and are inherently more expensive and costly to resource.

The following diagrams represents the total amount of both revenue and capital monies spent on planned and reactive maintenance for the corporate estate and the Schools estate 2014/15 -2015/16. As explained in Section 3.1, the Central Maintenance Fund (CMF) is the revenue budget allocated to the maintenance of the County Council's corporate estate (excluding schools). The Schools Maintenance Fund (SMF) is an annual Government funded capital grant. The SMF varies annually and cannot be budgeted too far in advance of each financial year.

**Figure 4.5 – Planned and Reactive Maintenance Expenditure**

	2014/15		2015/16		2016/17	
	Central Maintenance Fund (£)	Schools Maintenance Fund (£)	Central Maintenance Fund (£)	Schools Maintenance Fund (£)	Central Maintenance Fund (£)	Schools Maintenance Fund (£)
Planned Maintenance	500,000	3,200,000	500,000	3,200,000	500,000	3,200,000
Reactive Maintenance	2,490,000	1,351,000	2,200,000	1,215,000	2,225,000	1,200,000
Totals	<u>2,990,000</u>	<u>4,551,000</u>	<u>2,700,000</u>	<u>4,415,000</u>	<u>2,775,000</u>	<u>4,400,000</u>

The split between planned and reactive maintenance is as follows;

**Figure 4.6 - Split between Planned and Reactive Maintenance Expenditure**

	2014/15	2015/16	2016/17 ( Target)
Planned Maintenance	49%	52%	60%
Reactive Maintenance	51 %	48%	40%



The recommended best practices split is 70% planned and 30% reactive maintenance. The unpredictability of the Government grant for the Schools Maintenance Fund makes it difficult for the County Council to meet this best practice standard. A more realistic aim is to seek to achieve a 60%:40% split between planned and reactive maintenance spend as far as is possible and practical. It is encouraging to see that expenditure patterns from 2014/15 to 2015/16 are moving closer towards the 60%:40% target.

#### **4.5.1 Statutory Compliance**

Statutory Compliance covers areas such as asbestos, legionella, fire, electrical and glazing risk management. The County Council has policies in place for each area based upon legal requirements and best practice, and all statutory survey and inspections are carried out by external accredited consultants. These findings are then used to form the basis of an ongoing program of remedial works based upon risk priority which are funded from the Central Maintenance Fund (CMF).

Staff are trained in awareness of risk and local procedures to be followed and, Operational Property Service's compliance management systems are subject to internal audit by the Corporate Health, Safety and Wellbeing Service. This strategy ensures a coordinated approach to mitigating risk in all LCC operated and/ or maintained buildings.

#### **4.6 Energy**

In July 2014 Cabinet approved a corporate Property Energy Strategy. This established energy management as a priority for the strategic planning and operational management of property and established a new performance management approach.

LCC's current Medium Term Financial Strategy (MTFS) requires annual savings of at least £395,000pa on annual energy expenditure by 2016/17. This equates to a reduction in energy use of just over 23%, taking 2012/13 as the baseline year.

Performance reporting of energy, water and CO2 emissions has been significantly influenced by legislation and governance relating to the calculation of CO2 emissions, and in terms of the Council's changing responsibility in relation to the schools estate.

The graphs below document the County Council's dramatically improving performance and results since 2012/13. The graphs present actual delivery against the targets set in the Property Energy Strategy.

