



Corporate Asset Management Plan 2022 – 2026

ANNUAL PERFORMANCE AND STRATEGY UPDATE REPORT

2023 - 2024



CONTENTS

1 Introduction	3
2 Core Data	4
2.1 The Portfolio	4
2.2 Capital Programme	5
2.3 Maintenance	7
3 Project Delivery	8
3.1 Overview	8
3.1.1 Capital Programme Delivery	8
3.1.2 Reviews	10
3.1.3 Property Management	10
3.2 Key Actions 2023 – 2024	11
4 Performance measured against Key Indicators	15
4.1 CIPFA Performance Indicators	15
4.1.1 Condition and Required Maintenance	15
4.1.2 Environmental	17
4.1.3 Sufficiency, Capacity and Utilisation	18
4.1.4 Project Time and Cost Predictability	18
4.2 Local Performance Indicators	19
4.2.1 Capital Receipts	19
4.2.2 Asset Challenge	19
5 Action Plan 2024 -28	21
5.1 Capital Programme Project Delivery	21
5.2 Reviews and Development of Future Strategies	23
5.3 Annual Property Management Programme	25
5.4 Key Actions and Outcomes 2023 – 24	26
APPENDIX A	27
Asset Challenge 2024-25 Outcomes Report	27

1 INTRODUCTION

Leicestershire has a reputation of being one of the best performing authorities in the country, providing quality services to the public. Key to this success is a high performing, fit-for-purpose, property portfolio capable of supporting services now and in the future.

The Corporate Asset Management Plan 2022 – 2026 (CAMP) sets out how, through both the maintenance and improvement of the building stock and the delivery of a range of new programmes and projects, the Council will meet the growing resource demands and future challenges. It is closely aligned with the Council's Strategic Plan 2022 – 2026m, supporting the delivery of the five strategic outcomes.

As important as having the right policies and strategies in place to deliver effective economically viable property solutions that meet those wider strategic objectives, is the need to monitor that delivery and measure its effectiveness. Accordingly, the CAMP put in place a set of realistic, but challenging, key performance indicators which, if achieved, will drive forward improvement year-on-year.

This, Annual Performance and Strategy Update Report details the performance and achievements for 2023 -2024, identifying areas of improvement and providing the necessary background information to support future strategic reviews. In addition, it provides an overview of the portfolio and the future changes in its development, following the adoption of the Medium Term Financial Strategy 2024 -2028 and in particular the revised Capital Programme.



2 CORE DATA

Aligned to the Council's Balance Sheet, which is published as part of the Annual Statement of Accounts, this section of the report provides data on the number, type and value of the Council's property assets as of March 2024. It also sets out information on the Council's capital investment programme from 2024-2028, with particular reference to property related projects and programmes and the current maintenance programme across the portfolio.

2.1 The Portfolio

In April 2024, the Council's Land and Buildings portfolio comprised a total of 728 freehold and leasehold property assets with a combined value of £507 million. As summarised in the following Table.

Corporate Asset Management Plan 2022 - 2026				
Schedule of Assets				
Asset Category	Number of Freehold and Leasehold Assets Held	Asset Value £m	Asset % (by number)	Asset % (by value)
Primary School	223	£100	31	20
Secondary School	49	£0	7	0
Special School	14	£30	2	6
C&FS/Other	43	£7	6	2
A & C	25	£23	3	5
Offices (Including County Hall)	16	£49	2	10
Libraries Museums/Records	50	£22	7	4
Investing in Leicestershire Programme	152	£206	21	41
Depot	8	£6	1	1
Waste HWRS	14	£22	2	4
Park and Ride	1	£3	0	1
Travellers Sites	2	£2	0	0
Country Parks and Community Assets	25	£14	3	3
Outdoor Residential Centre (Beaumanor)	1	£32	0	0
Managed Assets and land in Advance	78	£10	11	2
Surplus Property & Assets Held for Sale	27	£11	4	2
Total	728	£507	100	100

The overall asset value of £507 million for 2024 represents an increase of £38 million compared to the previous year (£469m). The increase is due to the value of the IILP Direct Property Portfolio increasing from £158m in 2022-23 to £206m in 2023-24, following the revaluation of the rural estate being undertaken on the basis of updated CIPFA guidance (subject to further review by the Council's external auditors). As the largest sector by value, the IILP direct property portfolio, represents 41% of the total asset value.

The other major change is the continued reduction in value of education assets, as additional schools move to academy status.

The number of operational assets decreased overall, following a small number of disposals and 2 purchases for the Children's Social Care Investment Programme (SCIP).

The proportion of assets held for each service has remained consistent with previous years, with schools contributing 40% of the overall asset number, albeit that the number of non-operational assets has reduced.

2.2 Capital Programme

The MTFS funded capital programme totals £447m over the four years to 2027 - 2028. A reduction of £62m from £509m of funding allocated in the MTFS 2023 – 2027 and £515m in the 2022 – 26 MTFS.

The programme is funded by a combination of Government grants, capital receipts, external contributions, revenue balances and earmarked reserves. The estimated £216m of external funding at its disposal enables the Council to fund any major schemes in the programme.

The overall approach to developing the capital programme forms part of the capital strategy and has been based on the following key principles:

- To invest in priority areas of growth, including roads, infrastructure, economic growth.
- To invest in projects that generate a positive revenue return (spend to save).
- To invest in ways which support the delivery of essential services.
- Passport Government capital grants received for key priorities for highways and education.
- Maximise the achievement of capital receipts.
- Maximise other sources of income including Section 106 housing developer contributions and bids to external funding agencies.
- No investment in capital schemes primarily for financial return, where borrowing is required anywhere within the capital programme (in line with the Prudential Code).
- In exceptional circumstances limited prudential borrowing will be considered where needed to fund essential investment in service delivery.

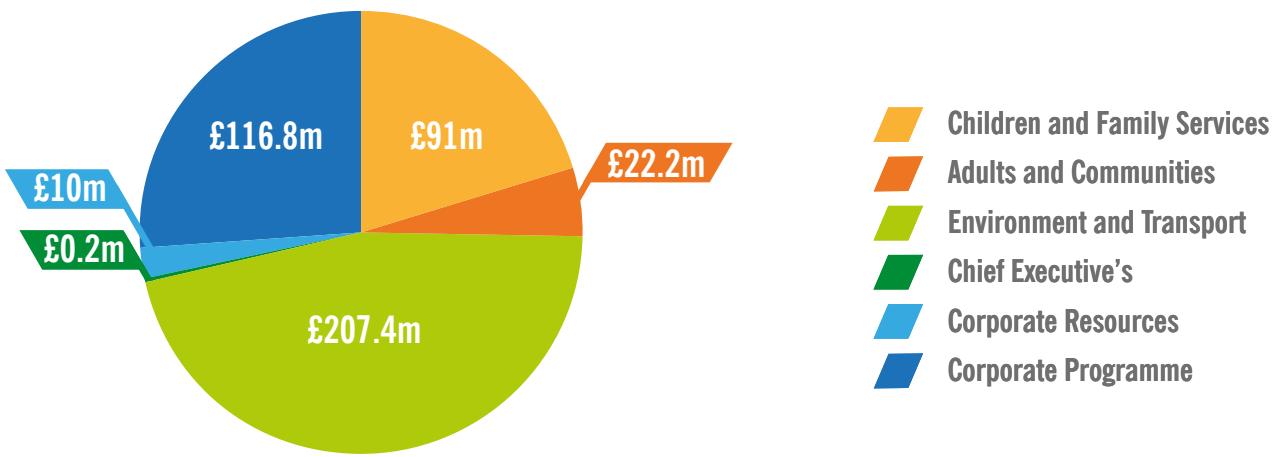
Over the four year period to 2028, the proposed spend on capital projects with a property input is £273 million which represents 61% of the overall capital programme of which projects to the value of £170 million will be delivered directly through Property Services. The projects range from the planning and construction of new schools, to providing property advice in respect of future infrastructure projects.



