



CABINET – 16 SEPTEMBER 2022

CORPORATE ASSET MANAGEMENT PLAN 2022 - 2026

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PART A

Purpose of the Report

1. The purpose of this report is to seek the Cabinet's approval of the draft Corporate Asset Management Plan (CAMP) 2022 - 2026 which sets out the strategic direction for the use, management and development of Leicestershire County Council's corporate property resources over the next four years. The draft CAMP 2022 - 2026 is appended to this report.

Recommendation

2. It is recommended that the draft Corporate Asset Management Plan 2022 - 2026 be approved.

Reasons for Recommendations

3. To enable the implementation of the CAMP 2022 – 2026.

Timetable for Decisions (including Scrutiny)

4. The draft CAMP was considered by the Scrutiny Commission at its meeting on 7 September 2022 and the Commission's comments will be reported to the Cabinet.

Policy Framework and Previous Decisions

5. The County Council's Strategic Plan 2022 - 2026, approved by the County Council on 18 May 2022 provides a strategic planning framework for the Council which will ensure that all service plans and strategies contribute to delivery of the Council's vision for Leicestershire.
6. The Medium Term Financial Strategy 2022 - 2026 was approved by the County Council on 23 February 2022. This includes the allocation of resources to fund the Capital Programme up to 2025/26.
7. The CAMP 2022 – 2026, together with the Medium Term Financial Strategy, supports the County Council's corporate and service priorities and is closely

aligned with the Strategic Plan and replaces the previous annual CAMPs, the last of which was adopted in 2016.

Resource Implications

8. The Council is operating in an extremely challenging financial environment following a decade of austerity and spending pressures. This has been further exacerbated by the Covid-19 pandemic, uncertainty around future funding levels and the current inflationary pressure within the economy. The MTFS sets out the future challenges and the need for further savings of £80m to be made by 2025/26, of which £40m is unidentified. A report to Cabinet in June highlighted that this gap had grown to £71m in light of inflation and other emerging pressures. A further report concerning the Council's financial pressures will be presented to Cabinet in September.
9. The MTFS 2022 - 2026 which incorporates the investment strategy for that period provides funding of £514.6m for capital projects for the period to 2025/26 75% of which requires property input.
10. The CAMP highlights how the financial resources allocated to the Council's corporate property resources in the Capital Strategy and MTFS programmes/budgets will be utilised. Delivery of individual projects detailed in the Action Plan will be considered against a clear business case methodology.

Circulation under the Local Issues Alert Procedure

11. None.

Officers to Contact

Chris Tambini, Director of Corporate Resources
Tel: 0116 305 7830
Email: chris.tambini@leics.gov.uk

Declan Keegan, Assistant Director (Finance, Strategic Property and Commissioning),
Corporate Resources Department
Tel: 0116 305 7668
Email: declan.keegan@leics.gov.uk.

Jonathan Bennett, Head of Strategic Property,
Corporate Resources Department
Tel: 0116 305 6358
Email: jon.bennett@leics.gov.uk

PART B

Background

12. The County Council currently holds 643 property assets with a combined value of £652m.
13. The CAMP outlines the framework for the future management of those property assets for the period 2022 – 2026, the adoption of which is necessary to drive the portfolio's future strategic direction and demonstrate continued best practice in its delivery.