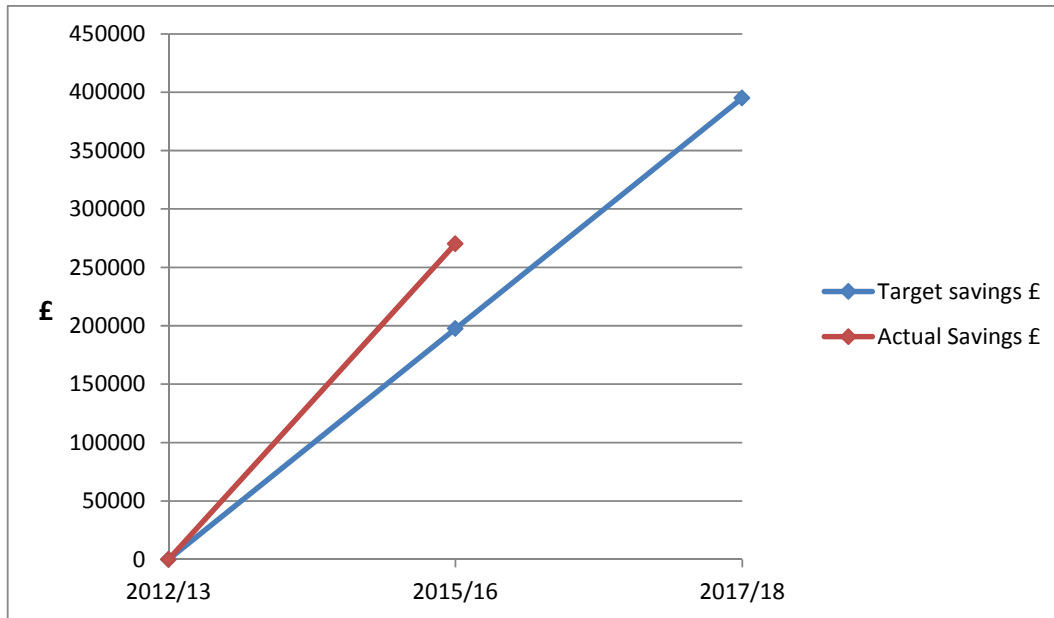
**Fig 4.7 Energy Savings**

Figure 4.7 shows the total energy savings of £270,178 far exceeded the target set for 2015/16. This has been achieved mainly by investment into energy projects across properties as well as through estate rationalisation and behavioural change.

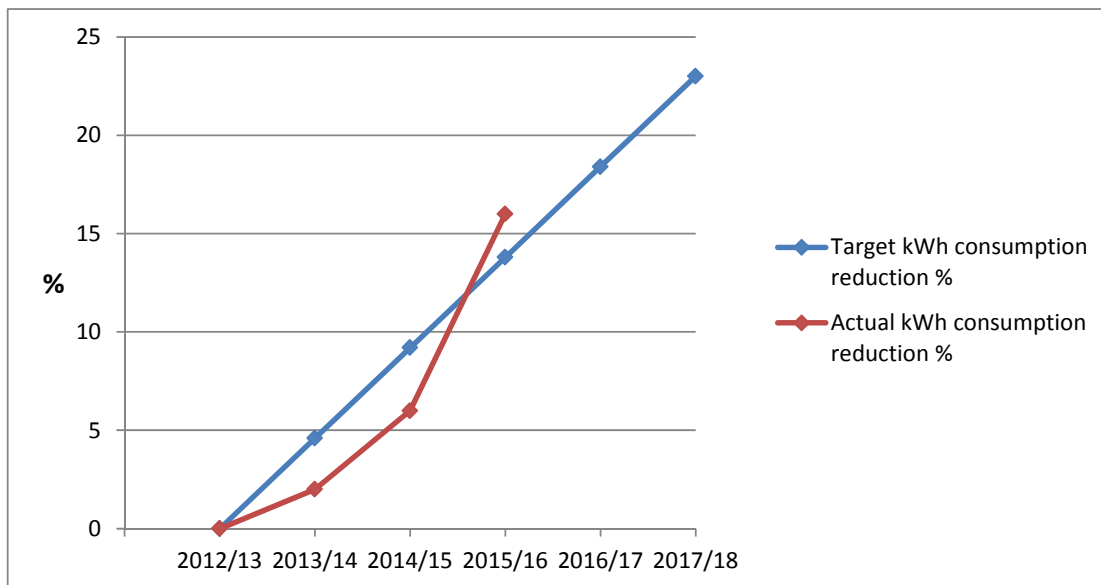
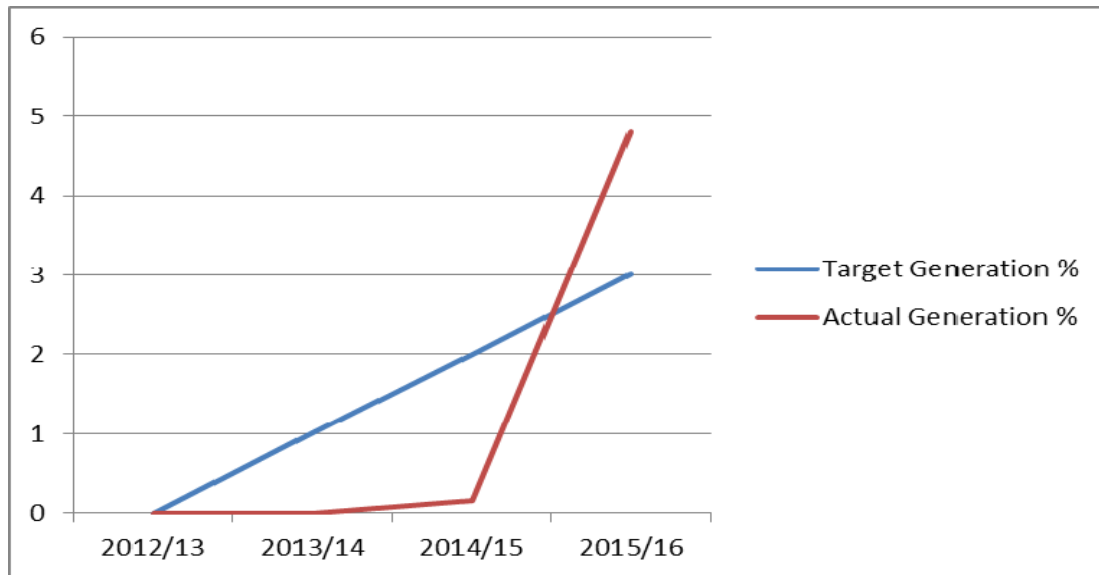
**Fig 4.8 Energy Consumption**