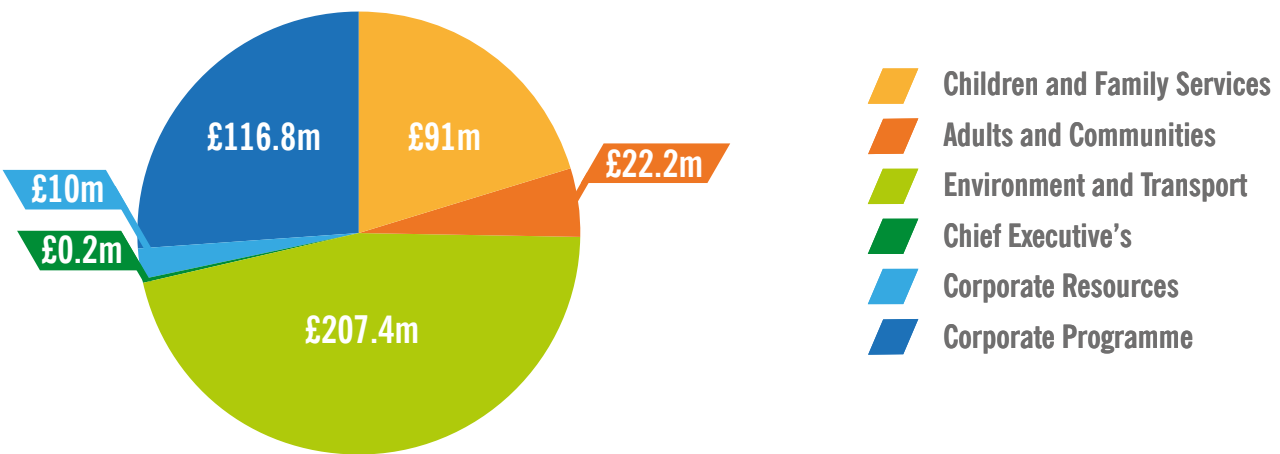
The figures below show illustrate the overall programme to 2028 and the proportion of projects supported by Property Services.

Overall Programme

Total 2024 - 2028 £447.5m



Total 2024 - 2028 £447.5m



2.3 Maintenance

The Central Maintenance Fund, which supports the routine maintenance of the operational portfolio, stands at £2.83m for 2024-2025 (supplemented by capital funding of £295,000 for major refurbishment schemes) a 9% increase on 2023 -2024.

This is set against estimated future liabilities in respect of essential maintenance, repairs and improvements required to meet health and safety and regulatory compliance totalling £53.2 million. Split over three categories of priority, for those properties within the portfolio where the County Council has a maintenance liability (excluding academies who are responsible for repairs and maintenance under the terms of the 125-year lease).

Approximately, 2.4% of the total (£1.3m) is in the most urgent category (priority 1) which requires issues to be addressed within 12 months otherwise there may be an impact on service delivery, or a building may close for a period of time.

The majority of the remaining repairs are attributable to those ongoing repairs and maintenance issues that need to be programmed and undertaken in forthcoming years. The central maintenance funding being targeted through the planned maintenance programme to prioritise the most urgent repairs and those preventative repairs that deliver the greatest long term value thereby ensuring that all operational properties continue to support service delivery.

The budget of £2.83m will meet the cost of urgent repairs, but proactive investment is required to maximise the value of the expenditure alongside bids for capital expenditure, for significant end of life replacement costs that are not covered by the maintenance fund.

Note: The maintenance and repair of the IILP portfolio is not included in above as it is paid for out of the fund's revenue budget, notwithstanding that the majority of IILP properties are let on full repairing terms or the equivalent thereof.



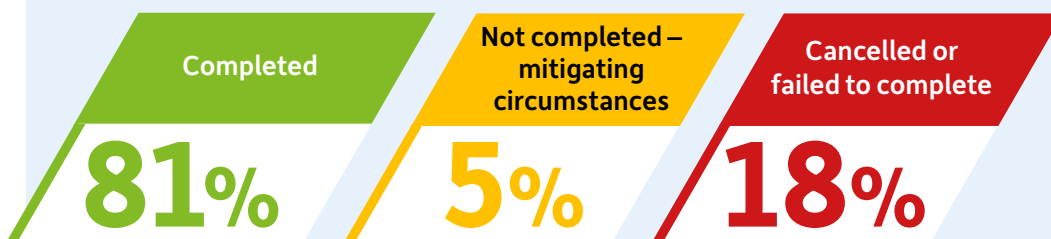
3 PROJECT DELIVERY

3.1 Overview

3.1.1 Capital Programme Delivery

The MTFS 2023 – 2027 approved by the Council in February 2023 allocated funding of £509m to support the Capital Programme for the 4 years to 2027 of which £127 million related to expenditure to be made in 2023 – 2024 with £88million (69%) having a property related input. The revised Action Plan detailed within the CAMP Annual Performance and Strategy Update Report 2022-23 identified 43 Capital Programme projects with property related input that was required to support them over the MTFS period. Of the projects detailed, 22 were either due to be completed during the 2023-2024, had a phase of works due for completion in 2023 -2024 or were being actively developed to facilitate delivery in future years with the balance scheduled for further development or completion in future years.

Projects due for completion in 2023 -2024



In summary, a total of 17 projects (81%) were successfully completed in the year including;

- A new Primary School at Normandy Way, Hinckley
- The planned extension of Rothley Primary School
- The Bowman Academy, Shepshed
- The further development of the SEND proposal for a new school at Farley Way, Quorn
- Acquisition of 2 further Multi-functional Properties to support Children's SCIP including the securing of match funding.
- Delivery of a further phase of the Ways of Working Programme

The Drive Through Restaurants at Leaders Farm, Lutterworth fell behind schedule due to lengthy planning delays and technical and procurement issues. These issues have now been resolved and the project has been reprogrammed with construction due to start on site before the end of the year.

The Quorn Solar Farm project was reviewed during the year and due to the increased risk involved in direct delivery, arising from rising costs, the constrained timetable for delivery necessary to meet planning conditions, and the term of the grid connections, it was considered appropriate to offer the site to the market on the basis of a freehold sale or lease with the disposal currently being progressed.

Given changing economic circumstances and service needs, the remaining 2 projects, namely, the Adult SCIP Programme and the provision of EV charging points were reviewed in advance of any expenditure being committed with the result, that the delivery strategy and programming of the schemes have been revised with a view to implementation in 2024-25 and later years. In addition, no further direct property assets were acquired or developed by the Investing in Leicestershire Programme.

