



SCRUTINY COMMISSION – 8TH SEPTEMBER 2025

CORPORATE ASSET MANAGEMENT PLAN 2022 - 26 **ANNUAL PERFORMANCE AND STRATEGY UPDATE REPORT** **2024 – 2025**

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose of Report

1. The purpose of this report is to set out the performance achieved against the Council's Corporate Asset Management Plan during 2024-2025, outline changes in strategy and provide details of the work programmed for 2025 - 2026. The full Annual Performance and Strategy Update (the Annual Report) is appended to this report.

Policy Framework and Previous Decisions

2. The Council's Strategic Plan 2022 - 2026, approved by full 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. It sets out five strategic outcomes, namely Clean and Green, Improved Opportunities, Great Communities, Safe and Well and Strong Economy, Transport and Infrastructure.
3. The Medium Term Financial Strategy (MTFS) 2025 - 29 was approved by the County Council on 19 February 2025. This includes the allocation of resources to fund the Capital Programme up to 2028/29.
4. The Scrutiny Commission considered the Corporate Asset Management Plan (CAMP) 2022-26 in September 2022 prior to its approval by the Cabinet on 23 September 2022.
5. The CAMP is aligned with the Council's Strategic Plan and promotes the management of the Council's property assets in a way that contributes to the achievement of the five strategic outcomes and together with the MTFS supports the Council's corporate and service priorities. The CAMP includes the requirement that a performance and strategy update report be presented annually to the Scrutiny Commission.

Background

6. The CAMP outlines the framework for the future management of all the Council's property assets (including the Investing in Leicestershire Programme (IILP) direct property portfolio), for the period 2022 – 2026 driving the portfolio's future strategic direction whilst continuing to demonstrate best practice in its delivery, noting that the primary purpose of these properties is support the delivery of County Council services as efficiently and effectively as possible.
7. The CAMP aligns with the Strategic Plan which embodies and drives the 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.
8. The key ambitions of the CAMP are:-
 - To create a greener estate which is moving towards energy self-sufficiency;
 - To ensure the focus on delivering capital projects that make a positive difference is continued with projects being delivered on-time, within budget and procured in a way that achieves value for money;
 - To have well maintained, energy efficient buildings with 70% of repairs and maintenance being delivered through a planned programme; and,
 - To rationalise the portfolio through a proactively managed asset challenge process supported by governance that facilitates early decision making enabling potential benefits to be maximised.
9. Whilst the CAMP covers the four-year period to 2026, it is 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.
10. The full Annual Report which is appended to this report provides a comprehensive review of performance during the 2024-25 year, necessary to provide transparency and demonstrate that value for money is being achieved in the management of the Council's assets together with a review of strategy changes and an action plan, aligned with the MTFS, for the period to 2029.

The Portfolio

11. As of 1st April 2025, the Council's portfolio comprised a total of 716 freehold and leasehold property assets with a combined value of £519 million. Such properties range from the County Hall campus, locality offices, schools, depots, libraries, farms, offices and industrial units together with land acquired to support the roadbuilding and schools' programmes.
12. The overall number of property assets reduced by 12 from 728 in 2024 as a result of the number of disposals and leases surrendered exceeding that of additional purchases and the development of new assets.