Figure 4.8 shows that energy consumption improved significantly during 2015/16 and the increased reduction in consumption exceeded planned targets for the first time

**Fig 4.9 Renewable Energy**

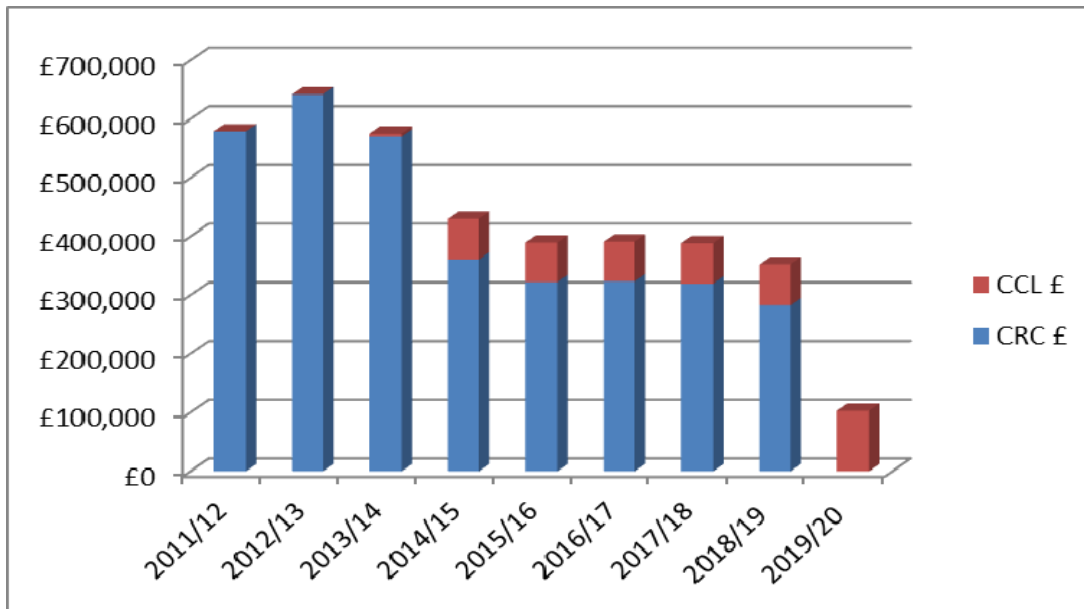
The Energy Strategy sets a target of increasing the amount of renewable energy consumed by the County Council (of the total energy consumed) by 1% per annum.