Projects due for completion in future years



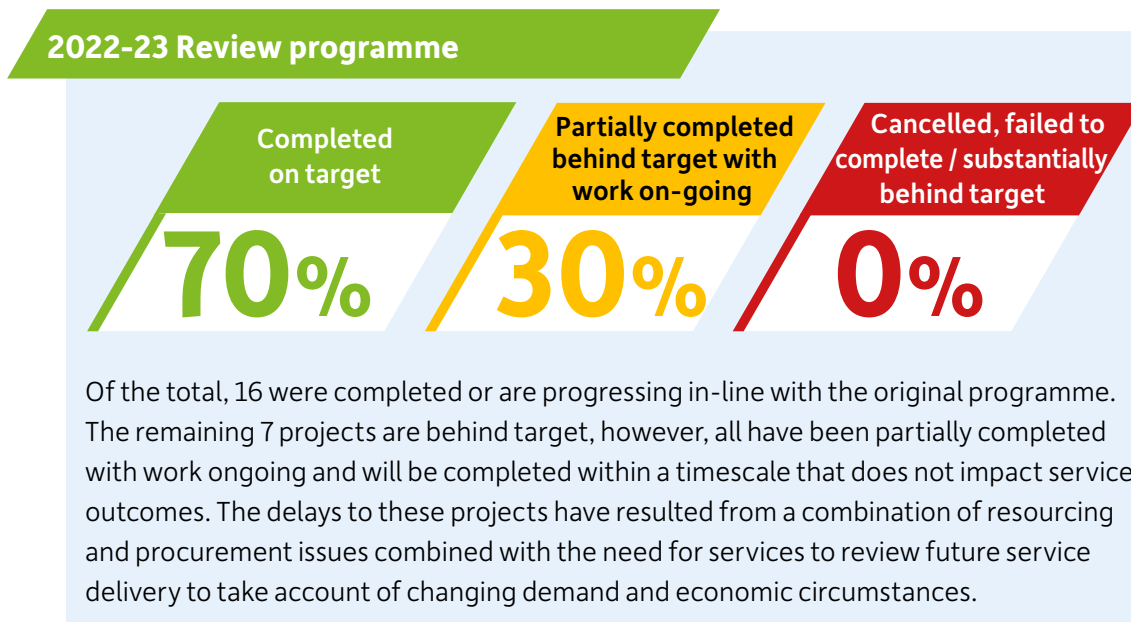
The delivery of projects in future years is on track, with the exception of schemes that have been reviewed or delayed by a subsequent strategy review undertaken by the service in response to changing needs or market demands, for example the adult SCIP projects.

A small number, particularly those within the ILLP portfolio, that were identified as running behind programme in 2022-23, namely, Lutterworth East, the M69 J2/Stoney Stanton strategic development site and Airfield Farm, Market Harborough are now on target to meet their revised timetables. The only schemes to fall behind target are the routine improvements to the Industrial and Farms portfolios, but this was expected and due to an overall review of the strategic approach and management of those assets.



3.1.2 Reviews

The Action Plan for 2023-24 detailed a programme of 23 property reviews and strategy updates that were due to undertaken during the year either as a one-off review or on an annual rolling basis.



3.1.3 Property Management

In addition, Strategic and Operational Property Services are responsible for undertaking the ongoing equally vital “business as usual” functions included in the Annual Property Management Programme. The programme comprises the following 9 elements:

- Capital acquisitions and disposals programme
- Future development sites programme
- Asset and insurance valuations programme
- Central maintenance fund repair programme
- Condition and regulatory compliance surveys programme
- Ongoing management of property portfolio including IILP direct property assets
- Freedom of information requests
- Management of traded services
- Maintenance of property information and financial property management and reporting systems

Ongoing Annual Management Programme

Completed

89%

2022-23 workstream ongoing

11%

Programmes were developed for all 9 workstreams at the start of the year and implemented on an ongoing basis. Eight of the 9 programmes were completed satisfactorily within the year. However, the programmed maintenance and update of the property information system has been re-evaluated as a result of ongoing work on the asset challenge and the revisions to processes and procedures agreed in 2023, with the required modifications being carried forward into this year's programme.

3.2 Key Actions 2023 – 2024

The Action Plan outlined the property related services to be delivered by Strategic and Operational Property Services in 2023-2024 and future years. From the overall programme the CAMP identified ten key actions. Listed below is a summary of the outcomes delivered or the current status of the project achieved in collaboration with colleagues across the council.

- **Meet the capital receipts target.**

The achievement of capital receipts to support the capital programme and wider service provision remains a key priority. A disposals programme for the period to 2027 was developed at the start of the year and agreed with Corporate Property Steering Group. Those properties that were available to be marketed in 2023-24 had a target disposal value of £5.5m of which £150k was earmarked. All the programmed sales were progressed and completed within the year with the exception of the development site at Sysonby Farm, Melton Mowbray where contracts were exchanged, as anticipated, with completion dependent on Roundabout 1 of the Melton Mowbray Distributor Road being constructed to enable unrestricted access to the site. Capital receipts of £6.025m (£175k earmarked) were achieved during the year with a further £8.6m carried forward to future years.

- **Maximise revenue income and potential cost savings.**

The Council's managed property portfolio including the direct property portfolio held by the ILLP, delivered a rental income of £8.2m in the 2023-24 year. Further, to ensure that an increased income stream accrues in future years 13 rent reviews, 16 lease renewals and 13 new lettings were completed ensuring that potential income is maximised.

65 statutory notices were served in respect of reviews and lease renewals, with further notices due within the 2024-25 year.

The drive towards maximising income is further supported by the portfolios low rate of voids, currently 6.4%, based on rental value, which is substantially below the national benchmark of 10.4%. In addition, the ongoing implementation of the Ways of Working Programme continues to identify further under-utilised premises and office space which, by rationalising the portfolio, continues to generate significant savings and additional rental income.

- **Deliver the schools capital programme.**

The school's capital programme for 2023 – 24 as detailed in the Action Plan was delivered in full, with the primary school at Normandy Way, Hinckley, the Bowman Academy and the extension to Rothley Primary School all completed on schedule. The ongoing ongoing projects in the school places delivery programme remain on target to meet planned school opening dates in 2024-25 and 2025-26.

- **Progress the ACL project.**

A full options appraisal and business case has been developed and considered by both the Scrutiny Commission and Cabinet both of whom fully supported the proposals. Work is now ongoing to secure the agreement of Leicester City and Rutland, the Council's partner organisations in the delivery of the service to the proposals and accompanying funding package necessary to deliver the project. Subject to agreement on the level of contribution to be made by the authorities, the project would be brought forward as part of the Capital Programme 2025-29.

- **Support the review and ongoing delivery of the SCIP programme.**

The approach to the adult SCIP programme has been reviewed, with the conclusion being that the focus should be on enabling and influencing external development.

The investment in the capital programme relates to the provision of extra care places being secured through acquisition of nomination rights from private sector operators who acquire and develop. Two sites in the Council's ownership will be marketed this year with a view to development commencing in 2025.

Match funding continues to be available to assist the delivery of the Children's SCIP programme and two additional properties were acquired during the year in accordance with the capital programme.