13. The overall asset value of £519 million for 2025 represents an increase of £12million compared to the previous year (£507m). Having risen substantially in 2024, as a result of the revaluation of the IILP rural portfolio, the rise in the total value of the portfolio this year stems from a further uplift in the value of the rural estate due to the generation of 'hope value'. The revised valuation, which is a provisional figure and subject to a further review by external auditors, has been prepared by external consultants in accordance with nationally accepted valuation guidelines. Accordingly, the value of direct property assets held by the IILP rose to £223m further increasing its share of the Council's overall property portfolio to 43%.
14. There are currently 104 non-operational assets within the Council's property portfolio with a combined value of £19m, down from £21m in 2024. This reflects the continued downward trend in both the numbers and value of non-operational assets resulting from completed sales, the ongoing delivery of infrastructure and re-valuation. The split by value of these properties is as follows:
 - Land in Advance (property acquired to support infrastructure projects and future service needs) - £3m
 - Managed Assets (assets managed corporately including those previously held by services which generate income) - £6m
 - Surplus Properties (properties surplus to the needs of services being considered for disposal - £1.m
 - Land held for Sale (properties within the disposal process) - £9m
15. The MTFS 2025 – 2029 has allocated £439m of funding to support the delivery of the capital programme over the 4-year period. Of this total, projects to the value of £183m (42%) have a property input. These include the delivery of the school place programme, the IILP investment programme and the planning and delivery of major infrastructure projects. In 2025 – 2026 the proportion of property related projects represents 56% of the overall programme with a value of £87m.
16. The estimated future liabilities in respect of essential maintenance, repair and improvements required to meet Health and Safety and regulatory compliance has fallen from £53.2 million in 2023-24 to £51.1m for the whole of the Council's property portfolio despite continuing high inflation in the construction sector. £1.8m (3.5%) falls within the most urgent priority 1 category which requires issues to be addressed within 12 months. The current year's Central Maintenance Fund allocation is £3.01m.

Performance in 2024 - 25

17. The Annual Report attached as an Appendix to this report sets out in detail the overall performance of the Council's property portfolio during the 2024/25 financial year against the CAMP 2022 – 2026. This is summarised below.
18. The performance should be acknowledged as being delivered in the context of a significant number of vacancies within the Strategic Property service, which

are proving difficult to fill due to the buoyancy of the market for particular property roles. The new Head of Strategic Property will be seeking to resolve the resourcing issues.

Action Plan 2024 - 2028

19. The initial CAMP Action Plan was developed for the period 2022 – 2026 (included as an appendix to the CAMP). This was subsequently updated and extended to include up to 2028, such changes being reported to the Commission as part of the Annual Performance and Strategy Update Report 2023-24.
20. The Action Plan is divided into three sections covering the property related input to the delivery of the MTFS capital programme, the reviews and strategy updates necessary to support service delivery and improvement, plus the ongoing annual property management programme.

Capital Programme Projects

21. The Action Plan 2024 -28 detailed 38 capital programme projects which have a property related input. 24 of these projects were either due for completion during 2024-2025 or had a phase of works due for completion in that year. Of the 24 projects identified, 12 (50%) were completed on schedule; the need to reassess schemes due to changed economic conditions and services requirements coupled with planning delays being the primary causes of the remaining projects not being completed. However, it is anticipated that all such schemes will remain within budget.
22. Of the ongoing projects due for completion in future years, 71% are currently on or ahead of schedule. The following were among the projects successfully completed in 2024-25:
 - A new Primary School at South-East, Coalville
 - A new Primary School at Airfield Farm, Market Harborough
 - The planned extension of Hugglescote Primary School
 - Delivery of the final phase of Office Infrastructure as part of the Ways of Working Programme

Reviews and strategy updates

23. A programme of 14 property reviews and strategy updates, necessary to support service improvement were detailed in the Action Plan and due to be undertaken in 2024-2025. Of these 8 (57%) were completed on schedule with work on the remaining 6 ongoing and due for completion within a timescale that does not impact service outcomes.

Annual Property Management Programme

24. In respect of the Annual Property Management Programme comprising 9 equally important “business as usual” functions, the following programmes were

developed at the start of the year.

- Future development sites programme
- Asset and insurance valuations programme
- Central maintenance fund repair programme
- Condition and regulatory compliance surveys programme
- Ongoing management of all let property within the portfolio
- Freedom of information requests
- Management of traded services
- Disposals programme
- Maintenance programme and updating of the property asset management system

25. The first 8 programmes were progressed or completed satisfactorily within the year. However, the programmed maintenance and updating of the property information system is being re-evaluated not only to support ongoing work on the asset challenge and the revisions identified in 2022-23 in relation to processes and procedures but also to improve its reporting capabilities necessary to ensure the effective management of the portfolio.