As a direct result of installing the biomass boiler and solar panels at County Hall this target was well exceeded during 2015/16 and is set to continue with the rolling out of similar renewable energy installations at other Council properties.

The Carbon Reduction Commitment (CRC) is a statutory tax charged for all carbon emissions emitted from County Council buildings. Reduced energy consumption as a result of energy projects has aided the mitigation of this cost, in addition a strategy of forward purchasing of 'allowances' secures prices for each tonne of carbon emitted during 2015/16, and to cover future years emissions to mitigate any future cost increase.

This taxation regime will be replaced by the Climate Change Levy (CCL) from 2019. Overall the proposed changes indicate that the County Council will be paying less for their Energy in the future due to the work of the Energy Strategy and these tax changes; see Figure 4.10.

**Fig 4.10 CRC taxation and anticipated CCL levy change**



The cost of energy will continue to be a significant cost to the County Council and we will continue to develop innovative projects to seek to, influence use and, deliver results during 2016/17.

## 4.7 Investment Portfolio

### 4.7.1 Asset Investment Strategy

The decision, in 2013, to combine the existing farms and industrial portfolios into a single Investment Portfolio and the establishment of the Corporate Asset Investment Fund has provided greater focus to the investment and management strategy enabling the portfolio to make both an enhanced financial contribution to the Council and a have a positive impact on the wider economy.

The Asset Investment Strategy for 2015/16, adopted by the Asset Investment Board, which will guide future investment decisions in respect of new assets and the development of investment properties on existing Council owned sites is set out below:-

The agreed Asset Investment Strategy for 2015/16 is as follows:-

- The portfolio is to have a mix of properties based on:-
  - A minimum of 75% of the portfolio will be investments that are dedicated to the maximisation of financial return.
  - Up to 25% of the portfolio may be held to support economic development and growth whilst also providing an economic return.
- The overall strategy is to continue to actively invest in the portfolio in order to enhance its size and quality.
- The required risk profile within the portfolio will be 80% normal / relatively low risk and 20% higher risk.
- The portfolio to be structured to meet income generation and long term capital growth targets.
- The portfolio will comprise a mix of property types which will provide resilience against changing market conditions within different sectors whilst also exploiting market opportunities.
- Maintain a diverse and balanced portfolio which builds upon the existing asset base.
- Potential investments should be located as follows:-
  - In considering properties purchased to achieve a financial return priority should be given to suitable properties located in the County in addition to pursuing viable alternatives within the region.
  - Investments in property to be held for service delivery or economic growth will be located entirely in Leicestershire.
- The portfolio will be performance managed and benchmarked against commercial market comparators.

At present the portfolio continues to reflect its historical roots being primarily a mix of rural and industrial properties (with a small number of offices). The quantum of property within each sector together with a comparison of sector proportions both with the previous year and the long term policy range is set out in the Table below.

**Figure 4.11 Asset Investment Portfolio**

Sector	Area	March 2014	March 2015	Change over Year	Long Term Policy Range %
Retail	-	-	-	-	-
Industrial	316,544 sq. ft.	28.6%	27.4%	-1.2%	30 - 35%
Offices	38,562 sq. ft.	7.6%	7.2%	-0.4%	20 - 25%
Rural	7210 acres	58.8%	60.6%	+1.8%	30 - 35%
Other Commercial	101,943 sq. ft.	2.4%	2.1%	-0.3%	0 - 10%
Leisure	-	-	-	-	-
Ground Leases	107248 sq. ft.	2.6%	2.8%	+0.1%	5 - 10%
Total		100%	100%	-	100%

The changes in the makeup of the portfolio reflect the acquisitions, including a 23 acre block of land at Sapcote (with future medium term development potential), and disposals that have taken place during the year. During the last financial year a further small 1 acre commercial site at Sapcote was acquired. In addition, the purchase of a strategic employment site at Airfield Farm, Market Harborough has been agreed, subject to contract, providing a major opportunity to progress the restructuring process, which will be further accelerated by the development of new commercial premises and the grant of ground leases.