- **Continue to deliver initiatives that support the Energy Strategy and Net Zero Carbon targets.**

Work to reduce energy consumption and reduce carbon emissions has continued. Through stricter monitoring of control settings and site energy reviews further positive contributions towards the achievement of net zero have been delivered; with the focus being on those buildings with the highest historic levels of energy consumption. In addition, upgrades to the solar PV arrays at County Hall were completed resulting in increased renewable electricity generation contributing towards the future attainment of the Council's renewable energy target.

- **Complete the development of the Heat Decarbonisation Plan and programme its implementation.**

Utilising external funding the programme of surveys which include all County Council corporately occupied buildings heated by gas was completed in early 2024. Fully funded by the Low Carbon Skills Fund the 2023-24 programme was completed on time and on budget. Based on the survey evidence a pipeline of projects has been developed and programmed in a manner that prioritises the maximisation of carbon reduction across the portfolio. Work continues to maximise the leveraging in of external funding from sources including the Low Carbon Skills Fund and the Public Sector Decarbonisation Scheme to facilitate full delivery of the programme.

- **Review the management and letting processes and procedures of the IILP rural portfolio.**

A full review was completed of all management and letting processes and procedures over the first half of the year. Following the review, an Action Plan has been put in place to implement the necessary improvements in the management of the portfolio.

In order to provide additional capacity and share best practice, rural land agents were engaged to assist the in-house team in addressing and resolving the most pressing management issues. In delivering the Action Plan farms are now inspected annually, measures put in place for the management of debt and all rent reviews and lease renewals actioned. Further, the implementation of the Action Plan will, over time, reduce risk to the Council, particularly in respect of debt, and support the delivery of enhanced financial and wider benefits.

- **Complete the Central Maintenance Fund Works programme.**

A full programme of planned and reactive maintenance was completed at a cost of £2.90m. Whilst this represents a 12% overspend it is set against the background of an ever-increasing demand, a growing maintenance backlog and construction costs rising at above the rate of inflation for much of the year.

- **Further develop the property asset management system (PAMS) to support asset challenge.**

A review of the current system was undertaken in 2023-24 and identified the main areas of improvement required to fully support asset challenge incorporating the changes adopted as part of the review of Processes and Procedures in 2022-23. The review recognised that key to the overall delivery of accurate property records and reports necessary to conduct asset challenge is the timely inputting of accurate data. Accordingly, work will be progressed in 2024-25 to upgrade the systems. At the same time improving in the management of data will be targeted as a priority to achieve maximum benefit.



4 PERFORMANCE MEASURED AGAINST KEY INDICATORS

The CAMP recognised that equally as important as having the right policies and strategies in place to deliver effective economically viable property solutions, is the need to monitor that delivery and measure its effectiveness.

The CAMP includes a set of realistic, but challenging, key performance indicators which, if achieved, will drive forward improvement year-on-year. These KPIs fall into three main categories:-

- Those recognised by CIPFA which look beyond the County Council's internally set targets and, instead, are capable of monitoring performance against suitable comparators.
- Internal KPIs with a particular focus on the needs of the County Council
- Those applicable to the IILP portfolio and provide a direct comparison with the wider investment market.

Overall, 50% of all performance indicators were achieved in 2023 – 24. 8% were not achieved but either showed an improvement on the previous year or failed as a result of mitigating circumstances, with the balance of 42% failing to be achieved.

The performance is being used to identify areas of improvement and provide the necessary background information to support future reviews of strategy.

In respect of the three separate categories of KPI the individual outcomes were as follows:

4.1 CIPFA Performance Indicators

4.1.1 Condition and Required Maintenance

Following the significant falls in the levels of the maintenance backlog and expenditure in the previous year, in 2023-2024, the effects of inflation in the construction industry running at a higher rate (5.7% for repairs and maintenance) than the general economy (3.2%) meant that none of the 6 performance targets below were achieved. The achievement of these indicators will remain challenging in future years as CPI falls back towards the target 2% compared to industry forecasts of 5.3% for 2024 and 3.7% for 2025.

The proportion of properties in good or satisfactory condition remained at 52%. Overall, the condition of the portfolio should show further improvement in future years. The proportion of poor and badly performing properties will continue to fall; and the ongoing asset challenge process identifies those that are capable of improvement to better meet service needs and those that should be declared surplus and sold with the targeted planned maintenance programme addressing any repair issues.

Property Performance Indicator and Description	Performance		Target
	2022-23	2023-24	
1 A The % of gross internal floor area (GIA) in condition categories A to D A: Good – Performing as intended and operating efficiently B: Satisfactory – Performing as intended but showing minor deterioration C: Poor – Showing major defects and/or not operating as intended D: Bad – Life expired and/or serious risk of imminent failure	4%	5%	Seek to increase the proportion of properties in categories A or B (Good or Satisfactory) year on year. Neutral: The proportion of properties with categories A & B remained constant at 52% however the proportion of Category A properties increased to 5%
1 B Required maintenance expressed as a % in priority levels 1 to 3 and as a cost per sqm (£m2 GIA) P1 – 0-1yr - Urgent work required to prevent the immediate closure of premises and/or address H&S or regulatory issues P2 – 1-2yrs - Essential work to prevent serious deterioration of the fabric or services and/or address a medium risk to H&S or breach or legislation P3 – 3-5yrs - Desirable work to prevent deterioration of fabric or services and or address low risk H&S or regulatory issues	£2.04 (£2.11)	£2.16	The level of priority 1 urgent repairs should fall in real terms year on year to ensure that services are maintained Failed: In real terms the level of Category 1 repairs per sqm GIA rose by 2.4%
1C Total cost of required maintenance	£50.6m (£52.2m)	£53.2m	The level of required maintenance should fall in real terms year on year Failed: The total cost of required maintenance rose by 1.9% but remained below the 2021/22 level
1 D i Total annual maintenance spend (including expenditure incurred in respect of operational properties with the ILLP portfolio)	£3.12m (£3.22m)	£3.38m	The total annual maintenance expenditure for operational property should not exceed 2022/23 levels in real terms Neutral: In real terms the total expenditure rose by 6.5% but necessary to respond to actual increase in requirement
1 D ii Total annual maintenance spend per m2	£5.00 (£5.16)	£5.42	Annual maintenance expenditure per m2 should fall in real terms year on year Neutral: In real terms expenditure per sqm rose by 6.6% but this was necessary to respond to actual increase in requirement
1 D iii Ratio of spend on planned and responsive maintenance	58%	47%	Planned maintenance should be a minimum of 70% of the annual spend Failed

Note: All real terms calculations based on March 2024 CPI inflation figure of 3.2% Figures shown in brackets are cost plus inflation

4.1.2 Environmental

Wholesale energy costs continued to spiral upwards for much of 2023-24, with the cost of gas and electricity increasing by 318% and 12% respectively. Accordingly, the increase in the Council's total expenditure on energy of 41% in real terms is in line with the overall market. With wholesale prices stabilising and then starting to fall towards the end of the year it is anticipated that market prices will fall between 20% and 30% over the current year.

Based on the provisional figures available, total energy consumption rose marginally by 1.5% with the level of on-site renewable energy generation making an increased contribution following upgrades to the solar arrays at County Hall. Similarly, based on provisional figures CO2 emissions rose by 3% reflecting the increased energy usage over the year despite the ongoing transition away from gas.