Performance Indicators

26. The CAMP recognised that to deliver effective economically viable property solutions it is necessary to monitor delivery and measure its effectiveness. The CAMP put in place a set of realistic, but challenging, key performance indicators which, if achieved, would drive forward improvement year-on-year; the indicators falling within 3 main areas, namely:
- The CIPFA approved indicators in respect the condition, maintenance, sufficiency and environmental performance of the portfolio.
 - Local performance indicators relating to matters specific to the County Council such as the level of capital receipts.
 - The IILP performance indicators comparing the portfolios performance to market benchmarks.
27. Overall, as detailed in the Appendix, 16 (67%) of the 24 performance indicators assessed were achieved in 2024 - 25, a significant improvement on the 50% achieved in 2023-24. A further 2 (11%) were not achieved but showed a significant improvement in performance on the previous year with the remaining 6 (22%) failing to be achieved.
28. The improved performance was largely attributable to a slowing in the rate of inflation within the construction sector and the stabilising and later reduction in energy costs over the year.

Asset Challenge

29. One key local performance indicator was the target of completing the asset challenge in respect of a minimum of 2 local authority areas in the year. All the operational and non-operational properties within Harborough District and Hinckley and Bosworth Borough were reviewed in the year. The outcomes are detailed in Appendix A to the Annual Report attached.

Action Plan 2025 - 2029

30. The CAMP Action Plan is reviewed and refreshed annually. In response to changing economic conditions, available resources and demands on services the Action Plan 2025 – 2029 has been developed in collaboration with service departments; the Action Plan reflecting the work required to deliver the capital programme 2025/26 – 2028/29, the property reviews necessary to support future service improvement and the ongoing “business as usual” management of the portfolio.
31. The full Action Plan is detailed in the Appendix attached to this report. The following key outcomes have been identified for 2025 – 2026:
- Deliver all Services’ Capital Programme projects on time and within budget.
 - Complete the Central Maintenance Fund Works programme.
 - Meet the capital receipts target.
 - Maximise revenue income and potential cost savings.
 - Further develop the property asset management system (PAMS)

Resource Implications

32. The County Council’s financial position has been challenging for a number of years due to over a decade of austerity combined with significant growth in spending pressures, particularly from social care and special education needs. This was exacerbated by the impact of the Covid-19 pandemic and significant increases in inflation, to levels not seen for many decades. The MTFS 2025-29 projects a funding gap of £4.7m in the first year that will need to be balanced by the use of earmarked reserves. There is then a gap of £38m in year two rising to £91m in year four.
33. The four-year capital programme totals £439m. This includes investment for services, road and school infrastructure arising from housing growth in Leicestershire, the Investing in Leicestershire Programme, social care accommodation and general improvements to key assets.
34. The updated CAMP Action Plan, outlined in the Appendix highlights how the financial resources that have been allocated to the Council’s corporate property resources in the capital programme and MTFS programmes/budgets will be utilised. Delivery of individual projects detailed in the Action Plan included in the appendix attached will be considered against a clear business case methodology.

35. In order to deliver the CAMP Action Plan, in full, it is necessary for both Strategic and Operational Property Services to be fully resourced. However, at the present time there are a significant number of vacancies across the service and whilst recruitment of additional staff is being prioritised the buoyancy of the market and the limited supply of suitably qualified people are constraining the process.

Equality Implications

36. There are no direct equality implications arising from this report. Any equality implications relating to individual projects and strategies detailed within the CAMP will be considered in detail as part of their individual governance process

Human Rights Implications

37. There are no human rights implications arising from this report.

Environmental Implications

38. The CAMP 2022 – 2026 seeks to maximise the potential of the Council's assets to contribute to the delivery of the environmental improvements contained within the Strategic Plan's Clean and Green Strategic Outcome.

Background papers

County Council – 18th May 2022 – Strategic Plan (2022 – 2026)

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

County Council – 19th February 2025 – Medium Term Financial Strategy 2025/26 – 2028/29

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=7391&Ver=4>

Scrutiny Commission – 4th September 2024 – CAMP 2022 – 26 Annual Performance and Strategy Update Report 2023 – 2024

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=7445&Ver=4>

Circulation under the Local Issues Alert Procedure

None.

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Appendix

Corporate Asset Management Plan Annual Performance and Strategy update report
2024 - 2025