In order to move the development of the portfolio forward and give it the greater financial focus outlined in the strategy further restructuring opportunities have been identified facilitating the disposal of underperforming assets and those where development potential can be realised in order to achieve a pipeline of capital receipts in future years.

Appendix 3 contains the detailed performance indicators for the industrial and farms investment portfolios over the 3 years to 2014/15.

Summary findings for 2013/14 are as follows:-

**Value of Investment Assets**

The following table presents the asset value of the investment portfolios for 2013/14 and 2014/15 and shows an increase in value of 29% over the year.

**Figure 4.12 Value of Investment Assets**

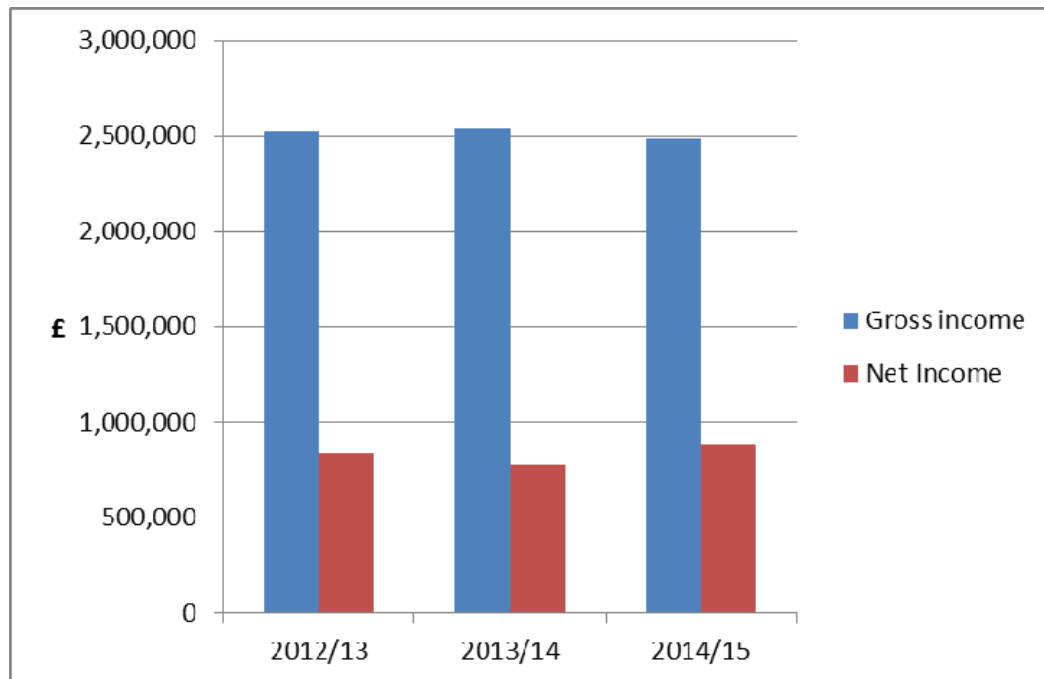
Asset Value	
2013/14	2014/15
£24.93 million	£29.5 million

The increased value reflects a combination of higher rental levels and occupancy and downward pressure on yields which has the effect of increasing capital values together with further increases in development “hope” value.

**Income (Gross and Net)**

The performance compared to the Previous 2 years is detailed in the figure below.

**Figure 4.13 Income (Gross and Net)**



Despite significant sales from the rural portfolio in 2012/13 through the identification and the release of potential development sites, overall gross income has remained constant at c. £2.5million. Net income has fluctuated over the period being artificially enhanced in 2012/13 by external grant funding from environmental schemes and then showing an increase of 13.42% in 2014/15 as a result of the positive outcomes to rent reviews, lease renewals and new lettings coupled with cost saving achieved throughout the year.

### ***Yields***

The fund achieved a total return (capital growth plus income return) of 27.6 % for the year; an increase of 10.0% on the previous year. The performance of the rural portfolio was enhanced by the realisation of development potential on several sites coupled with its continuing excellent performance at above market levels. The vastly improved performance of the other sectors demonstrates the value of the proactive management strategy adopted in recent years and the returns achieved through the ongoing investment in improving the quality of the portfolio. The table below shows a comparison with the Investment Property Databank (IPD) Index covering the UK Property Market.