However, the levels of both energy consumption and carbon emissions remain substantially below pre-COVID levels. Whilst in the medium term the trend shows improved performance, variations in both prevailing weather patterns and increased occupation levels in line with the Council's hybrid working policy have impacted performance in 2023-24. The data currently available does not enable accurate comparisons to be drawn on a m2 of GIA basis (the preferred CIPFA measure of performance), however, a new data set is currently being developed to facilitate reporting at this level in future years.

Water usage based on billing details was also 4% higher than in 2022-23. Active monitoring of the water use at County Hall has helped to identify leaks and ensure all issues are dealt with swiftly. The usage is also higher due to increased occupation levels.

A more detailed analysis of the Council's overall environmental performance is available at www.leicestershire.gov.uk/environment-and-planning/environmental-policies-and-reports

Property Performance Indicator and Description	Performance		Target
	2022-2023	2023-2024	
Total Annual energy spend (gas electricity oil etc) £ net of income generated from selling energy to the grid	£2.20m (£2.27m)	£3.20m	Reduce net annual expenditure on energy in real terms year on year Failed: Expenditure rose 41% in real terms
2A Annual energy costs and consumption	18.9m Kwh	19.1m Kwh	Energy used (Kwh) should reduce year on year to achieve a minimum 30% reduction in annual energy consumption from Council buildings by 2030. Failed; Consumption rose by 1%
2B Water costs and consumption	39,111m3	40,779m3	Water used should reduce year on year Failed
2 C Annual CO2 emissions	3,120 tonnes	3,220 tonnes	Reduce corporate property CO2 emissions year on year to contribute to the achievement of zero carbon emissions from Council operations by 2030. Failed

Note: All real terms calculations based on March 2023 CPI inflation figure of 10.1%

4.1.3 Sufficiency, Capacity and Utilisation

The way in which office space is being utilised is changing and the working week profile is now considerably different to when the last government data was published. The government benchmark was 8.9sqm per FTE based on its portfolio compared to 8.8per sqm being achieved and 7.2 per sqm per workstation where our Ways of Working approach has been completed. With office space being re-designed to incorporate collaborative, project and other dedicated space types coupled with the continued increase in home working for at least part of the week the emphasis has moved from fixed workstations to cost. Accordingly, this year Indicator 3A has been assessed against the last published data available and is reported below. No reliable data is currently available in respect of Indicator 3B. CIPFA are currently considering appropriate alternatives but until such time as that data becomes available it is proposed to measure performance in future years against progress in attaining the Ways of Working target model.

Property Performance Indicator and Description Targets	Performance 2023 - 2024	Target
3A Average office floor space (sqm) per FTE staff member	8.8	Maintain at a level below central government benchmark of 8.9msq/per FTE
3B Average office floor space per workstation	7.2	Maintain at a level below central government benchmark No available benchmark data

4.1.4 Project Time and Cost Predictability

All the schemes necessary to support service needs that were programmed for completion in 2023-24 were completed on time. However, the delayed delivery of two IILP schemes, detailed earlier in the report, meant that overall 90 % of schemes were delivered within the origin project programme period, in line with the target.

Of the schemes actually completed within the 2023-24 year, including those where the project programme overran from earlier years, 90.9% were completed within the original contract budget

Property Performance Indicator and Description	Performance 2022-23	Target
4A Project Time Predictability	90.0%	A minimum of 90% of projects due to be completed in 2022-23 to be completed within original project programme period
4B Project cost predictability	90.9%	A minimum of 90% of projects completed in 2022-23 to be completed within original contract price

4.2 Local Performance Indicators

4.2.1 Capital Receipts

Those properties within the Disposal Programme and available for marketing in 2023-24 had a target value of £5.50m. During the year all were successfully marketed and capital receipts of £6.025m achieved with a further £8.6m of receipts from the sale of the development site at Sysonby Farm, Melton Mowbray carried forward to future years.

Property Performance Indicator and Description	Performance 2023- 2024	Target
5A Capital Receipts	£6.025m	To achieve the agreed Capital Receipts target for the year (£5.50m)

4.2.2 Asset Challenge

During the year the Asset Challenge of all Operational properties within Charnwood Borough and North West Leicestershire District areas. Details of the outcomes are contained in the Report attached as Appendix A.

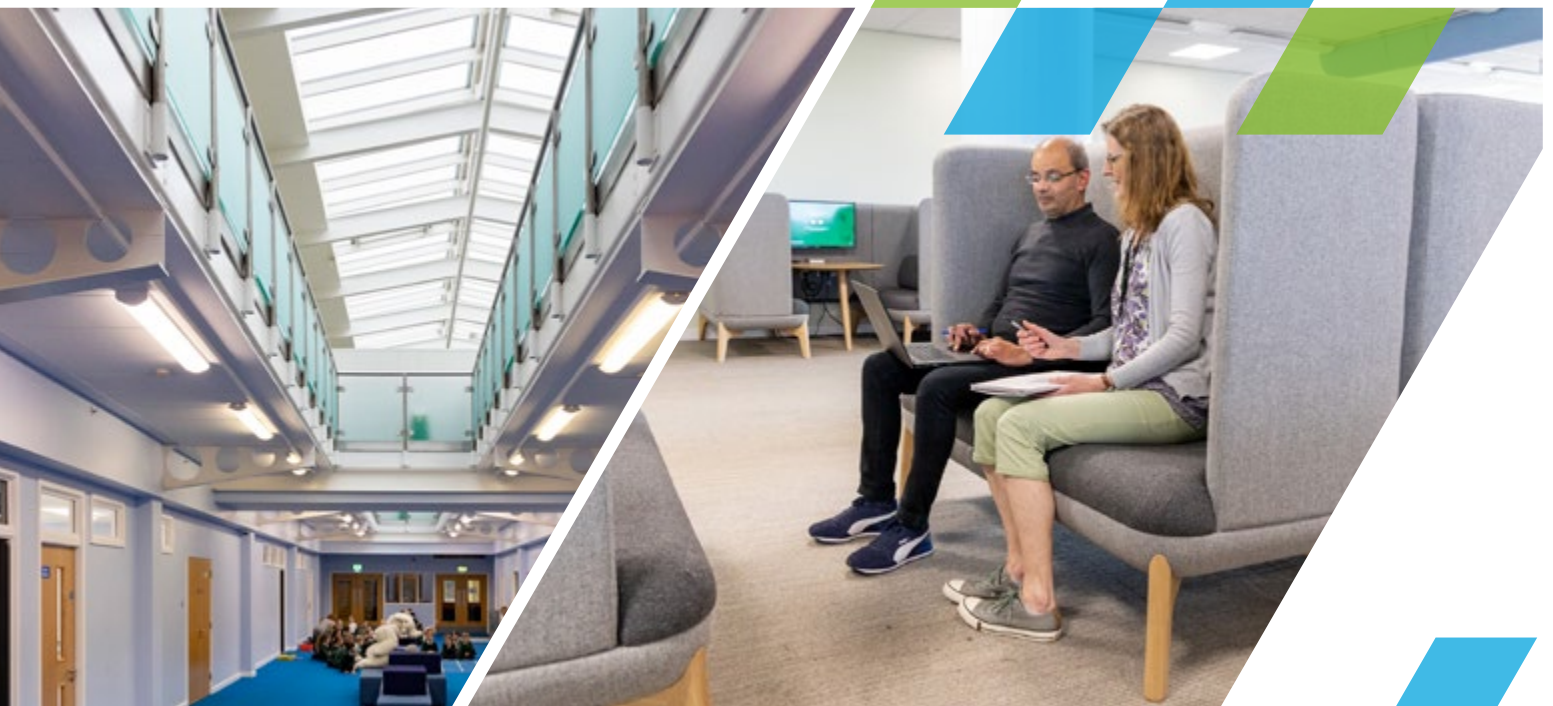
Property Performance Indicator and Description	Performance 2022 - 2023	Target
5B Asset Challenge	Charnwood Borough and North West Leicestershire District	To undertake the Asset Challenge in respect of a minimum of two Districts or Boroughs in each year. Achieved