The Corporate Asset Management Plan 2022 – 2026

14. The CAMP aligns with the Strategic Plan which embodies and drives the County Council's wider strategic objectives and provides the basis of all its activities, including the management of its property assets, necessary to deliver its vision for Leicestershire over the period to 2026.
15. Prepared in accordance with Cipfa best practice in addition to highlighting the major projects and programmes to be delivered over the four-year period it considers how the management of the Council's assets can contribute to the delivery of the five strategic outcomes together with the need for sound governance, robust asset challenge and effective performance monitoring supported by challenging performance indicators.
16. The CAMP sets out its key ambitions of:-
 - Creating a greener estate which is moving towards energy self-sufficiency;
 - Ensuring continued focus on delivering capital projects that make a positive difference with projects being delivered on-time, within budget and procured in a way that achieves value for money;
 - Having well maintained, energy efficient buildings with 70% of repairs and maintenance being delivered through a planned programme; and,
 - Rationalising the portfolio through a proactively managed asset challenge process supported by governance that facilitates early decision making enabling potential benefits to be maximised.
17. The CAMP details in its Action Plan, included as an appendix within the CAMP, those property related projects and programmes, funded through the MTFs Capital Programme, that will be delivered and implemented over the next four years demonstrating their links to the Strategic Plan's five strategic outcomes. The ten key actions for 2022/23 include:-
 - Deliver the Children's and Family Service capital programme
 - Deliver the Energy Strategy and continue to support Net Zero Carbon targets.
 - Develop a 'Decarbonisation Plan' for the County Council's buildings
 - Meet the capital receipts target and maximise revenue income and

potential cost savings

18. Whilst the CAMP covers the four-year period to 2026 it will be subject to ongoing review throughout that period to take account of any changes to the Council's strategic objectives and the availability of resources to support its delivery. Together with a comprehensive review of performance, necessary to provide transparency and demonstrate that value for money is being achieved in the management of the Council's assets, the strategy review will form part of an Annual Performance Report which will be presented to the Cabinet and Scrutiny Commission each year.
19. Whilst the four-year window to 2026 is considered in detail, many of the projects form part of wider ongoing initiatives which have already made positive contributions to the achievement of key policy goals. Details of four such initiatives are set out below:-
 - The Ways of Working Programme has seen the rationalisation and reduction of office space and the implementation of a new strategy for County Hall with the result that savings of over £350,000 p.a. have been made from vacating office space together with increased revenue income of £400,000 p.a. in full year and with potential to increase to an estimated £1.2m p.a. over the next 3 years as further underutilised space is released.
 - Planning permission has been obtained for a Solar Farm at Quorn which, when operational, has the potential to produce enough electricity to off-set the County's street lighting usage each year generating 9,170 MWh per year. Further feasibility work is ongoing to assess the potential to use other Council owned sites to generate additional solar and wind powered renewable energy to support Net Zero Carbon 2030 and 2045.
 - Four new schools have been provided over the last five years with a further five currently being developed for delivery by 2027. £63m of additional Section 106 funding has already been secured to support school place provision of which £22m was passported in 2021-22.
 - In respect of decarbonisation, with the benefit of £3.5m of grant funding potential low carbon upgrades have been identified and works undertaken to County Hall, Beaumanor Hall and Embankment House delivering carbon reductions of 388 tCO₂e (tonnes Carbon Dioxide equivalent) annually and generating savings of over £150,000 in year 1 in addition to supporting County Hall with low carbon heating.
20. In conclusion, the adoption of the CAMP proposals will enable the County Council to maintain a high performing fit-for-purpose property portfolio capable of meeting the challenges of limited resources and the increasing demands on services which makes a positive contribution to its wider strategic objectives.
21. The Scrutiny Commission will consider the draft CAMP at its meeting on the 7 September and its comments will be reported to the Cabinet.

Equality and Human Rights Implications

22. There are no equality or human rights implications directly arising from this report.

Environmental Implications

23. The CAMP 2022 – 26 seeks to maximise the potential of the Council's assets to contribute to the delivery of the environmental improvements, including the achievement of Net Zero 2030, contained within the Strategic Plan's Clean and Green Strategic Outcome.

Background Papers

County Council – 18th May 2022 – Strategic Plan (2022 – 26)

<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=6482&Ver=4>

County Council – 23rd February 2022 – Medium Term Financial Strategy 2022/23 – 2025/26

<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=6481&Ver=4>

Cabinet – 22 June 2020 – 2020/21 Provisional Revenue and Capital Outturn

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=6444&Ver=4>

Cabinet – 18 July 2016 – CAMP 2016/17

<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MID=4604#AI47772>

Appendix

Draft Corporate Asset Management Plan 2022 - 2026

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