***Figure 14.4 Investment return***

<b>Sector</b>	<b>Return 2015 %</b>	<b>Benchmark %</b>
Rural	26.2%	10.2% IPD
Industrial / Offices	29.4%	17.8% IPD

### ***Performance against KPIs***

The performance of the portfolio measured against approved KPIs is detailed in Appendix 3 and shows that 86% of targets were achieved in the year to 31<sup>st</sup> March 2015. Of particular note are the excellent returns achieved from the portfolio where performance substantially exceeded target levels, as discussed above. In addition, reductions in the level of voids and debt coupled with further revenue savings enabled the majority of the management targets to be achieved. However, fluctuations in the overall rent levels and revenue surpluses arising from the restructuring of the portfolio resulted in minor under-delivery of 2 targets. It is anticipated that by proactive management these will be achieved in future years. Currently there are no reliable benchmarking statistics that incorporate both the commercial and rural property sectors in a single report. Accordingly the data for the year to 31<sup>st</sup> March 2015 has been presented in two parts. The current KPI's will be reviewed during 2016/17 as part of the annual review undertaken by the Asset Investment Board to ensure that the strategic direction of the portfolio continues to deliver the financial and policy imperatives of the County Council



## **4.8 Performance Measuring and Monitoring**

### **4.8.1 Customer Satisfaction**

Customer satisfaction performance indicators for property and property services are being developed and implemented and will form part of the Corporate Resources Departmental Performance Management measures.

### **4.8.2 Property Construction Projects**

During 2016/17 Property Services will be joining national and local benchmarking systems to monitor construction management and delivery of Capital construction Projects.

## Appendix 1 – Summary of Assets and Values

### Assets and Values 2014/2015

Land (Excluding Highways Land)  
Principal and Other Roads

4439 hectares  
4322 Kilometres

Category Name	FH	LH/L	Total	VALUE
<b>Operational Assets Land and Buildings</b>				
Nursery Schools	1	0	1	£144,352
Primary Schools	120	103	223	£188,475,361
Secondary Schools	12	40	52	£167,101,229
Special Schools	5	3	8	20,114,977
Other Education	9	2	11	£2,139,905
Playing Fields	13	6	19	£1,811,894
Housing (Caretakers)	11	0	11	£1,405,406
Libraries (3 Public Libraries within Schools and 1 Area Office)	46	7	53	£15,745,606
Children and Family Centres	6	5	11	£4,665,408
Childrens Community Homes	2	0	2	£1,009,423
Day Care - Elderly Persons	0	4	4	£0
Day Care - Learning Difficulties	5	6	11	£8,043,255
Day Care - Mental Health	1	2	3	£132,937
Day Care - Physical Difficulties	0	2	2	£0
Residential - Learning Difficulties & Mental Health	5	0	5	£1,621,922
Properties in Support of Residential Services	1	0	1	£103,905
C.C. Admin Offices and Registrars	7	19	26	£37,415,765
Museums	6	1	7	£6,017,587
Civic Amenity and Waste	14	0	14	£5,309,294
Highways Depots	5	2	7	£3,582,236
Travellers Sites	2	1	3	£2,105,928
Outdoor Residential Centre	1	0	1	£2,459,373
Other Highways	4	0	4	£1,977
Other A&C LALS	1	7	8	£1,324,764
Country Park Landholdings	18	2	20	£0
Asset Investment Fund (Farms and Industrial Units 216 Units in 22 Industrial Estates 78 Holdings in 39 Farm Estates)	57	4	61	£29,505,882
Park and Ride (Birstall)	1	0	1	£164,011
<b>TOTAL OPERATIONAL</b>	<b>353</b>	<b>216</b>	<b>569</b>	<b>£500,402,397</b>

<b>Non-operational Assets (general)</b>				
Land in Advance	44	11	55	£5,217,795
Corporately managed	25	1	26	£5,495,133
<b>Surplus Property</b>				
Land and Buildings declared surplus	39	3	42	£11,569,660
<b>TOTAL NON OPERATIONAL</b>	<b>108</b>	<b>15</b>	<b>123</b>	<b>£22,282,588</b>

<b>OVERALL TOTALS</b>	<b>461</b>	<b>231</b>	<b>692</b>	<b>£522,684,985</b>
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FH = Freehold

LH/L = Leasehold or Licence

NB.1 Data and Values based on LCC Asset Register @ 1/4/2015

NB2. LCC retained the freehold interest in only four secondary schools as at 1st April 2015 which were all revalued in year given that they are now each in the Top 20 assets determined by value and thus explaining an increase in value from that reported last year.