6 ACTION PLAN 2024 -28

In response to the changing economic conditions, available resources detailed in the MTFS and changing demands on services, the Action Plan 2024 – 28 has been developed.

The major programmes and projects detailed in Section 5.1 below will be funded by the Capital Programme. Supported by any available grant and Section 106 funding, and developed as part of the MTFS which seeks to balance the resources available against the need to achieve improved service provision.

The successful delivery of those capital programmes and projects remains a major focus of the CAMP Action Plans for the period to 2026. Section 5.2 details the review of existing service requirements, existing projects and the development of new programmes and strategies. As delivering the CAMP programme progresses the number of reviews has reduced. However, in the event of changes to Central Government strategy it may be necessary to initiate further reviews during the year. Section 5.3 lists the “business as usual” operations that will continue to be delivered. Essentially, the Action Plan identifies the work necessary to meet service needs and the aspirations of the Strategic Plan.



6.1 Capital Programme Project Delivery

PROGRAMME	PROJECT	STRATEGIC OUTCOME							DELIVERY PROGRAMME				
		Improved Opportunities	Strong Economy	Safe and Well	Great Communities	Green and Clean	Transport and Infrastructure	Strategic Change Portfolio	Previous Years	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028
CHILDREN AND FAMILY SERVICES													
School Place Programme	Overall Programme	⬇											
	Hastings High School Expansion	⬇											
SEND Programme	Expansion of Special Schools	⬇											
	Birchwood School, Melton Mowbray Expansion	⬇											
Childrens SCIP	Childrens Residential Homes	⬇											
Capital Maintenance Prog.		⬇											
Schools Devolved Formula Capital		⬇											
Schools Access and Security		⬇											
Section 106 Schools Infrastructure	South East Coalville New Primary Schools	⬇	⬇				⬇						
	Primary School Airfield Farm, Market Harborough	⬇	⬇				⬇						
	Iveshead Secondary School Expansion	⬇	⬇				⬇						
	Hugglescote Primary School Expansion	⬇	⬇				⬇	⬇					
ADULTS AND COMMUNITIES													
SCIP	Extra Care - Holliers and Snibston			⬇									
Section 106 funded Library Improvements					⬇								
ENVIRONMENT AND TRANSPORT													
Major Schemes	Melton Mowbray Distributor Road - North and East Sections		⬇	⬇			⬇						
	A511/A50 MRN		⬇	⬇			⬇						
	Zouch Bridge		⬇	⬇			⬇						
	Melton Depot - Replacement		⬇				⬇						
Environment and Waste	Recycling Household Waste Sites - General Improvements					⬇							
	Recycling Household Waste Sites - Lighting					⬇							
	Recycling Household Waste Sites - S.106 funded schemes					⬇							

PROGRAMME	PROJECT	STRATEGIC OUTCOME						DELIVERY PROGRAMME					
		Improved Opportunities	Strong Economy	Safe and Well	Great Communities	Green and Clean	Transport and Infrastructure	Strategic Change Portfolio	Previous Years	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028
CORPORATE RESOURCES													
Transformation Unit - Ways of Working	Workplace Strategy - Office Infrastructure							☑					
	Workplace Strategy - End User Device							☑					
	Workplace Strategy - Property Costs, Dilapidations and Refurbishments							☑					
Property Services	Data Centre UPS replacement		☑					☑					
	Snibston Ancient Monument				☑								
	Bassett Centre Replacement Windows				☑								
Climate Change - Environmental Improvements	Electric Vehicle Car Charge Points		☑	☑			☑	☑					
	Energy Initiatives		☑	☑			☑	☑					
	LCC Public Sector Decarbonisation Scheme		☑	☑			☑	☑					
	Energy Initiatives						☑						
CORPORATE													
Investing in Leicestershire Programme	Airfield Business Park - Phase 3 & 4		☑					☑					
	Quorn Solar Farm		☑				☑	☑					
	M69 Junction 2 - SDA		☑					☑					
	Lutterworth Leaders Farm Drive Through Restaurants		☑					☑					
	East of Lutterworth SDA (Planning & Preparatory Work)		☑					☑					
	County Farms Estate - General Improvements		☑				☑	☑					
	Industrial Properties Estate - General Improvements		☑					☑					
	Asset Acquisitions / New Investments		☑					☑					

6.2 Reviews and Development of Future Strategies

SERVICE	REVIEW / STRATEGY	DESCRIPTION	STRATEGIC OUTCOME										
			Improved Opportunities	Strong Economy	Safe and Well	Great Communities	Green and Clean	Transport and Infrastructure	Strategic Change Portfolio	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028
Corporate	Corporate Asset Management Plan	Prepare Annual Performance and Strategy Update Report and review Action Plan to align with MTFs and obtain Cabinet approval to any proposed modifications. Undertake full review of CAMP in 2026 - 27.	✓	✓	✓	✓	✓	✓	✓				
	Asset Challenge Programme	Review of all publicly owned property assets within each District or Borough Council Area to ensure the retention of good performing assets and the improvement replacement or disposal of those which fail to meet agreed performance targets (2 local authority areas to be completed annually)	✓	✓	✓	✓	✓	✓	✓				
Chief Executives	Coroners and Registrars Service	Complete the review the portfolio of properties supporting the Coroners and Registrars Services				✓							
Childrens and Family Service	Forward Planning of the Future Years School Places Delivery Programme	Working with partners and engaging with the Local Plan process to ensure that the future School Places Delivery Programme reflects the need for places based on future population and housing growth across the County	✓										
	South Leicestershire SEND Feasibility Study	Progress an options appraisal and feasibility study to identify a preferred location for the provision of a Send school in the south of the county	✓										
Environment and Transport	Forward Planning for Major Schemes Programme	Providing property advice in respect of all future Major Schemes necessary to support the preparation of scheme budgets and compulsory purchase process		✓					✓				
	Fleet Transition Feasibility Study	Continue to support the delivery of the Fleet Transition Feasibility Study to ensure the delivery of service improvements maximises both carbon reduction and value for money through a co-ordinated approach across the Council		✓			✓	✓					
	BNG Delivery Strategy	Support the development of a BNG delivery strategy including the identification of opportunities to deliver BNG improvements across the asset base.					✓						