The total value of secondary schools includes not only the value of each school but also the value of the land leased to each academy by way of a 125 year lease.

## Appendix 2 – Capital Programme

	2015/16 (for reference) £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
Improvements to Targeted Early Help Hubs		340				340
<b>MAIN GRANT FUNDING PROGRAMME</b>	-					
School Accommodation Programme:						
- To provide additional primary school places		1,615				1,615
- To provide additional primary school places (new school at Braunstone)		2,200				2,200
- Mobile Replacement (Cossington)		850				850
School Accommodation Programme:						
- To provide additional primary school places		7,483	2,777			10,260
- To provide additional primary school places		660				660
- To provide additional primary school places (new school at Birstall)		1,604	2,851			4,455
- To ensure a good supply of secondary school places		100				100
- To complete the area special school programme		8,000	2,000			10,000
- To seek opportunities to address structural changes to the pattern of education						
where this can be linked to basic need (10+ Retention)		3,870				3,870
- Wigston Campus Masterplan, secondary adaptations to support 10+ removal		1,000				1,000
- Schools Access Initiative		50				50
- Ofsted and Safeguarding		50				50
School Condition *		3,392				3,392
- Boiler Replacement						
- Structural Repairs						
- Electrical						
Sub-total		<b>31,214</b>	<b>7,628</b>	<b>0</b>	<b>0</b>	<b>38,842</b>
Schools Devolved Formula Capital *		743				743
<b>C&amp;FS</b>	28,837	<b>31,957</b>	<b>7,628</b>	<b>0</b>	<b>0</b>	<b>39,585</b>
<b>Adults and Communities</b>	-					
<b>Proposed Schemes</b>	-					
Smart Library - Syston (subject to business case ), Invest to Save		40				40
<b>Existing Schemes</b>	-					
Libraries - reconfiguration of space		110				110
<b>Adults and Communities</b>	660	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150</b>

<b>Environment and Transport /Waste Management</b>						
Melton Depot - Replacement		0	500	1,250		1,750
Croft Depot - replacement of gulley emptying facilities to enable industrial redevelopment.		118				118
<b>Environment and Transport/Waste Management</b>	520	<b>118</b>	<b>500</b>	<b>1,250</b>	<b>0</b>	<b>1,868</b>
<b>Chief Executives</b>						
<b>Chief Executives</b>	1,275	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Corporate Resources</b>						
<b>Strategic Property</b>	-					
County Farms Estate - General Improvements		100	100	100	100	400
Industrial Properties Estate - General Improvements		200	200	200	200	800
Industrial Properties - Maintenance Improvement		125				125
<b>Corporate Asset Investment Fund</b>	-					
Harborough Accelerator Zone		3,960	3,940			7,900
Coalville Workspace Project - subject to GD2 grant bid £3.7m		3,075	4,530	210		7,815
Loughborough University Science Enterprise Park (LUSEP)		330	4,810			5,140
Rural Workspace Project - subject to GD3 grant bid £3.24m		950	3,220	1,070		5,240
Asset Acquisitions Future Investments		1,000	1,000	1,000	1,000	4,000
County Hall Maintenance - major works on end of life replacements		500	500	500		1,500
Countesthorpe, The Drive - Re-provision of nursery facilities at alternative location		500				500
Charnwood Locality Office Accommodation (Pennine House, Loughborough)		250	900			1,150
County Hall Master Plan - (Anstey Frith House) Registrars, Out of Hours Office and flexible working technology		1,260				1,260
<b>Energy Strategy</b>	-					
Energy Strategy - Invest to Save Projects		500	500	500	300	1,800
<b>Corporate Resources</b>	5,650	12,750	19,700	3,580	1,600	37,630
<b>Total Capital Programme</b>	<b>36,942</b>	<b>44,975</b>	<b>27,828</b>	<b>4,830</b>	<b>1,600</b>	<b>79,233</b>