SERVICE	REVIEW / STRATEGY	DESCRIPTION	STRATEGIC OUTCOME										
			Improved Opportunities	Strong Economy	Safe and Well	Great Communities	Green and Clean	Transport and Infrastructure	Strategic Change Portfolio	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028
Corporate Resources	Review of Strategic and Operational Property Services	Review of the current operating model to ensure the continued delivery of an effective and efficient asset and property management service.	✓	✓	✓	✓	✓	✓	✓				
	IILP Investment Strategy Review	Annual review of the IILP Investment Strategy to ensure that the management of the portfolio and investment decisions reflect current market conditions and reflect wider Council objectives	✓	✓	✓	✓	✓	✓	✓				
	IILP Rural Estate Future Management Strategy	Review of the IILP Rural Estate to inform the development and implementation of a revised management strategy in order to maximise the potential for the continued future delivery of financial benefits and wider strategic objectives	✓	✓	✓	✓	✓	✓	✓				
	IILP Portfolio Review	Annual Review of individual assets within the IILP Portfolio against performance targets to ensure the retention of good performing assets and the identification of underperforming assets with a view to their improvement or disposal	✓	✓	✓	✓	✓	✓	✓				
	Further Development of the Project Management Office	Further develop the functionality of the Project Management Office to provide additional ongoing support in the procurement and delivery of all capital and major revenue projects ensuring that value for money is achieved, risk is managed positively and projects are delivered on time and on budget.		✓				✓					
	Review of property asset management data system (PAMS)	Review specification of existing K2 property PAMS system and future market opportunities for the procurement of a replacement system at the termination of the current contract in Sept 2024							✓				



6.3 Annual Property Management Programme

Programme	Description
Capital acquisitions and disposals programme	Annually prepare and deliver acquisitions and disposals programmes necessary to ensure the delivery of effective services and support the council's capital programme respectively
Future development sites programme	Identify through the asset challenge and annual review of the caif portfolio potential future development sites and promote them through the planning system to achieve local plan allocations or planning consent to achieve best value from future disposals or development by the caif
Asset and insurance valuations programme	Undertake the revaluation of a proportion of the overall portfolio each financial year in order to meet statutory compliance
Central maintenance fund repair programme	Prepare and implement a comprehensive repairs and maintenance programme which maximises planned maintenance but provides for some reactive / emergency maintenance to be undertaken, as required
Condition and regulatory compliance surveys programme	Re-survey a proportion of the overall portfolio each financial year in order to meet statutory compliance and inform future years central maintenance programme
Ongoing management of property portfolio including iilp direct property assets	Day to day management of the council's overall property portfolio including, as appropriate, facilities management, maintenance and repair, re-lettings, lease renewals, rent reviews, compensation claims and dilapidations and management of day to day property enquiries.
Freedom of information requests	Provide support and information, as required, to respond to requests for information in accordance with the provisions of the freedom of information act
Management of traded services	Undertake the management and ongoing performance review of all property related traded services
Energy compliance and data management	Maintain accurate up to date energy database including account and meter information, fit and rhi submissions, mees reviews and dec/epc requirements.
Maintenance of property information and financial property management and reporting systems	Maintain accurate up to date property and property related financial information and data providing the reports necessary to support the ongoing management of all property assets and the assessment of performance of individual assets measured against targets in the development of future strategies.

6.4 Key Actions and Outcomes 2023 – 24

The overarching function of Property Services and central to the delivery of strategic and corporate objectives is to ensure that the Council's portfolio of property assets are fit for purpose, well maintained and capable of meeting the current and future needs and demands of the services they support. To achieve that objective the following actions remain key to its delivery:-

- To continue to work closely with service providers to identify their ongoing property needs, challenge the status quo, assist in the consideration of potential delivery options and progress their implementation ensuring that value for money is achieved.
- Adopt collaborative ways of working to deliver a property service that is efficient and cost effective and focussed on delivering the needs of services and meet the demands of the communities they serve.
- Maintaining an effective property asset management system capable of providing robust data to support the asset challenge and option appraisal processes.

Against that background it is recognised that the achievement of the following key outcomes is essential to delivering that principal objective and the Council's wider strategic goals for the period to 2026.

- Deliver all Services' Capital Programme projects on time and within budget.
- Complete the Central Maintenance Fund Works programme
- Continue to deliver initiatives that support the Energy Strategy and Net Zero Carbon targets.
- Meet the capital receipts target
- Maximise revenue income and potential cost savings
- Further develop the property asset management system (PAMS)
- Work with partners and provide support in the delivery of the ongoing Ways of Working Programme across the authority

APPENDIX A

Corporate Asset Management Plan 2022 - 2026 Annual Performance and Strategy Update Report Asset Challenge 2023 – 2024

1. The Corporate Asset Management Plan (CAMP) 2022-2026 was approved by the Cabinet in September 2022. It promotes the rationalisation of the Council's property assets, 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. Specifically, it contains a requirement to undertake an asset challenge in respect of the assets held in a minimum of two districts/boroughs each year.
2. The Asset Challenge 2023-2024 considered the assets held in Charnwood Borough and North West Leicestershire District.
3. The asset challenge followed the process detailed in the CAMP and considered the following:
 - the strategic purpose for which the property is held;
 - the opportunities and risks presented by its continued ownership;
 - the current performance of the property in terms of suitability and value for money;
 - the potential future options in respect of improved service delivery and better utilisation of the asset, including any latent development potential
4. The outcome of this assessment is then used to support evidence based conclusions regarding the retention, re-use or disposal of the property. Following consultation with the current service user, or reference to the Corporate Property Steering Group (CPSG) in circumstances where a dispute arises, the outcome is confirmed and implemented.
5. At the end of the process, those freehold properties considered to be potentially surplus to requirements become subject to the disposals process, will be declared surplus by CPSG and sold. The leases of any surplus leasehold property will be surrendered to the landlord.
6. The initial assessment of all properties subject to asset challenge in 2023 – 2024 were completed in March 2024. The outcomes and recommendations are detailed in the following sections.

Charnwood Borough.

7. On 1 April 2023 there were a total of 181 properties within Charnwood Borough of which 147 were owned freehold and 2 held on long leases; the remaining 32 properties categorised as assets 'Not Held', being properties (or in some cases a single room) occupied by a County Council service on the basis of an insecure licence or hiring agreement.