## Appendix 3 - Asset Investment Fund Portfolio

### Industrial Estate

LPI Ref No	PI Description	Leicestershire Industrial Portfolio			Target 15/16
		12/13 Actual (Target)	13/14 Actual (Target)	14/15 Actual (Target)	
LPI 1	Attain Target Investment Rate of Return	9.58% v (>6%)	11.43% V (>6%)	9.0% v (>6%)	>6%
LPI 2	Attain the average market return on capital over the whole portfolio	-2.7% v (13.3%)	5.8% V (13.4%)	36.2% v (13.4%)	To be confirmed when market results available
LPI 3	Attain the average market net income return target	4.7% v (7.1%)	4.6% V (6.4%)	12.7% v (6.4%)	To be confirmed when market results available
LPI 4	Attain the average market yearly capital growth target	-7.4% v (7.7%)	1.2 V (6.9%)	23.5% v (6.9%)	To be confirmed when market results available
LPI 5	Increase the average rent per square foot over the whole portfolio year on year.	£4.06 v (£4.79)	£4.60 V (£4.06)	£4.13 v (£4.60)	£4.13
LPI 6	Attain agreed voids target for Area and Rent. Area & Rent < 5%	A14.8% R13.7% v (<5%)	20.75% 20.82% V (<5%)	7.9% 8.3% v (<5%)	<5%
LPI 7	Attain unsecured 90 day debt target of < 5% Gross Income	3.53% v (<5%)	3.56% V (<5%)	2.9% V (<5%)	<5%
LPI 8	Increase revenue surplus per square foot year on year over the whole portfolio	£1.12 v (£1.81)	£1.14 V (£1.12)	£1.68 v (£1.14)	£1.68
LPI 9	Maintain management cost target below 15%	16.13% v (<15%)	16.21% V (<15%)	13.7% v (<15%)	<15%

**County Farms**

PI Ref No	PI Description	Leicestershire County Farms			Target 15/16
		12/13 Actual (Target)	13/14 Actual (Target)	14/15 Actual (Target)	
LPI 10	Attain Target Investment Rate of Return > 6%	11.88% v (> 6%)	10.06% V (>6%)	8.45% V (>6%)	>6%
LPI 11	Attain Savills average return on capital target over the whole portfolio	34.0% v (9.0%)	57.1% V (10.2%)	26.2% V (6.6%)	To be confirmed when market results available
LPI 12	Attain Savills average net income return target	6.8% v (> 1.3%)	3.8% V (>1.4%)	4.3% V (>1.3%)	To be confirmed when market results available
LPI 13	Attain Savills average yearly growth target	27.3% v (> 7.3%)	53.3% V (>8.9%)	21.9% V (>5.3%)	To be confirmed when market results available
LPI 14	Increase the average rent per acre over the whole of the portfolio year on year	£107.74 v (£101.40)	£109.05 V (£107.74)	£115.70 V (£109.05)	£115.70
LPI 15	Attain agreed voids target for Area and Rent.	A 0.004% R 0.003% v (< 5%)	A1.03% R1.72% V (<5%)	A2.1% R1.7% V (<5%)	<5%
LPI 16	Attain unsecured 90 day debt target of < 5% Gross Income	2.19% v (< 5%)	4.25% V (<5%)	2.9% V (<5%)	<5%
LPI 17	Attain target level of re-lettings to new entrants	1.3% v (0.96%)	0% V (1.3%)	2.5% V (1.3%)	To be confirmed when market results available
LPI 18	Increase revenue surplus per acre, year on year, over the whole portfolio	£52.14 v (£41.49)	£54.68 V (£52.14)	£44.52 V (£54.68)	£44.52
LPI 19	Maintain management cost target below 15%	6.58% v (< 15%)	3.75% v (<15%)	3.5% v (<15%)	(<15%)



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