8. The outcomes and recommendations for assets located in Charnwood Borough are detailed in the table below.

CHARNWOOD BOROUGH					
Category	Retain	Retain / Improve	Further Review	Re-use	Dispose / Surrender
Primary Schools	53	2			
Secondary Schools	10	2	1		
Special Schools	3	2			
Other Education	3		1		
Libraries	10	1			
Museums	1				
A&C Other	8		1		
Depots	1				
RHWS	2		1		
Highway Assets	4		1		
Offices	2				1
IILP Assets- Farms	3	2	2		
IILP Assets - Commercial	3		2		4
Country Parks	6	1	2		
Transport Fleet Base	1				
Park and Ride	1				
Land in Advance	2		1		3
Managed Assets			4	1	1
Declared Surplus	-				
Assets Held for Sale	-				
Assets not Held	32				
TOTAL 181	145	10	16	1	9

9. In respect of the categories and individual assets within Charnwood Borough the outcomes have been influenced by or take account of the following:
- 76% of all school properties are academies subject to 125-year leases.
 - Within the Schools portfolio the potential exists for the following improvements and reviews to be progressed:
 - With the benefit of Section 106 funding, improvements will be delivered at Cossington PS with new schools delivered West of Loughborough and at Anstey (subject to the completion of the necessary land transfers).
 - DfE School Rebuilding Programme funding has been secured for the redevelopment of The Martin High School, Anstey and potentially, the Rawlins Academy, Quorn; the latter facilitating a review and rationalisation of the existing campus.
 - The Bowman Academy SEMH School is being established on the former St. Bardolf's PS site at Shepshed.
 - The former day centre on the site of Highcliffe PS, Birstall is to be appropriated to C&FS and incorporated within the school.
 - The future retention (or disposal) of 2 managed assets is subject to ongoing review as both Collington House and the Rawlins Mobile are dependent on the future delivery of wider schemes whilst the farmland adjoining Maplewell school could also be considered as a future site for the delivery of off-site BNG.

- d. Feasibility work in ongoing in respect of a potential visitor centre at Watermead Country Park to include the ranger facilities currently rented from Severn Trent.
- e. The following properties are subject to further review:
- Country Parks - UPRN 1726 – Broombriggs Farm -the further review is in respect of whether the under utilised farm buildings have any development potential.
 - A&C Other - UPRN 2155 – Loughborough United Reform Church – Leasehold property used for day care.

North West Leicestershire District

10. On 1 April 2023 there were a total of 164 properties within North West Leicestershire District, of which 119 were owned freehold and 1 held on a long lease; the remaining 12 properties being assets not held.

11. The following table details the outcomes and recommendations in respect of assets within North West Leicestershire District

NORTH WEST LEICESTERSHIRE DISTRICT					
Category	Retain	Retain / Improve	Further Review	Re-use	Dispose / Surrender
Primary Schools	49	1			
Secondary Schools	6	2			
Special Schools	1				
Other Education	3	1			
Libraries	4				
Museums	1		1		
A&C Other	2				1
Depots	1				
RHWS	4				
Highway Assets	4				
Offices	2				
IILP Assets- Farms	12				1
IILP Assets - Commercial	12		2		3
Country Parks	8		1		
Travellers Sites	1				
Land in Advance	5		5		2
Managed Assets	5				
Declared Surplus			1		4
Assets Held for Sale			1		4
Land Reclamation					2
Assets not Held	12				
TOTAL 164	132	4	11		17

12. Similarly, the above outcomes take account of the following:

- a. Overall, 53% of all schools are academies. Whilst all Secondary and Special schools are academies only 44% of Primary Schools have academy status with many continuing to be either controlled or community managed. Accordingly, the potential exists to make future savings in the event that more schools transfer to academy status.
- b. In respect of individual school assets the following should be noted:
 - Hugglescote PS is being expanded to meet future demand for additional places.
 - Feasibility studies are ongoing in respect of the future expansion of facilities at Newbridge HS and Ibstock Community College.
 - Coalville Forest School is programmed to open in August this year.
- c. The following properties are subject to further review:
 - Museums - UPRN 578 – Snibston Discovery Park – There is an ongoing review of the retained parts of the site.
 - Country Parks - UPRN 1860 – Sarah’s Wood – investigating the potential of transferring property to National Forest.

13. In addition, the following applies to the assets within both local authority areas:

- The recommendations in respect of Depots, RHWS and Transport Fleet bases mirror the conclusions of the 2023-24 Review.
- All Museums properties currently used for the storage of artifacts have been recommended for retention, pending the outcome of the ACL project feasibility study. On the future provision of a new centralised facility a number of assets would be available for disposal. In addition, the Coalville Community Resource Centre which was being retained to support the ACL project is no longer required for that purpose and is to be marketed in the current financial year.
- In accordance with the recommendations of the Hymans Robertson Review of the IILP portfolio in January 2024 all properties performing at below target levels will be subject to further review. With a view to their future disposal and the proceeds of sale being re-invested in assets that deliver financial returns that meet target levels whilst addressing areas of market and social failure. Having reviewed all IILP properties within the Charnwood and North West Leicestershire areas seven such properties have been identified, to date, with a view to their disposal being considered by the IILP Board in advance of them being formally declared surplus.
- Any property that has been identified as having development potential (including renewable energy infrastructure) or the potential to deliver biodiversity net gains to support development are to be retained with a view to realising that potential.
- It is noted that there is a total of 44 “Assets not Held” across the two local authority areas being largely premises (or a single room) used on the basis of a licence or hiring arrangement close to the point of service delivery. Services are being requested to ensure that in continuing such arrangements, they confirm no suitable County Council owned premises are available capable of meeting their need.
- The K2 Property Information System will be updated to reflect any recategorisation of assets required as a result of this review identifying errors or omissions in the current data.

14. A total of 26 assets spread over the two challenge areas, including the bulk of those previously declared surplus to requirements, have currently been identified as remaining or being potentially surplus to requirements. Of the surplus or potentially surplus properties, less than half (nine) represent viable marketing opportunities; the balance of 17 assets having been identified as being either saleable but would only be attractive to a single special purchaser, saleable but of nominal/no value or held on a lease/licence that would be surrendered, as illustrated in the table below.

Challenge Area					
	Total Surplus	Market Opportunity	One Potential Purchaser	No Value	Surrender Lease
Charnwood Borough	9	2	3	3	1
North West Leicestershire District	17	7	7	3	0

Actions

15. it is proposed that:
- All potentially surplus assets be progressed through the disposals procedure and where no viable alternative service use is identified they be declared surplus to requirements;
 - All assets declared surplus to requirements be disposed of at best consideration, subject to the sale representing a viable marketing opportunity; and,
 - In circumstances where a sole special purchaser has been identified the asset is offered or re-offered to that purchaser at an appropriate early date.
 - Services utilising “Assets not Held” be requested to review the potential for delivering that aspect of service delivery from an alternative County Council held property.

Capital receipts

16. The estimated value of the viable marketing opportunities either being marketed or yet to be marketed amounts to the sum of £4.9 million. In respect of the properties yet to be marketed valuations and estimates of costs have been obtained in advance of marketing to ensure a surplus can be achieved.
17. Additional capital receipts would also accrue from any sales to single special purchasers.
18. In respect of those properties yet to be formally declared surplus a detailed assessment of the potential capital receipts, revenue and cost implications will be provided as an integral part of the report presented to CPSG.



Revenue Savings and Cost Avoidance

19. The revenue resource implications in respect of sales of freehold properties and surrenders of leased properties has resulted in property operating cost savings and cost avoidance resulting from repairs and maintenance and other commitments not required, as detailed in the table below

Property operating costs	£57,000
Cost Avoided	£920,000
Total savings	£977,000

Notes: The above cost savings are based on the last recorded full year's data and condition survey

Tenants are responsible for running costs in respect of let properties

Service Department Consultation

20. Service Departments have been consulted in accordance with the agreed asset challenge and disposal procedures.

Asset Challenge 2024 – 25

21. Asset challenge in 2024 – 25 will review properties in Harborough District and Hinckley and Bosworth Borough.



This page is intentionally left blank